2021 ANNUAL REPORT

Bank of Namibia

"We are positioning the Bank as an **agile, competent and flexible institution** that discharges its mandate effectively, treats its employees with respect and **acts transparently towards the public.**"

Johannes !Gawaxab *Governor & Chairperson*

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2021, which are prepared pursuant to section 67(1) of the Bank of Namibia Act, 2020 (Act no. 1 of 2020).

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CONTENT

CORPORATE CHARTER OF BANK OF NAMIBIA

Vision

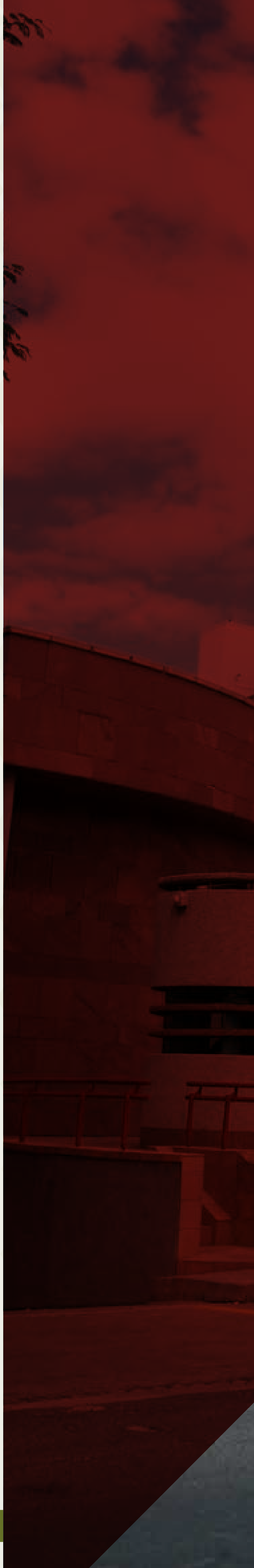
Our Vision is to be a centre of excellence and a professional and credible institution working in the public interest and supporting the achievement of national economic development goals

Mission

- Support economic growth and development in Namibia by acting as fiscal advisor and banker to the Government;
- Promote price stability;
- Manage reserves and currency;
- Ensure sound financial systems; and
- Conduct economic research.

Our Values

- We speak our hearts, we deliver as a team,
- We do the right things right, we work smarter,
- We value our differences, and
- We help each other to grow.



MESSAGE FROM THE GOVERNOR

This Annual Report is prepared in accordance with Section 67(1) of the Bank of Namibia Act (No. 1 of 2020). *The report outlines the governance of the Bank of Namibia (hereinafter "the Bank"), reviews global and domestic economic and financial developments, and presents the banking supervision report, the audited financial statements and key achievements of the Bank in 2021.*

Mr Johannes !Gawaxab
Governor & Chairperson

The ongoing COVID-19 pandemic presented exceptional challenges, resulting in constrained economic recovery and sluggish growth. Despite the rebound of the global economy, Namibia's growth remained sluggish. Various waves of the pandemic, including the emergence of the Omicron variant late in the year, curtailed the anticipated rebound in 2021. Inflation picked up globally, primarily due to continued supply disruptions, rising global energy prices, and pervasive uncertainty. As a policy response, central banks globally began to scale back some of the ultra-stimulatory monetary policy measures of the recent past.

Notwithstanding the challenging international environment, the Namibian economy recorded a modest rebound in 2021 and recovered some of the ground lost in 2020. Following a record contraction of 7.9 percent in 2020, the Namibian economy is estimated to have expanded by 2.4 percent in 2021, aided by supportive macroeconomic policies. This recovery was driven by mining and quarrying, coupled with positive real value addition in the wholesale and retail trade, hotels and restaurants, and information and communication sectors. The expansion is also ascribed largely to base effects, following a sharp contraction in 2020 as a result of severely restrictive measures imposed in the previous year to help prevent the spread of the COVID-19 virus.

Namibia's headline inflation rate rose during 2021 but remained well contained. Rising from 2.2 percent in 2020, headline inflation averaged 3.6 percent during 2021, driven by increases in the transport, housing and food categories. The increases were largely caused by rising international oil prices, global supply disruptions, and low base effects.

During 2021, the Bank maintained an accommodative monetary policy stance to mitigate the adverse effects of the COVID-19 pandemic on the domestic economy. The Bank kept the repo rate unchanged at 3.75 percent at all six Monetary Policy Committee (MPC) meetings held during the year. This was the lowest level since the country's independence in 1990. The monetary policy stance was adopted to support the struggling economy, while safeguarding the exchange rate peg arrangement.

Despite the accommodative monetary policy stance, domestic monetary conditions remained weak in 2021. Growth in broad money supply (M2) remained weak due to lower domestic demand and subdued domestic economic activity. Similarly, growth in private sector credit extension (PSCE) slowed during 2021, mainly due to lower uptake by both households and businesses.

In addition to the prevailing accommodative monetary stance, the Bank continued to provide relief to the banking sector and its customers through a range of other measures. The Bank retained the main measures implemented in 2020, including forbearance in regulatory requirements to provide relief to struggling households, businesses and banking institutions to deal with impaired loans and support lending to the real economy. Moreover, other relief measures, such as the relaxation of the capital conservation buffer and postponement of the concentration risk limit / single borrower limit, were extended. In the Bank's view, the early removal of these measures could undermine the fragile recovery and thereby worsen the deterioration in asset quality.

Despite a strained economic environment, Namibia's banking sector remained profitable, liquid and resilient. The banking sector remained profitable and held adequate levels of capital to cushion against possible shocks to the economy. The sector's profitability as measured by the return on equity increased to 13.6 percent in 2021, from 10.9 percent in 2020, while the capital position remained healthy, with the capital adequacy ratio remaining above the statutory minimum requirement, and in fact increasing slightly in 2021 compared to 2020. On the other hand, asset quality, measured in the level of non-performing loans (NPLs), deteriorated further in 2021, especially in the third quarter of the year, when it peaked at 6.9 percent, though it tapered slightly towards the end of the year to 6.4 percent. This NPL ratio level exceeded the crisis benchmark of 6.0 percent and requires close monitoring.

Similarly, in fulfilling its oversight mandate of ensuring that the financial system is sound and stable, the Bank assessed the non-bank financial institutions sector to still be sound. The non-bank financial industry's assets increased by 2.0 percent during 2021, driven mainly by market returns from pension funds and new business from long-term insurance and collective investment schemes. There are concerns regarding the stagnation in contributions received, which is largely a result of the impact of the pandemic on the labour market. Despite this challenge, there is some comfort in the fact that the return on investments recorded a 4.0 percent growth rate during the period under review and thus assisted in covering the setback identified above. The long-term insurance sector remained solvent, with sound reserves and net premiums sufficiently covering claims. The Macroprudential Oversight Committee will continue to closely monitor these developments going forward.

Namibia's external current account deteriorated in 2021 due to a significant increase in the merchandise trade deficit and a decrease in secondary income inflows. The merchandise trade deficit worsened due to a significant rise in import payments and only marginal growth in export receipts, while lower SACU receipts also contributed to the deterioration of the current account in 2021 to deficit of 9.1 percent of GDP, compared to a surplus of 2.8 percent registered in 2020. Despite redeeming a US$500 million Eurobond during 2021, Namibia's stock of foreign exchange reserves increased notably to cover about 6.4 months of the country's imports at the end of 2021, compared to 5.1 months a year earlier. The international reserves thus remained sufficient to meet the external obligations of the country and to provide confidence in the domestic economy. The increase in international reserves during 2021 were supported by inflows from the International Monetary Fund (IMF) Rapid Financing Instrument and an African Development Bank (AfDB) loan, as well as an allocation of Special Drawing Rights (SDRs) by the IMF later in the year. In terms of competitiveness, the Real Effective Exchange Rate (REER) appreciated on an annual basis, signalling a decline in the competitiveness of Namibia's products in international markets.

The COVID-19 pandemic interrupted measures to restore the fiscal balance and thereby worsened the public debt trajectory. The Central Government budget deficit for 2021/22 is estimated to have widened to 8.7 percent of GDP, compared to 8.0 percent of GDP registered during the previous fiscal year. The widening of the deficit was mainly due to lower SACU receipts in the wake of the COVID-19 pandemic, coupled with a fall in company tax collections. In addition, the debt stock of the Central Government increased over the year to the end of December 2021.

During 2021, the Bank of Namibia continued to modernise the National Payment System (NPS). The Bank issued the Financial Technology (FinTech) Regulatory Framework in response to accelerated innovation in the FinTech sector. This Framework will enable FinTechs to develop, test and deploy financial services and products that promote efficiency and enhance financial inclusion in the domestic economy. The NPS remained secure and effective, with a fraud safety index indicator below the Bank's target of 0.05 percent. In terms of facilitating trade, EFT and card payment transactions increased in 2021, reflecting NPS efficiency and reliability and the public's confidence in these payment instruments. Regionally, the Bank continued to be a significant participant in the SADC Real-Time Gross Settlement System (SADC-RTGS), with Namibian banks' transactions accounting for 29 percent of the total R1 317 billion settled in the SADC-RTGS.

The Bank has demonstrated its resilience amidst continued challenges posed by the COVID-19 pandemic. During 2021, the Bank continued with its programmes and operations with minimal interruptions, while prioritising and safeguarding the health of its staff. Essential support was provided to staff members to enable them to work from home without compromising their productivity and output.

It is particularly pleasing to note that the Bank delivered on the promises made in the 2017–2021 Strategic Plan, which concluded during the year under review. In 2021, the Bank successfully concluded activities of the previous 5-year Plan, an account of which is given in this Annual Report. Following the expiration of that Plan, the Bank's New Strategic Plan, covering the period 2022–2024, was publicly launched on 1st December 2021. The new plan will provide a solid foundation for the Bank to build its monetary policy mandate and contribute towards financial stability that is conducive to sustainable economic development. At the core of the plan lies a shared Vision for the Bank, incorporating a new Mission Statement: "To support sustainable economic development through effective monetary policy and an inclusive and stable financial system for the benefit of all Namibians". Moreover, the Bank aspires to be a leading, future-fit central bank committed to a prosperous Namibia.

Digital Transformation has been identified as a key enabler for the Bank's new Strategic Plan. To effect the Bank's digital transformation agenda, a Digital Transformation and Innovation Committee was established in 2021 to identify, investigate and drive digital innovations and disruptive technologies critical to the mandate, role, and operations of the Bank. The Digital Transformation and Innovation Committee is comprised of staff of the Bank and will facilitate cost-effective solutions and promote environmentally friendly operations in the Bank.

Despite the low interest rate environment that persisted in 2021, the Bank recorded a higher surplus in 2021 than in 2020 and declared a record high dividend. The higher surplus recorded in 2021 was largely on account of capital gains realised from foreign reserve assets and cost containment measures implemented by the Bank. As a result, the Bank declared a dividend of N$413.7 million to the Government, compared to N$278.2 million declared in 2020. In this connection, the Board, in consultation with the Minister of Finance, decided to use a portion of the dividend as further seed capital for the newly created Sovereign Wealth Fund (the Welwitchia Fund).

As a responsible corporate citizen, the Bank undertook various engagements in line with its social responsibility to support development and social empowerment goals. In this regard, the Bank continued with its bursary scheme for undergraduate and postgraduate studies, with 37 bursaries awarded in 2021. A total of 165 bursaries have been awarded since 2003, with female students constituting 60 percent of the beneficiaries. Similarly, the Bank continued with its Graduate Accelerated Programme, which provides exposure to graduates in core mandates and functions of central banking. Moreover, the Bank made donations in support of the Government's interventions to fight COVID-19 through the construction of an oxygen generating plant at Katima Mulilo State Hospital in Zambezi Region, the refilling of oxygen supplies at the existing plant at Rehoboth State Hospital in Hardap Region, and the provision of essential equipment in several hospitals countrywide.

Looking forward, Namibia needs to map out strategies for the post-COVID-19 era to drive economic recovery. The new plan must vigorously pursue economic diversification, improve productivity and competitiveness, and enhance resource allocation to productive sectors. Namibia must raise the momentum of COVID-19 vaccine uptake to increase herd resistance. The Bank stands ready and is committed to delivering monetary, price and financial stability while navigating the elevated energy prices and continued supply disruptions from the global economy, now also complicated by increased geopolitical tensions and military action. As fiscal advisor, the Bank is committed to practical advice on implementing structural reforms, improving fiscal sustainability and accelerating Namibia's recovery to sustainable growth.

The Board, the staff and our stakeholders played invaluable roles in the Bank's ability to deliver on its mandate. I want to thank the Board of the Bank for their meaningful insight, stewardship and support. I am equally grateful to the staff and our stakeholders for productive engagement in 2021, despite it being a difficult year. We must never let our guard down.

I look forward to working with the Board, my colleagues at the Bank and all our stakeholders in pursuance of the new Bank's Vision and Mission. COVID-19 is still in our midst, and its effects will linger on. This will require us to strengthen our resilience and commitment to maintaining and enhancing financial stability for sustainable economic development in Namibia.

Johannes !Gawaxab
Governor
31 March 2022


N$20
N$50
N$10

Part A:
Operations and Affairs of the Bank

ORGANISATIONAL STRUCTURE OF THE BANK OF NAMIBIA

Members Of The Board

As At 31 December 2021

Mr Johannes !Gawaxab

Governor of the Bank of Namibia | Chairperson of the Board

TERM
Incumbent since June 2020
Renewed until 31 December 2026

QUALIFICATIONS
- Master of Arts (MA) (Graduate Business School, Kingston)
- Bachelor of Arts (BA) and Master of Business Leadership (University of South Africa (UNISA)
- Certificate in Global Leadership (London School of Business)
- Advanced Management Program (Harvard Business School)

YEARS OF EXPERIENCE
44

EXPERTISE
- Financial Services
- Finance
- Financial Economics
- Investments
- Governance

Mr Ebson Uanguta

Deputy Governor of the Bank of Namibia | Executive Member of the Board

TERM
Incumbent since 1 January 2012
Previous term ended 31 December 2021.
Renewed until 31 December 2026

QUALIFICATIONS
- Master of Science (MSc) in Economic Policy Analysis (Addis Ababa University (AAU))
- Bachelor of Economics (University of Namibia (UNAM)
- Advanced Management Program (Harvard Business School)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (University of Stellenbosch (US)
- Project Management Programme (US)

YEARS OF EXPERIENCE
25

EXPERTISE
- Economic policy research
- Central banking
- Public policy
- Leadership and corporate governance

Ms Ericah Shafudah

Executive Director of the Ministry of Finance | Ex officio Member of the Board

TERM
Incumbent since 3 April 2010
Retired 1 August 2021

QUALIFICATIONS
- MSc Ed (Mathematics)
- MSc Biostatistics
- MSc in Leadership and Change Management
- Diploma in Accounting and Finance
- Advanced Management Program (Harvard Business School)

YEARS OF EXPERIENCE
25

EXPERTISE
- Accounting
- Finance
- Public policy
- Governance

Adv. Charmaine van der Westhuizen

Non-Executive Member of the Board | Member of the Audit Committee
Member of the Remuneration Committee

TERM
Incumbent since 30 May 2012
Current term ends 31 January 2023

QUALIFICATIONS
- Master of Business Administration (MBA) (cum laude) (US)
- LLB (US)

YEARS OF EXPERIENCE
18

EXPERTISE
- Commercial and related litigation
- Arbitration
- Leadership development
- Corporate governance

Ms E. Shangeelao Tuyakula Haipinge

Non-Executive Member of the Board | Member of the Remuneration Committee

TERM
Incumbent since 18 July 2014
Current term ends 31 December 2023

QUALIFICATIONS
- MBA Corporate Strategy and Economic Policy (Maastricht School of Management, The Netherlands)
- Diploma in Personnel Management (Polytechnic of Namibia / Namibia University of Science and Technology (PoN/NUST)
- Specialised Training in Senior Management Development Programme (US)
- Project Management Estara Skills Development (Bloemfontein, SA / Namibia)
- Driving Government Performance (Harvard-KSG)
- Leadership, Innovation, and Change Management (US NIPAM)
- Commonwealth Advanced Online Training Programme in Government Performance Management System (Obtained Award for Excellence)

YEARS OF EXPERIENCE
29

EXPERTISE
- Strategic human resources management
- Training and development
- Course facilitation
- Strategic planning
- Policy formulation
- Performance management

Mr Apollus Christiaan Baisako

Non-Executive Member of the Board | Chairperson of the IT Governance Committee

TERM
Incumbent since 1 February 2019
Current term ends 31 January 2023

QUALIFICATIONS
- MSc Information Systems Engineering (University of Manchester, UK)
- BSc Computer Science and Mathematics (UNAM)

YEARS OF EXPERIENCE
27

EXPERTISE
- Leadership
- Information technology

Mr Ehrenfried Meroro

Non-Executive member of the Board | Member of the Audit Committee
Chairperson of the Remuneration Committee | Member of the IT Governance Committee

TERM
Incumbent since 1 February 2019
Current term ends 31 January 2023

QUALIFICATIONS
- MSc Economics (A & T State University, North Carolina, USA)
- BSc Economics (A & T State University, North Carolina, USA)
- Economic Analysis of Structural Adjustments (Word Bank)
- Financial Programming and Analysis (IMF)
- Senior Management Programme (US)
- Advanced Course for Research Economists (Switzerland)
- Risk Management Training (Intuition Web)

YEARS OF EXPERIENCE
30

EXPERTISE
- Risk management
- Economic policy research
- Currency management
- Banking regulation

Mr Fanuel Tjivau *Deceased

The Bank's Senior Management Team

As At 31 December 2021

Mr Johannes !Gawaxab

Governor of the Bank of Namibia | Monetary Policy Committee (MPC) member

QUALIFICATIONS
- Master of Arts (MA) (Graduate Business School, Kingston)
- Bachelor of Arts (BA) and Master of Business Leadership (University of South Africa (UNISA)
- Certificate in Global Leadership (London School of Business)
- Advanced Management Program (Harvard Business School)

YEARS OF EXPERIENCE
44

EXPERTISE
- Financial Services
- Finance
- Financial Economics
- Investments
- Governance

Mr Ebson Uanguta

Deputy Governor of the Bank of Namibia | MPC member

QUALIFICATIONS
- Master of Science (MSc) in Economic Policy Analysis (Addis Ababa University (AAU))
- Bachelor of Economics (University of Namibia (UNAM)
- Advanced Management Program (Harvard Business School)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (University of Stellenbosch (US)
- Project Management Programme (US)

YEARS OF EXPERIENCE
25

EXPERTISE
- Economic policy research
- Central banking
- Public policy
- Leadership and corporate governance

Ms Leonie Dunn*

Director: Financial Intelligence Centre

QUALIFICATIONS
- M Banking (UL)
- LLB (US)
- Admitted Legal Practitioner of the High Court and the Supreme Court of Namibia
- Women in Leadership Development (US)
- International Executive Development Programme (WBS/LBS)
- International Leaders Programme (Her Majesty's Foreign and Commonwealth Office, UK)

YEARS OF EXPERIENCE
23

EXPERTISE
- Commercial, Civil, Administrative, criminal law and Public International Law
- Financial services regulation
- Financial market integrity
- Policy and legislative development and implementation
- Anti-money laundering / counter-terrorism financing / counter-proliferation financing CPF compliance, monitoring, supervision, administrative enforcement and strategic analyses establishment
- Financial intelligence unit strategic leadership
- Central Banking Executive Leadership

**Appointed as Deputy Governor as from the 1st January 2022.*

Ms Florette Nakusera
Director: Research and Financial Stability | MPC member

QUALIFICATIONS
- MComm Economics (US)
- Hons. BComm Economics (US)
- BComm (UNAM)
- Executive Development Programme (US)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
23

EXPERTISE
- Macroeconomic policy
- Economic research and statistics
- Central banking
- Finance
- Strategic management
- Leadership and corporate governance
- Environmental economics and policy

Mr Emile van Zyl
Technical Advisor to the Governor | MPC member

QUALIFICATIONS
- MComm Economics (University of Pretoria (UP))

YEARS OF EXPERIENCE
37

EXPERTISE
- Economics
- Banking
- Financial markets

Mr Kuruvilla Mathew
Senior Advisor to the Governor

QUALIFICATIONS
- MSc Accounting (University of Glamorgan, UK)
- Chartered Certified Accountant (Fellow Member of the Association of Chartered Certified Accountants (FCCA), UK)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
32

EXPERTISE
- Financial management
- Management accounting
- Financial reporting
- Procurement
- Facilities and asset management

Ms Lea Namoloh
Director: Human Resources

QUALIFICATIONS
- MBA (Maastricht University, Netherlands)
- MEd (UNAM)
- BEd (Honours), Bristol UK
- International Executive Development Programme (University of the Witwatersrand)
- Diploma in Teaching English as a Foreign Language (University of Edinburgh)
- Certificate Board of Directors (US)

YEARS OF EXPERIENCE
28

EXPERTISE
- Human resources management
- Project management
- Currency management
- Banking services
- Strategic leadership

Mr Romeo Nel
Director: Banking Supervision

QUALIFICATIONS
- M Banking (UL)
- BEcon (UNAM)
- P/G Intermediate Certificate Accountancy (University of KwaZulu-Natal)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
29

EXPERTISE
- Customs and excise
- Finance
- Financial Analysis
- Compliance Management
- Banking regulation
- Risk management
- Strategy and Corporate Governance

Mr Bryan Eiseb
Director: Exchange Control and Legal Services

QUALIFICATIONS
- LLM Corporate Law (UNISA)
- LLB Hons (UNAM)
- BJuris (UNAM)
- Diploma in Police Science (NUST)
- Legal Practitioner of the High Court of Namibia
- Certificate Senior Management Development (US)
- Certificate International Executive Development (WBS/LBS)
- Certificate Central Bank Governance (Deutsche Bundesbank)
- Certificate Digital Leadership (Deloitte Leadership)
- Certificate Leadership in Corporate Legal Counsel (Harvard Law School)

YEARS OF EXPERIENCE
32

EXPERTISE
- Corporate law
- Banking law
- Corporate governance
- Criminal investigations
- Corporate security management
- Exchange control administration
- Currency Production

Ms Barbara Dreyer
Director: Payment and Settlement Systems

QUALIFICATIONS
- MBA (SMC University)
- MEd (State University of New York – Buffalo)
- BA Hons and BEd (UWC)
- P/G Diploma Social Science Research Methods (US)
- P/G Diploma Higher Education (UWC)
- Fellow at the Fletcher School Leadership Program for Financial Inclusion (2013) (Tufts University, Boston, MA)
- International Executive Development Programme (Wits, LBS)

YEARS OF EXPERIENCE
30

EXPERTISE
- Payment systems strategy
- Payment systems risk management
- Payment systems policy and regulation development and implementation
- Corporate governance
- Human resources management strategy
- Remuneration strategy and organisation development
- Strategic management and leadership
- Knowledge management

Mr Marsorry Ickua
Director: Information Technology

QUALIFICATIONS
- MSc Information Systems Management (University of Liverpool, UK)
- Diploma PC Support (Boston City Campus, SA)
- Diploma Business Computing (SA)
- Management Development Programme (US)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
19

EXPERTISE
- Information technology, strategy, and governance
- Technology innovation
- Programme management
- Information technology security management
- Resource planning and Information Technology (IT) risk
- Disaster recovery and business continuity management

Mr Nicholas Mukasa

Director: Financial Markets | MPC member

QUALIFICATIONS

- Bachelor of Business Administration (UNAM)
- Chartered Financial Analyst, (CFA)
- Senior Management Development Programme (US)
- Postgraduate Diploma Financial Management (Heriot Watt)

YEARS OF EXPERIENCE

19

EXPERTISE

- Portfolio management
- Financial analysis
- Asset valuation
- Capital markets
- Reserves management
- Risk management

Dr Emma Haiyambo

Director: Strategic Communications and Financial Sector Development | MPC member

QUALIFICATIONS

- PhD Development Finance (US)
- MSc Financial Economics (University of London)
- M International Business (PoN/NUST)
- P/G Diploma in Financial Economics (University of London)
- BEcon (UNAM)
- Diploma in Public Administration (PoN/NUST)
- Fellow at the Fletcher School Leadership Program for Financial Inclusion (2017), Tufts University, Boston, MA
- Certified Expert in Financial Inclusion Policy (Frankfurt School of Finance and Management)
- International Executive Development Programme (WBS/LBS)
- Management Development Programme (US)

YEARS OF EXPERIENCE

25

EXPERTISE

- Macroeconomic research and statistics
- Financial sector development
- Development finance
- Project management
- Strategic planning and management
- Corporate governance

Ms Sencia Kaizemi-Rukata

Director: Banking Services

QUALIFICATIONS

- MComm Business Management (cum laude) (UNISA)
- Hons BComm Business Management (UNISA)
- BComm with specialisation in Human Resources Management (UNISA)
- National Diploma Commerce (NUST)
- National Secretarial Certificate (NUST)
- Specialised training in Foundational Payment Systems (Payments Association of South Africa)
- Specialised training in Banknote Production, Joh Enschede, Netherlands
- Senior Management Development Programme (US)

YEARS OF EXPERIENCE

24

EXPERTISE

- Commercial and Central Banking
- Currency Management
- Banking Services
- Strategic Payment Systems Management
- Leadership and Corporate Governance

Ms Johanna Iiyambula

Director: Finance and Administration

QUALIFICATIONS

- Bachelor of Accounting (UNAM)
- BCompt (Honours) CTA (UNISA)
- Qualified Chartered Accountant (ICAN & SAICA)
- Management Development Programme (USB)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE

21

EXPERTISE

- Financial accounting and reporting (International Financial Reporting Standards)
- Management accounting
- Financial management
- Auditing
- Indirect tax (VAT)

Ms Magreth Tjongarero
Head: Risk Management and Assurance

QUALIFICATIONS
- BAcc (UNAM)
- International Executive Development Programme (WBS/LBS)
- ISO22301:2012 Business Continuity Management Systems: Lead Implementer

YEARS OF EXPERIENCE
21

EXPERTISE
- Auditing
- Credit risk auditing
- Risk management
- Business continuity

Management Structure

As at 31 December 2021

- **Governor** – Johannes !Gawaxab
  - **Deputy Governor** – Ebson Uanguta
    - **Director of Information Technology** – Marsorry Ickua
      - *Deputy Director: Business Systems* – Martha Dama
      - *Deputy Director: IT Infrastructure* – Paulus Tshiningayamwe
    - **Director of Payment and Settlement Systems** – Barbara Dreyer
      - *Deputy Director: NISS Operations & Projects* – Peter Nghinyotwa
      - *Deputy Director: Oversight, Policy & Research* – Candy Ngula
    - **Director of Finance & Administration** – Johanna Iiyambula
      - *Deputy Director: Financial Administration* – John Amakali
      - *Deputy Director: Procument and Facilities Management* – David Kambinda
      - *Deputy Director: Treasury* – Vernon Louw
    - **Director of Banking Services** – Sencia Kaizemi-Rukata
      - *Deputy Director: Currency & Banking* – Cindy Fillipus
      - *Deputy Director: Protection Services* – Johannes Asino
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Onsite Examination* – Ancois Plaatje
      - *Deputy Director: Policy & Regulations* – Elifas Kamati
      - *Deputy Director: Off-site Analysis* – Imanuel Hawanga
    - **Director: Exchange Control & Legal Services** – Bryan Eiseb
      - *Deputy Director: Legal Services & Contract Management* – Tulonga Nakamhela
      - *Deputy Director: Exchange Control* – Penelao Kapenda
  - **Director of Strategic Comm. & Financial Sector Development** – Emma Haiyambo
    - *Deputy Director: Corporate Communications* – Israel Zemburuka
  - **Director of Financial Intelligence Centre** – Leonie Dunn
    - *Deputy Director: Investigations & Analysis* – Gerrit Eiman
    - *Deputy Director: Legal, Policy, Regulation & Enforcement* – Zenobia Barry
    - *Deputy Director: Compliance, Monitoring, Supervision & Strategic Analysis* – Kristian Hamutenya
  - **Director of Research & Financial Stability** – Florette Nakusera
    - *Deputy Director: Macro Models & Financial Stability* – Postrick Mushendami
    - *Deputy Director: Policy Research & International Affairs* – Erwin Naimhwaka
    - *Deputy Director: Macroeconomic Statistics and Analysis* – Sanette Schulze Struchtrup
  - **Director of Financial Markets** – Nicholas Mukasa
    - *Deputy Director: Investments & Domestic Markets* – Helvi Fillipus
    - *Deputy Director: Compliance and Risk Analytics* – (Vacant)
  - **Director of Human Resources** – Lea Namoloh
    - *Deputy Director: HR Admin & Employee Relations* – Theopoline Veii
    - *Deputy Director: OD & Training* – Shirene Bampton
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Head of Risk Management and Assurance** – Magreth Tjongarero
  - **Senior Advisor to the Governor** – Kuruvilla Mathew

GOVERNANCE

OBJECTIVES AND ACCOUNTABILITY OF THE BANK

The Bank of Namibia is the central bank of the Republic of Namibia, created under Article 128(1) of the Namibian Constitution. The Constitution mandates the Bank of Namibia ("the Bank") to serve as the principal instrument of the Government of the Republic of Namibia ("the Government") to control money supply, the currency and banking institutions, and any other financial institutions. The objectives of the Bank as defined in the Bank of Namibia Act (No. 1 of 2020) are, inter alia:

- to promote and maintain a sound monetary, credit and financial system in Namibia and sustain the liquidity, solvency, and functioning of that system;
- to promote and maintain internal and external monetary stability and an efficient payment mechanism;
- to foster monetary, credit and financial conditions that are conducive to the orderly, balanced and sustained economic development of Namibia;
- to serve as the Government's banker, financial advisor and fiscal agent; and
- to assist in the attainment of national economic goals.

In addition, the Bank fulfils other key functions as defined in other Acts, including:

- the Banking Institutions Act (No. 2 of 1998), as amended, which empowers the Bank to regulate and supervise banking institutions;
- the Payment System Management Act (No. 18 of 2003), as amended, which provides for the management, administration, operation, regulation, oversight and supervision of payment, clearing and settlement systems in Namibia, as well as for incidental matters;
- the Financial Intelligence Act (No. 13 of 2012), as amended, which obliges the Bank to provide administrative services to the Financial Intelligence Centre of the Republic of Namibia;
- the Currency and Exchanges Act (No.9 of 1933), as amended, which regulates exchange control in Namibia; and
- the Deposit Guarantee Act (No. 16 of 2018), which obliges the Bank to provide certain administration and support services to the Deposit Guarantee Authority.

In line with section 3(b) of the Bank of Namibia Act, the Bank performs its functions independently, subject to regular consultation with the Minister of Finance. The relationship between the Government, as sole shareholder, and the Bank is broadly defined in the Act. The Bank's specific obligations are clearly defined in a Memorandum of Understanding entered into between the Ministry of Finance and the Bank. The Memorandum covers the terms and conditions of banking services rendered to the Government, public debt management arrangements, and the nature and frequency of consultations. The Minister of Finance and the Governor of the Bank also hold regular consultations on relevant matters.

The 2020 Bank of Namibia Act incorporates a range of stipulations relevant to up-to-date central banking. The new Act repealed the Bank of Namibia Act (No. 15 of 1997) and the Bank of Namibia Amendment Act (No. 11 of 2004). In terms of the new Act, the Bank is explicitly entrusted with responsibility for macro-prudential oversight, including the establishment of a Financial System Stability Committee.

CORPORATE CHARTER

Apart from its statutory mandate, the Bank's actions and the manner in which it carries out its mandate are guided by its Mission Statement and Vision Statement, as detailed in its Corporate Charter. The Bank's Vision portrays the desired state of the Bank with respect to how the institution would like to carry out its Mission. The Mission defines the fundamental purpose of the Bank, describing why it exists and the importance of achieving the Vision. The Bank's Values express the essence of the culture and beliefs that are shared among its stakeholders. The Values drive the Bank's culture and articulate the code of conduct that guides the Bank in mobilising all its resources in pursuit of its Mission and Vision. All the Bank's stakeholders are expected to conform to and identify with these standards and principles relating to ethical behaviour and excellence. The Charter strives to promote a sense of shared expectations among all levels and generations of employees regarding the Mission, the Vision, and standards of ethical behaviour.

STRATEGIC OBJECTIVES 2017–2021

The Bank's Strategic Objectives are linked to its Mission and functional priorities. Eight principal objectives are derived from the Mission and Vision and reflect the Bank's desire to meet its statutory mandate. The Strategic Objectives essentially refer to what the Bank aspires to achieve. The Strategic Objectives are to:

- safeguard and enhance financial stability;
- promote price stability;
- manage reserves prudently;
- provide currency, Government debt issuance and banking services;
- promote a positive reputation;
- promote financial sector development;
- enhance the Bank's contribution towards sustainable economic growth; and
- optimise organisational efficiency and cost-effectiveness.

Measurable strategies are designed with clear outcomes to achieve the eight Strategic Objectives. Thus, to ensure successful Strategic Plan implementation, the Strategic Objectives have been dissected into areas of concentration, with clear and measurable targets. The Directors of the various departments report biannually on progress in their areas of concentration and the achievement of their targets. The entire Strategic Plan is reviewed and refreshed annually. It is therefore important not only to design strategies that can be engaged in pursuit of these objectives, but also to clearly describe the strategic outcomes that would reveal whether a particular objective has been met. To promote ownership of the Strategic Plan and to attain performance excellence, the areas of concentration are rolled out across the board through a Performance Management System. Individual performance goals are crafted for each employee, and performance progress is evaluated by means of performance appraisals. The section titled "The Year in Review" in this report explains the activities and progress under each of the eight Strategic Objectives during the review period. As the current strategy is coming to an end, a new plan will be implemented as from 2022.

ACCOUNTABILITY

The Bank is committed to good governance practices and accountability to the public. It is of paramount importance that the Bank always remains accountable to the public at large by adhering to sound corporate governance principles. Relevant legislation and the Bank's Corporate Charter and Strategic Plan are amongst the tools that guide the Bank in living up to the standards of good governance. The Bank also strives to be transparent by putting in place a concrete communication strategy that enables open and clear expression of why and how the Bank acts as it does. The aspects of good governance that the Bank is committed to meet include:

- being responsible, respected, trustworthy, and credible;
- being accountable to its shareholders and the Namibian people;
- demonstrating an exceptionally high degree of integrity;
- ensuring that its actions and policies are efficient, effective, and transparent;
- maintaining professionalism and excellence in the delivery of its services; and
- being flexible and forward-looking in its approach, while still avoiding undue risks.

THE GOVERNOR

The Governor serves the Bank as its Chief Executive Officer and is accountable to the Board for the management of the Bank and the implementation of its policies. The Governor also represents the Bank in its relations with the Government and other institutions. In most other matters, comprehensive and Board-approved delegations of power are in place to enable the Governor and his delegates to carry out their duties related to the implementation of policies. Ordinarily, the Governor is appointed for a five-year term. The Act sets specific criteria for the appointment, reappointment, and dismissal of a Governor. The current incumbent, Mr. Johannes !Gawaxab, was reappointed for a five-year term, effective from 1 January 2022 to 31 December 2026.

THE BOARD OF THE BANK OF NAMIBIA

The Board is responsible for the policies, internal controls, risk management and general administration of the Bank. In addition to their typical fiduciary duties, Board members are also charged with many high-level responsibilities directly related to the policies and operations of the Bank, including approving the licensing of banking institutions and ensuring the prudent management of international reserves. In addition, the Board is responsible for approving the Bank's financial statements and annual budget, promoting effective corporate governance practices, and monitoring internal controls and risk management frameworks.

The Bank's Board members are appointed by the President of the Republic of Namibia. They consist of executive members, one ex officio member (non-executive), and a minimum of five and a maximum of six further non-executive members. The Governor (Chairperson) and the Deputy Governors are the executive members, while the Executive Director of the Ministry of Finance is the ex officio member. In addition, not less than five but not more than six non-executive members of the Board are appointed in line with requirements.

The Board meets regularly (at least four times a year) with the main purpose of overseeing and monitoring the Bank's finances, operations and policies. During 2021, four ordinary and three special Board meetings were held. Table A.1 below sets out the dates of Board meetings and the attendance of members during 2021.

TABLE A.1 FREQUENCY AND ATTENDANCE OF BOARD MEETINGS, 2021

BOARD MEMBER	11 MARCH	28 MAY	01 SEPTEMBER	15 OCTOBER (SPECIAL)	18 NOVEMBER (SPECIAL)	26 NOVEMBER	09 DECEMBER (SPECIAL)
Mr J. !Gawaxab Chairperson	✓	✓	✓	×	×	✓	×
Mr E. Uanguta	✓	✓	✓	✓	✓	✓	×
Ms E. Shafudah*	✓	×	R	R	R	R	R
Ms E. Haipinge	×	✓	✓	✓	✓	✓	✓
Adv C. van der Westhuizen	✓	×	✓	✓	×	✓	✓
Mr A. Baisako	✓	✓	✓	✓	✓	✓	✓
Mr F. Tjivau**	✓	✓	D	D	D	D	D
Mr E. Meroro	✓	✓	✓	✓	✓	✓	✓

✓ = attended; × = apology; D = Deceased; R= Retired

*Ms E. Shafudah retired in August 2021 and will be replaced by the newly appointed Executive Director of the Ministry of Finance.

**A Chartered Accountant who previously served as the Bank's Audit Committee Chairperson was engaged as a Consultant to fill any skills gap.

The Board delegates certain functions to its sub-committees (the IT Governance Committee, the Audit Committee, and the Remuneration Committee), which are important elements of the Bank's sound corporate governance structure. All three sub-committees have been established through formal terms of reference and report to the Board. The Board can assure stakeholders that the sub-committees held several meetings during the period under review and that they met their respective obligations in all material respects.

The IT Governance Committee (ITGC) was established to assist the Board in discharging

IT-related duties and responsibilities. The purpose of the Committee is to perform a strategic oversight role to ensure alignment of the IT strategy with the Bank's strategy through the approval, prioritisation and monitoring of strategic IT projects and initiatives for value creation, risk mitigation and resources assessments.

The ITGC is comprised of three non-executive Board members, and its meetings are held quarterly. The dates of the ITGC meetings and the attendance of members during 2021 are set out in Table A.2.

TABLE A.2 DATES AND ATTENDANCE OF ITGC MEETINGS, 2021

IT GOVERNANCE COMMITTEE MEMBER	25 FEBRUARY	20 MAY	19 AUGUST	09 NOVEMBER
Mr. C. Baisako (Chairperson)	✓	✓	✓	✓
Mr E. Meroro	✓	✓	✓	✓
Mr. F. Tjivau	✓	✓	D	D

The Audit Committee is responsible for evaluating the adequacy and efficiency of the Bank's corporate governance practices, including its internal control systems, risk control measures, accounting standards, and auditing processes. Three independent non-executive Board members currently serve as members of the Audit Committee, whose meetings are also attended by the Bank's Deputy Governor, Director: Finance, and Head of Risk Management and Assurance; the external auditors; and relevant staff members. In general, the Audit Committee is responsible for considering all audit plans and the scope of external and internal audits to ensure that the coordination of audit efforts is optimised. The Audit Committee is also required to introduce measures to enhance the credibility and objectivity of financial statements and reports prepared regarding the affairs of the Bank, and to enhance the Bank's corporate governance, with emphasis on the principles of accountability and transparency. Table A.3 below sets out the dates of the Audit Committee meetings and the attendance of the Bank's members during 2021.

TABLE A.3 DATES AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS, 2021

AUDIT COMMITTEE MEMBER	26 FEBRUARY	09 MARCH	21 MAY	20 AUGUST	12 NOVEMBER
Mr F. Tjivau (Chairperson)	✓	✓	✓	D	D
Mr E. Meroro	✓	✓	✓	✓	✓
Adv C. van der Westhuizen (Acting Chairperson for the last 2 meetings)	✓	✓	✓	✓	✓

The Remuneration Committee is responsible for overseeing and coordinating the Bank's remuneration policy and strategy to ensure its competitiveness and comprehensiveness, so as to attract and retain quality staff and Board members. This Committee consists of three non-executive Board members and the Deputy Governor. The dates of the Remuneration Committee meetings and the attendance of members during 2021 are set out in Table A.4.

TABLE A.4 DATES AND ATTENDANCE OF REMUNERATION COMMITTEE MEETINGS, 2021

REMUNERATION COMMITTEE MEMBER	20 APRIL	11 AUGUST	10 NOVEMBER
Mr E. Meroro (Chairperson)	✓	✓	✓
Mr E. Uanguta	✓	✓	✓
Ms T. Haipinge	✓	✓	✓
Adv. C. van der Westhuizen	✓	✓	✓

MANAGEMENT STRUCTURE

The Bank's Senior Management Team as at the end of 2021 consisted of the Governor, the Deputy Governor, the Advisor(s) to the Governor, and the Directors of the Bank's various departments, as outlined above. To ensure that the Bank implements its policies effectively, various committees have been created. These are the Monetary Policy Committee, the Financial System Stability Committee, the Macroprudential Oversight Committee, the Management Committee, the Investment Committee, the Risk Management Committee, the Digital Transformation and Innovation Committee, the Budget Committee, the Tender Committee, and the Information Technology Management Committee.

The function of the Monetary Policy Committee (MPC) is to implement an appropriate monetary policy stance. The MPC consists of the Governor (Chairperson), the Deputy Governor, the Technical Advisor to the Governor, the Director of the Research and Financial Stability Department, the Director of the Financial Markets Department, the Director of the Strategic Communications and Financial Sector Development Department, and the Technical Expert in the Research and Financial Stability Department. The MPC normally meets every second month to deliberate on an appropriate monetary policy stance to be implemented by the Bank in the subsequent two-month period. Decision-making in the MPC is by consensus. The monetary policy decision is communicated to the public through a media statement delivered at a media conference.

The Financial System Stability Committee assesses the vulnerability and risk exposure of the entire financial system. It is an inter-agency body set up between the Bank and the Namibia Financial Institutions Supervisory Authority (NAMFISA), with the Ministry of Finance as an observer. The Committee is made up of the Governor (Chairperson); the Deputy Governors; the Chief Executive Officer (CEO) of NAMFISA (Deputy Chairperson), and a representative of the Ministry of Finance nominated by the Minister. In addition, the Bank nominates two of its own senior staff members, and the CEO of NAMFISA nominates not more than three officials from NAMFISA, of whom at least one must be a senior staff member. The Committee meets on a quarterly basis to assess the potential risks that apply to the financial system, and to discuss and recommend appropriate policy measures to address such risks.

The Macroprudential Oversight Committee (MOC) supports the Governor in exercising macroprudential powers. It consists of the Governor as the Chairperson; the two Deputy Governors (with the Deputy Governor responsible for Financial Stability as the Deputy Chairperson), the Advisors to the Governor as well as the Directors of Research and Financial Stability, Payment and Settlement Systems, Banking Supervision, Financial Markets as well as Strategic Communications and Financial Sector Development. The Committee meets at least twice a year or at any time during the year as the need arises to discuss key changes to systemic risk during the period and the overall state of the financial system. Additionally, recommendations from the FSSC may be approved at this platform. Macroprudential decision making powers in Namibia are vested in the Governor of the Bank of Namibia and the MOC provide him or her with the necessary support, implying that the final decision lies with the Governor.

The Management Committee is responsible for reviewing the Bank's policies on financial and other administrative matters. The Management Committee consists of the Governor (Chairperson), Deputy Governors, Advisor(s) to the Governor, all Directors, and the Head of Risk Management and Assurance. The Management Committee meets every second week.

The Investment Committee is responsible for reviewing the management of Namibia's foreign exchange reserves. While the Board approves the International Reserves Management Policy, the Investment Committee reviews the investment guidelines for final approval by the Governor. The Investment Committee is also expected to ensure that investments comply with the approved policy. The Investment Committee consists of the Governor (Chairperson), the Deputy Governor, advisor(s) to the Governor, the Director of the Financial Markets Department, the Director of the Research and Financial Stability Department, the Director of the Strategic Communications and Financial Sector Development Department, and the Director of the Finance and Administration Department.

The Risk Management Committee assists the Audit Committee to ensure that the Bank implements an effective risk management policy. The Committee also supports the annual workplan that enhances the Bank's ability to achieve its Strategic Objectives and ensure that disclosure regarding risks is comprehensive, timely and relevant. The Committee consists of all members of the Management Committee and is chaired by the Governor or the Deputy Governor. Its meetings are held on a quarterly basis before the Audit Committee meetings.

The function of the Budget Committee is to oversee the budget deliberations of the Bank. The Budget Committee meets as part of the normal annual budget process of determining and providing for the Bank's expenditures (both recurrent and capital) to be incurred in the execution of its functions and responsibilities. Each department presents and defends anticipated annual budgetary allocations before the Budget Committee. The Budget Committee consists of the Governor (Chairperson), the Deputy Governor, and the Director and senior staff members of the Finance and Administration Department, which also provides administrative and support services. One representative each from the Employee Liaison Forum (ELF) and the employees' bargaining union are permitted to attend and participate in the budget deliberations to ensure transparency.

The Tender Committee is responsible for ensuring sustainable, ethical, transparent, and cost-effective procurement of and tendering for the Bank's assets, goods and services. To achieve these objectives, the Committee takes into consideration the following:

- quality of the product/service;
- cost/price;
- reliability of suppliers;
- delivery time and after-sales service support;
- the National Equitable Economic Empowerment Framework / previously disadvantaged Namibians, where applicable; and
- support to Small and Medium-sized Enterprises (SMEs).

The Information Technology Management Committee (ITMC) facilitates the development of IT strategies and plans that ensure cost-effective application and management of IT systems and resources in the Bank. The ITMC monitors the implementation of significant IT projects and initiatives to ensure that the Bank gets maximum value from IT investments, practices, and services. The ITMC consists of the Governor (Chairperson), Deputy Governor, Advisor(s) to the Governor, all Directors, and the Head of Risk Management and Assurance. The ITMC meets at least four times per calendar year before the ITGC meetings to provide strategic advice and recommendations.

REPORTING OBLIGATIONS

The Bank of Namibia Act requires the Bank to submit various reports to the Minister of Finance. The requirement includes the obligation to submit a copy of the Bank's Annual Report to the Minister of Finance within three months of the end of each financial year. The Minister, in turn, is required to table the Annual Report in the National Assembly within 30 days of receiving it. The Report must contain the Bank's annual accounts, audited by external auditors, information about the Bank's operations and affairs, and information about the state of the economy. Apart from the Annual Report, the Bank is further required to submit a monthly balance sheet to the Minister of Finance, which is also published in the Government Gazette.

BOX ARTICLE 1

THE BANK OF NAMIBIA'S NEW STRATEGIC PLAN (2022–2024)

The Governor officially launched the Bank's new Strategic Plan on 1 December 2021 to both internal and external stakeholders of the Bank. Ultimately, this plan will provide a solid foundation on which the Bank will build its monetary policy and drive for financial stability and sustainable economic development from 2022 to 2024. At the core of the plan lies a shared Vision for the Bank, incorporating a new Mission Statement: *"To support sustainable economic development through effective monetary policy and an inclusive and stable financial system for the benefit of all Namibians*". Moreover, the Bank aspires to be a leading, future-fit central bank that is committed to a prosperous Namibia.

Due to the rapidly changing environment the Bank is currently operating in, the new plan has a three-year execution timeframe. Over the next three years, the Bank shall focus on its statutory mandate. To support the implementation of the new Strategic Plan, the Board of the Bank has approved changes to the organisational structure of the Bank, which will take effect on 1 January 2022. To this end, a series of senior-level staff appointments effective from 1 January 2022 were announced, with the reappointment of Mr Johannes !Gawaxab as Governor and Mr Ebson Uanguta as Deputy Governor, and the appointment of Ms Leonie Dunn as the second Deputy Governor.

The effectiveness and success of a Strategic Plan rests on the degree to which it is properly coordinated and implemented. During the planning process, the Bank of Namibia considered the development and establishment of a monitoring mechanism to be a priority. The monitoring mechanism will enable the Bank to evaluate its progress with respect to the achievement of the Strategic Plan's goals and objectives over the next three years. The Strategy, Projects and Transformation Division, which was established in the office of the Governor, is mandated to oversee the implementation of the plan during its three-year tenure. This Strategic Plan will be complemented by each business unit's workplan, which will be evaluated and reviewed by a six-monthly Semester Review.

The Strategic Plan places the Bank in a good position to deliver on the expectations of its stakeholders to fast-track the institution's transformation, modernise the financial system and drive economic recovery.

1. VISION

To be a leading central bank committed to a prosperous Namibia.

2. MISSION

To support sustainable economic development through effective monetary policy and an inclusive and stable financial system for the benefit of all Namibians.

3. VALUES

Act with integrity
Our actions are honest and ethical, and we build trust through transparency.

Open engagement
We communicate openly without prejudice.

Embrace diversity
We embrace diversity through the promotion of inclusivity.

Lead through innovation
We deliver impactful innovation through an agile approach.

We care
We value our people and care for their wellbeing.

Performance excellence
We go the extra mile to achieve exceptional outcomes.

4. KEY ENABLER

Digital transformation

Below is an outline of the salient features of the Plan:

5. HIGH-LEVEL STRATEGIC FOCUS AREAS: OBJECTIVES OF THE FOUR PILLARS

There are four main strategic focus areas. These are referred to as pillars: the Purpose Pillar, the Stakeholder Engagement Pillar, the Talent and Transformation Pillar, and the Future-fit Organisational Efficiency and Effectiveness Pillar. Each of the pillars consist of high-level strategic objectives that the Bank will be working towards.

5.1 Purpose Pillar: This Pillar corresponds to the Bank's mission. The Bank plays a fundamental role in Namibian society, and it recognises the need to deliver on its mandate in the most effective way possible. Maintaining a clear understanding and vision of the mandate and of what needs to be done in order for the Bank to fulfil its obligations has profoundly informed the development of this Strategic Plan.

5.2 Stakeholder Engagement Pillar: This Pillar is intended to strengthen the Bank's understanding of and dialogue with the wider environment through strategic stakeholder relationships and engagements.

5.3 Talent and Transformation Pillar: This Pillar reflects the Bank's aspiration to be an employer of choice, offering a value proposition that inspires people and teams to discover and develop their full potential in a work environment that promotes collaboration, ongoing learning, growth, teamwork and innovation.

5.4 Future-fit Organisational Efficiency and Effectiveness Pillar: This Pillar is intended to improve the Bank's capacity to understand, manage and incorporate technological changes, and to build a future-fit institution that focuses on achieving its institutional objectives.

6. HIGH-LEVEL STRATEGIC OBJECTIVES UNDER EACH PILLAR

PURPOSE PILLAR	STAKEHOLDER ENGAGEMENT PILLAR	TALENT AND TRANSFORMATION PILLAR	FUTURE-FIT ORGANISATIONAL EFFICIENCY AND EFFECTIVENESS PILLAR
Maintain a stable and inclusive financial system Maintain price and monetary stability Ensure the sufficiency of supply and the integrity of currency Operate as fiscal advisor to and banker for the Namibian Government Manage reserves prudently Promote financial sector growth and economic development	Promote a positive reputation Enhance stakeholder education and confidence Maintain proactive public engagement	Promote potential through talent transformation Be an employer of choice Implement future-fit capacity building Foster visionary and collaborative leadership Promote a staff culture of integrity, agility, excellence and high performance	Effective and pro-active risk management Deliver responsive and innovative solutions Develop a sustainable and green organisation Maintain effective financial management Enhance operational capability and value maximisation Strengthen resilience through good governance and compliance Adopt data-driven solutions and decision-making

COMMUNICATION AND STAKEHOLDER RELATIONS

The Bank ascribes particular importance to facilitating proactive stakeholder engagements to enrich knowledge and understanding of its mandate. During the year under review, a particular focus was placed on discussions and policy recommendations that have the potential to bring about economic recovery and enable Namibia to maintain sustainable growth amidst the COVID-19 pandemic, within the policy mandate of the Bank. In furtherance of these interactions, the Bank continued to uphold the values of transparency and open engagement by creating platforms to engage stakeholders in active and open dialogue. These engagements enjoyed high-level support and were facilitated by the Governor. Some of the engagements held during the period under review are outlined below.

During the year under review, Governor Johannes !Gawaxab held engagements with stakeholders from regional and local authority leadership, representatives from the business community, commercial banks, and civil society organisations in various regions. Specifically, the Governor visited Omusati, Erongo and //Karas regions to mobilise stakeholders behind the sole goal of economic recovery and sustainable growth. As part of these stakeholder engagements, the Governor also hosted public lectures under the theme *"How does Namibia stack up? Our own story"* in Omusati and //Karas regions. The lectures were an account of Namibia's socioeconomic progress to date and key structural challenges that the country faces. It aimed to put these developments into perspective through comparison with Namibia's peers on the African continent. It concluded with recommendations on how best to position the country for economic recovery and a sustained development path. The Governor also discussed the impact of relief measures that the Bank introduced to cushion the impact of the COVID-19 pandemic on borrowers and key sectors of the economy, on the one hand, and the implementing agents (i.e. commercial banks), on the other.

BoN Governor, Mr Johannes !Gawaxab, delivering a public lecture at UNAM Oshakati Campus

Bank of Namibia (BoN) Governor Mr Johannes !Gawaxab (left) and Erongo Regional Governor, Hon. Neville Andre, at the stakeholders' dinner

From left to right (fltr): Director: UNAM Southern Campus, Prof. Linschen !Haoses-!Gorases, BoN Governor, Mr Johannes !Gawaxab, and //Kharas Regional Governor, Hon. Aletta Fredricks

The Bank hosted an event under the theme *"Celebrating female leadership in banking"* to recognise the accomplishments under the transformation agenda of the Namibian financial sector, as advocated in the Namibia Financial Sector Strategy 2011–2021. The strategy advocates for the localisation of the banking sector to ensure increased local ownership, skills development, and enhanced decision-making capacity within institutions. This includes representation and participation of Namibian citizens in the control and management structures of institutions, i.e. boards of directors, executive management, and other decision-making structures. In this regard, Namibia has made significant strides, as witnessed by the fact that it is one of the few countries in Africa – and indeed the whole world – where the managing directors of four out of the top five commercial banks are female citizens.

(fltr) BoN Governor, Mr Johannes !Gawaxab; CEO: Standard Bank, Ms Mercia Geises; MD: Bank Windhoek, Ms Baronice Hans; CEO: Letshego Bank Namibia, Ms Ester Kali; MD: Nedbank Namibia, Ms Martha Murorua; and BoN Deputy Governor, Mr Ebson Uanguta

On 10 March 2021, Governor Johannes !Gawaxab met with the CEO of Bank BIC Namibia and held a separate virtual meeting with the management of Banco Atlantico. Since taking office last year, the Governor has made it his priority to meet and engage with the CEOs of the various commercial banks to introduce himself and discuss changes introduced by the Bank of Namibia Act (No 1 of 2020), which commenced on 15 June 2020, with a focus on the macroprudential oversight role which is henceforth to be fully executed by the Bank. The sessions were useful for gaining insight into the operations and models of the various entities, especially in the strenuous environment occasioned by the COVID-19 pandemic, while gathering first-hand information which informs policy formulation.

The Bank hosted an economic roundtable meeting with chairpersons of boards of directors and CEOs of private sector companies on 11 February 2021. Discussion centred on means of mobilising domestic investment in the country and how best to adapt the policy environment so that businesses can respond to the call for investing directly into the economy and exploring new opportunities within the economy.

At the roundtable meeting, it was agreed that Namibia should pursue an aggressive economic turn-around strategy to enhance growth and income outcomes. In order to find practical means of rallying support for sustainable economic recovery, relevant policies were discussed with key institutions and entities. Such a coordinated approach is expected to yield a robust response to the anaemic economic growth experienced since 2016, which the COVID-19 pandemic has exacerbated.

BoN Governor, Mr Johannes !Gawaxab, and Deputy Governor, Mr Ebson Uanguta, together with private sector representatives at the roundtable discussion

On 24 February 2021, the Governor addressed an induction of Members of Parliament of the 7th National Assembly where he explained the mandate of the Bank as a constitutional institution with unique powers. During this engagement, the Governor affirmed the statutory obligation of the Bank in terms of reporting to the relevant standing committees of Parliament on an annual basis, and discussed the economic outlook and the operational mandate of the Bank. Members of Parliament also shared their views on the operations of the Bank and the performance of the economy. Furthermore, they requested details regarding the activities undertaken to ensure that the financial system is protected from criminality and corruption.

Mr Johannes !Gawaxab addressing Members of Parliament at an induction function

As determined by section 68 of the Bank of Namibia Act (No. 1 of 2020), the Bank of Namibia is now required to report to the Parliamentary Standing Committee on Economics and Public Administration on an annual basis. Governor Johannes !Gawaxab, accompanied by Deputy Governor Ebson Uanguta, met with this standing committee on 28 April 2021. Governor !Gawaxab reported on matters related to the state of the economy and the conduct of monetary policy, as well as on operations and affairs of the Bank. He also shared the Bank's views on the economic outlook, which forecast overall moderate growth for 2021 from the deep contraction experienced in 2020 due to the COVID-19 pandemic. During the session, Members of Parliament also had an opportunity to pose questions. They exchanged views related to the operations of the Bank, the performance of the economy and the protection of the financial system.

Mr Johannes !Gawaxab with the Parliamentary Standing Committee on Economics and Public Administration

The Bank held its 22nd Annual Symposium on 4 November 2021, under the theme: *"Namibia Beyond COVID-19: Digital Transformation for Sustainable Economic Development"*. The Annual Symposium is one of the Bank's most prominent events. It brings together distinguished speakers from local and international organisations, think tanks, academic institutions and various other bodies to engage and make recommendations on various areas of national interest that are in line with the country's development agenda and aspirations.

Director: Research and Financial Stability, Ms Florette Nakusera, giving a presentation at the Bank of Namibia 22nd Annual Symposium on 4 November 2021

On the 29th October 2021 the Governor of the Bank hosted members of the diplomatic corps and development partners where they exchanged views on relevant economic issues. This year, this engagement was held virtually due to the COVID-19 situation in the country. The diplomatic stakeholder event provides a platform to build, strengthen and maintain sound relations between the Bank, the diplomatic corps and the Bank's development partners.

Speaking at the event, the Governor reflected on the past year, highlighting the impact of COVID-19 on the local and global economies. The Governor went on to state that even though the pandemic presented numerous challenges and substantially disrupted economic activity, it also created an opportunity to reset the Namibia economy on a more sustainable basis by focusing on:

- enhancing competitiveness and accelerating the ease of doing business;
- ensuring supportive monetary and fiscal policy;
- increasing investment in IT infrastructure;
- ensuring an adequate supply of clean energy;
- ensuring food security;
- reforming our SOEs and the public sector;
- increasing the capacity of the Namibian health sector; and
- diversifying and increasing productive capacity and investment in the country.

The Governor reiterated the importance of vaccine uptake, stating that this is essential for achieving the country's goals, as vaccination policy is inextricably linked to economic policy and recovery. Furthermore, a presentation on domestic, regional and global economic trends was made to the attendees. The platform further provided an opportunity to discuss areas that will require attention to revive growth once the COVID-19 pandemic has abated.

During the year, the Governor continued to engage bilaterally with diplomats and multilateral organisations to discuss critical monetary and economic developments and issues of mutual concern. The exchanges were beneficial as they provided insights into the Bank's operations and mandate, and facilitated debate and cooperation.

(fltr) German Ambassador, H.E. Herbert Beck; BoN Governor, Johannes !Gawaxab; EU Ambassador, H.E. Sinikka Antila; French Ambassador, H.E. Sebastian Minot; and Spanish Ambassador, H.E. Antonio Javier Romera Pintor at the German Embassy

(fltr) BoN Governor, Mr Johannes !Gawaxab; German Ambassador, H.E. Herbert Beck; Embassy of Germany Head of Cooperation, Dr Gabriele Geier; and BoN Deputy Governor, Mr Ebson Uanguta

(fltr) Country Director and Representative of the World Food Programme in Namibia, Dr George W.S. Fedah; BoN Governor, Mr Johannes !Gawaxab, Senior Partnerships Officer, WFP Namibia, Ms Ericah Shafudah; and BoN Senior Communications Practitioner, Ms Sandra Garises

A trio of Namibia's central bank Governors, past and present, who maintain cordial working relations: (fltr) Minister of Mines and Energy, Hon. Tom Alweendo; Minister of Finance, Hon. Ipumbu Shiimi; and BoN Governor, Mr. Johannes !Gawaxab

Entrepreneurs whose businesses were negatively impacted by COVID-19 approached the Bank to discuss how relief measures could be extended to businesses struggling to stay afloat. In the light of the Bank's stated commitment to seeing the SME sector thrive, the Governor reiterated that the Bank is aware of the current challenges, and how these were being exacerbated by COVID-19. The Bank therefore extended its COVID-19 relief measures for a further 12 months to avoid their premature termination. Furthermore, in collaboration with the Ministry of Finance, the Government provided guarantees amounting to N$500 million to the COVID-19 SME Loan Scheme to provide credit to SMEs affected by COVID-19 for operational expenditures. The dialogue with SMEs is useful for refining the various programmes aimed at assisting the SME sector to recover and sustain itself in the future. As always, the Bank welcomes dialogue with entrepreneurs.

BoN Governor Johannes !Gawaxab together with representatives of entrepreneurs whose businesses have been negatively impacted by COVID-19

Internally, the Bank continued to promote an effective and favourable working relationship with its employees. The dissemination of corporate information via the Bank's intranet, tri-annual internal newsletter, corporate email system and regular staff meetings are key platforms used to reach every employee. Some of the internal engagements during the year under review are outlined below.

Performance reviews: Progress reviews continued to be conducted at the end of the two-performance cycle (i.e. November 2020 to April 2021, and May 2021 to October 2021). During these reviews, the Senior Management Team provided feedback to the rest of the Bank's employees regarding progress made in the implementation of respective departmental strategies and areas of concentration for the year. These feedback exercises, conducted with allowance for comments and recommendations, enabled employees to be aware of the Bank's strategic direction while encouraging them to contribute towards the successful realisation of the targets.

General staff meetings: The Governor held a general staff meeting during the period under review. At this meeting, staff members were encouraged to raise issues about the operations and strategic direction of the Bank and share positive and inspirational stories that best capture the Bank's values.

Internal monetary policy announcements: Members of the Monetary Policy Committee (MPC) continued to present monetary policy decisions to the staff. These briefings (conducted after each MPC meeting) provide staff with the opportunity to discuss matters pertaining to monetary policy in line with the Strategic Objective of maintaining price stability. The internal monetary policy announcements were made parallel to the announcements to the public and media.

Employee Liaison Forum: The Employee Liaison Forum (ELF) continued to strengthen the internal communication channels within the Bank. The Forum, an internal structure that serves as a communication link between management and employees, further continued to provide constructive inputs related to policy and operational matters of the Bank. In further executing its mandate to improve internal communication between management and non- management employees, the ELF solicited agenda items for general staff meetings.

EMPLOYEE LIAISON FORUM MEMBERS (31 DECEMBER 2021)

An Employee Liaison Forum was elected with new members who commenced serving for a period of two years as from January 2021.

During 2021, the Bank continued to produce both statutory publications and publications providing general information about the Bank, the economy, and the financial sector. The Bank releases these publications as per statutory requirements and to broaden the public's understanding of the Bank's functions and operations, as well as of economic and financial developments. The publications outlined below were issued during the review period and are available on the Bank's corporate website.

In line with statutory requirements, the Bank's *2020 Annual Report* was released in March 2021. The Report included an account of the operations and affairs of the Bank, the Bank's annual financial statements, and information on the macroeconomic state of the country.

The *Financial Stability Report*, which provides an assessment of the financial system in Namibia, was issued at the end of April 2021. The Report, which is a joint publication by the Bank of Namibia and NAMFISA, highlighted potential threats to financial stability and recommended appropriate policy actions to further deepen the resilience of the financial sector.

Published in line with statutory requirements, the *Quarterly Bulletin* serves as a primary source of information on economic and financial developments in Namibia. It contains a full set of data covering the real sector, monetary and financial developments, public finance, and the balance of payments.

Three editions of the *Economic Outlook Report* were released, in February, August and December 2021. These reports highlighted global, regional and domestic economic growth prospects, and presented domestic sectoral estimations and forecasts for three years (2021, 2022 and 2023).

Employee Liaison Forum Secretariat and Members

As at 31 December 2021

ELF SECRETARIAT

Gebhard Mvula
Governor's Office - Chairperson

John Witbeen
IT Department -Deputy Chairperson

Sesilia Nekwaya
SCFSD - Secretary

Naftal Immanuel
Human Resource Department - Deputy Secretary

Jenny Mbwale
Financial Markets Department -Treasurer

Candice Adams
Finance & Administration - Deputy Treasurer

ELF MEMBERS

Name	Department
Martin Iithindi	Banking Services
Earl Bock	Banking Services
Ndinelao Njaba	Banking Supervision
Nicole Bester	Banking Supervision
Uatuva Zakaapi	Exchange Control & Legal Services
Sabuta Maritha	Finance & Administration
Lineekela Edward	Financial Intelligence Centre
Charles Matundu	Financial Intelligence Centre
Miryam Nangolo	Information Technology
Mwashekele Aloys	Financial Markets
Mary Sam	Governor's Office
Heidi Ndiili-Ronkainen	Human Resources
Immanuel Naftal	Human Resources
Hango Iforsina	Banking Services / Oshakati Branch
Lupando Alexander	Banking Services / Oshakati Branch
Angelina Schroeder	Payment and Settlement Systems
Julius Nakale	Payment and Settlement Systems
Anna Williams	Research and Financial Stability
Mutu Katjiuanjo	Research and Financial Stability
Frans Amakali	Strategic Communications and Financial Sector Development (SCFSD)

THE YEAR UNDER REVIEW

As mentioned above, the Bank of Namibia's activities are focussed on eight Strategic Objectives that have guided its operations over five-year periods. These Strategic Objectives are directly connected to the Bank's functional priorities, its Mission, and its Vision, as well as to developments in the internal and external environments. The Bank has determined appropriate initiatives and strategies to accomplish each Strategic Objective. In this section, each Strategic Objective is presented in tabular format along with its associated initiatives and strategies. These are complemented by a list of strategic outcomes, which serve as indicators of success in achieving the objective in question. Each presentation is concluded with a report on key actual outcomes, and an assessment of whether or not the Strategic Objective was achieved during the year. The more detailed discussions on Strategic Objectives numbers one and five appear in Part C and Part D of this report.

STRATEGIC OBJECTIVE 1: SAFEGUARD AND ENHANCE FINANCIAL STABILITY

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.1 Deter illegal financial schemes[1]	All known and detected schemes declared illegal within three months of determination	Illegal schemes were investigated timely, and actions taken against promoters in terms of the relevant legislation.	Yes
1.2 Supervise and regulate deposit-taking institutions and credit bureaus[2]	Sound and stable banking system: Early warning indicators in place		
	Capital adequacy not less than 11 percent	The Capital adequacy ratio stood at a level of 15.7 percent.	Yes
	Liquidity ratio not less than 10.5 percent	The banks recorded a liquid assets ratio of 18.3 percent.	Yes
	Non-performing loans (NPLs) not more than 4 percent under normal conditions and 6 percent under crisis conditions	NPLs ratio remained constant at 6.4 percent in 2021.	No
	Examination cycle to be finalised within three months	The supervisory team conducted three consolidated supervision examinations on the Domestic Systemically Important Banking Institutions, and one second-tier bank which was finalised on time.	Yes
	Adequate risk management and all high risk and medium risk issues identified in examination report are addressed within agreed timelines	Corrective actions were implemented as per action plans and within agreed timelines, with extension sought or agreed upon with the Bank where applicable.	Yes
	95 percent acceptance rate for submission of credit information to credit bureaus	The credit bureaus met the acceptance rate with 97.8 percent data acceptance.	Yes
	Coverage: credit providers that hold 80 percent of credit data in the market should submit data to all registered credit bureaus	Banking institutions, retailers, microlenders and insurers submitted data to credit bureaus and ensured that 80 percent coverage was achieved.	Yes

1 Developments under this strategy are further discussed in Part D of this report.

2 Developments under this strategy are further discussed in Part D of this report.

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.3 Licensing[3]	Entities that have submitted all information should be processed within three months within BoN (if more than one application is received the processing period is within six months) and one month with the relevant ministry	The Bank received an application to establish a building society. The application has been put on hold on the request of the applicant.	Yes
	Renewal of license a month before expiry	All six currently licensed ADLAs (Authorised Dealers with Limited Authority) had their licenses renewed in a timely manner for the period 2021–2022. One application for establishing the ADLA was received, and the application is still under consideration.	Yes
1.4 Ensure efficient, safe and effective payment and settlement systems	Cost-effective provision of payment systems services in line with set cost standards	The Namibia Inter-Bank Settlement System (NISS) cost- effectiveness for 2021 was 89 percent. This was well within the set cost effectiveness range of 75 percent to 125 percent. The NISS fee per transaction for 2021 was US$0.59. This is much lower than the US$1 transaction fee for at least eight economies in SADC.	Yes
	There is compliance with the Safety Index, per the following indicators:		
	Fraud-to-turnover ratio below 0.05 percent	The fraud-to-turnover ratio was 0.00076 percent for 2021.	Yes
	99 percent availability of retail payment system, and participants' systems 99.9 percent availability of the Namibia Interbank Settlement System (NISS)	The retail payment systems were available 99 percent of the time. NISS was available 99.31 percent of the time which is below the threshold of 99.90 percent.	Yes No
	Recovery time objective (RTO) of 2 hours met for retail and large-value systems when Disaster Recovery (DR) tests are conducted	The NISS DR exercise and Business Continuity Management exercise performed for the period under review achieved the RTO of 2 hours. The Namclear DR exercise performed for the period under review achieved the RTO of 2 hours.	Yes Yes
	All high- and medium-risk issues identified from on-site inspections addressed within agreed timelines	All high- and medium-risk issues identified through inspections were addressed within the agreed timelines.	Yes

3 Developments under this strategy are further discussed in Part D of this report.

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.5 Maintain financial sector stability	Stable financial system	The 2021 Financial Stability Report revealed that the Namibian financial system remained sound and resilient, despite the pre- existing sluggish economic activity that was further exacerbated by the COVID-19 pandemic.	Yes
	Vulnerabilities in the financial system identified and agreed action implemented	Vulnerabilities were identified and addressed within the agreed timeframe.	Yes
1.6 Develop the ability to handle crises in the financial system[4]	A tested and effective crisis resolution framework	The Bank awaits the finalisation of the legislative framework in order to test the crisis resolution framework.	No
1.7 Introduce a financial sector safety net	Safety net in place for small depositors	A Deposit Guarantee Scheme, as administered by the Namibia Deposit Guarantee Authority, has been established and fully operationalised. The Scheme was established in terms of the Namibia Deposit Guarantee Act (No. 16 of 2018).	Yes

The Bank continued to fulfil its regulatory mandate as the overseer of the National Payment System (NPS) in 2021, in line with the Payment System Management Act (No. 18 of 2003), as amended. Payment systems are a crucial part of the financial infrastructure of a country. In Namibia, the regulatory mandate to oversee the NPS was accomplished through risk-based on-site and off-site oversight activities. During the review period, the Bank conducted three risk-based inspections of various participants. In addition, the Bank continued with its off-site activities by monitoring system participants through a combination of assessments based on information provided by the regulated institutions in the NPS.

Following the release of the Bank of Namibia's Guidance Note on Interchange Determination in the National Payment System on 28 October 2020, the Bank commenced with the interchange determination project in March 2021. Interchange refers to the revenue exchanged between banks every time a card transaction at an ATM or point-of-sale device is performed involving more than one bank. The aim of the project was to revise the existing interchange rates for debit card, hybrid card, credit card and ATM transactions. These rates are being revised to reflect the current dynamics in the domestic NPS. With the assistance of a consultant, the Bank conducted an interchange costing exercise which involved the collection, validation and analysis of cost data from all the banks that issue payment cards in the NPS. The information collected through questionnaires was ultimately used to derive cost-based interchange rates for the card stream. The project was concluded on 31 October 2021 and a regulation will be issued in this regard.

The Bank of Namibia recently developed a Financial Technology (FinTech) Regulatory Framework. The Framework aims to provide guidance on how the Bank will treat FinTech innovations that are not already subject to the Bank's regulations. The Bank intends to subject FinTech innovations to a phased regulatory programme to understand, evaluate and test the innovation before a regulatory outcome can be

4 Developments under this strategy are further discussed in Part D of this report.

determined. Three (3) regulatory tools are used in the Framework namely, the Allow-and-See Approach, the Test-and-Learn Approach, and the Regulatory Sandbox Approach. Ultimately, the Framework aims to encourage and embrace the introduction of FinTech innovations in a safe and responsible manner. Through the Framework, the Bank intends to provide innovators with an enabling environment to develop, test and deploy much-needed financial products that will promote competition in the provision of financial services and enhance financial inclusion.

As part of its public education efforts, the Bank issued a newsletter addressing components of the NPS. The Bank continuously seeks to engage in various ways with all stakeholders of the NPS to ensure the availability of relevant information to the public. Understanding NamPay and the Namibia Inter-Bank Settlement System' to inform, educate, and present information to the public on the new payment system called 'NamPay' which will modernize how Electronic Funds Transfers (EFT) are made in Namibia and highlights the benefits of NamPay for consumers.

SETTLEMENT SYSTEM

In 2021, the Bank provided interbank settlement services through the financial market infrastructure (the Namibian Interbank Settlement System (NISS)) to authorised institutions. The interbank transactions that are settled in the NISS comprise single-item large-value transactions processed by the participants in NISS, and retail payments, such as EFTs and card transactions, that are cleared through Namclear. During 2021, one NISS unannounced disaster recovery (DR) exercise and two business continuity management exercises were conducted. The exercises conducted were successful and the two-hour recovery time objective (RTO) was met.

The Bank continued to provide collateralised lending to the NISS participants through overnight and intra-day lending facilities. During the year, NISS participants on numerous occasions utilised the intra-day and overnight credit facilities for the fulfilment of their settlement obligations within the NISS.

The NISS, which was introduced in 2002, reached the milestone of a settlement value of a trillion Namibia dollars for the first time in 2021. This was mainly on the back of the high volumes of the new domestic EFT system streams (NamPay), the usage of the lending facilities, particularly the 7-day Repo, and the purchase/resell of government securities, coupled with inflows of funds to comply with NAMFISA Regulation 28. The aggregate settlement value recorded in the NISS during 2021 was N$1 050.4 billion, with a volume of 89 758 transactions. The total value and volume settled through the NISS in 2021 increased by 6.8 percent and 28.0 percent, respectively. Moreover, the share of single transactions settled in the NISS amounted to N$726.4 billion, which translates to 69 percent of the total value settled. The value of retail payment transactions cleared through Namclear was N$323.9 billion, which represents 31.0 percent of the aggregate value settled. A total of 89 758 transactions were settled in the NISS during 2021, which came to an average of 298 transactions per settlement day.

TABLE A.5 NISS TRANSACTION VALUES AND VOLUMES

YEAR	NUMBER OF SETTLEMENT DAYS	VALUES SETTLED IN N$ BILLION			TOTAL NUMBER OF SETTLEMENT TRANSACTIONS
		TOTAL VALUE SETTLED	REAL-TIME TRANSACTIONS	RETAIL PAYMENT TRANSACTIONS	
2017	301	852.7	565.3	287.4	65 983
2018	301	913.1	618.7	294.4	60 189
2019	300	975.7	672.4	303.3	66 148
2020	301	983.8	687.8	296.0	70 150
2021	301	1 050.4	726.4	323.9	89 758

CLEARING SYSTEM

The Bank continued to oversee clearing operations in the NPS. During the review period, Namclear was the only service provider that provided clearing services within the NPS. It clears inter-bank EFT and card transactions, which are submitted to the NISS for settlement.

The volume and value of EFT transactions processed by Namclear increased in 2021 compared to 2020. The total value and volume recorded for EFT transactions during 2021 was N$370.7 billion and 23 million transactions, respectively. This represented a 12 percent increase in value and an 11 percent increase in volume over the 2020 figures. The increase in the EFT figures can be attributed to increased usage of digital payment channels due to the impact of COVID-19 during 2021.

Card payment transactions continue to increase year-on-year. In 2021, Namclear processed card transactions with a total value of N$31.2 billion. The value and volume processed by Namclear increased by 18 percent and 20 percent, respectively, over the 2020 figures.

INTRABANK AND ELECTRONIC-MONEY SCHEMES

The value of EFT intrabank transactions settled in commercial banks increased in 2021 to N$637.3 billion. The increase can be attributed to the real-time processing of intrabank payments within the same banking institution's accounts.

Payment card intrabank transactions in 2021 were higher than the transactions reported in 2020. Fifty-nine (59) million card transactions were processed between merchants and customers of the same banking institution, amounting to N$32.0 billion, in comparison with the N$30.0 billion reported in 2020.

The use of electronic-money (e-money) schemes, which are currently close-loop, i.e. only operating within the same banking institution's systems, continued to increase in 2021. The Bank observed an increase in the use of e-money as a payment instrument, which shows a shift in the payment behaviour of users of the domestic payment system. In 2021, the value and volume of e-money transactions increased to N$31.6 billion and 61 million, respectively. This increase can be attributed to changing consumer behaviour in general and the spread of COVID-19, as the lockdown regulations prompted various entities to use e-money schemes as the preferred payment method for the disbursement of value to recipients.

TABLE A.6 NAMCLEAR TRANSACTION VALUES AND VOLUMES

YEAR	CHEQUE TRANSACTIONS		EFT TRANSACTIONS		CARD TRANSACTIONS		E-MONEY TRANSACTIONS		VALUE OF TOTAL INTRABANK TRANSACTIONS
	VALUE (N$ MILLION)	VOLUME ('000)	VALUE (N$ MILLION)	VOLUME ('000)	VALUE (N$ MILLION)	VOLUME ('000)	VALUE (N$ MILLION)	VOLUME ('000)	(N$ MILLION)
2017	10	971	269 557	18 280	13 272	25 206	10 610	17 846	11 088
2018	5	583	250 045	16 944	17 844	33 731	14 038	23 916	14 452
2019	0.496	42	260 597	17 834	22 937	42 901	14 833	28 403	26 099
2020	-	-	269 614	20 475	25 946	47 386	19 140	29 169	151 464
2021	-	-	307 671	23 093	31 733	59 433	31 554	61 304	669 314
Annual percent change									
2017	-44	-42	1	4	21	23	1 105.6	82.6	800.7
2018	-50	-40	-8	-8	26	25	24	25	23
2019	-90	-92	4	5	22	21	5	16	45
2020	-100	-100	3	13	12	9	22	3	83
2021	-	-	12	11	18	20	39	52	77

REGIONAL PAYMENT SYSTEMS

The Bank remained a participant in the SADC Real-Time Gross Settlement (SADC-RTGS) system. The SADC-RTGS is a regional settlement system that processes time-critical or high-value payments between participating SADC countries. At the end of the 2021 reporting period, there were 84 participants (i.e. registered banking institutions, as well as central banks within the respective SADC jurisdictions) of which five, including the Bank, were Namibian. During 2021, the total value of payments processed in the SADC-RTGS amounted to R1 317 billion. Namibian banks accounted for R381 billion, which is 29 percent of the SADC-RTGS total. This reflects the optimal usage by Namibian banks of the SADC-RTGS in support of regional payments integration in accordance with the SADC Finance and Investment Protocol.

During the period under review, the low-value Transactions Cleared on an Immediate Basis and the payment scheme went live on 18 November 2021. This project, which is led by the SADC Bankers' Association under the Finance and Investment Protocol, was launched in 2020. Following the launch and successful technical testing that took place between selected central banks and participants, the scheme is now fully operational for participation by banking institutions and non-bank financial institutions. Participation in the scheme is subject to authorisation by the in-country authorities responsible for domestic and cross-border payments. During 2021, the Bank oversaw the on-boarding of a Namibian participant in this regional scheme as it conducted live tests. This process is still ongoing and assessment for full authorisation into the scheme is underway, pending the submission of all required information and documentation.

The SADC Payment System Oversight Committee amended the SADC-RTGS access and participation criteria to be inclusive of non-bank financial institutions. This amendment serves to enhance the SADC payment system platform by including non-bank financial institutions onto the current platform. The amended criteria will be presented to the Committee of Central Bank Governors during 2022 for ratification.

In support of the adoption of ISO 20022 messaging standards for cross-border payments, the SADC-RTGS Operator in collaboration with the SADC Bankers Association logged an ISO 20022 Migration Project to ensure timeous adoption within the SADC region. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) instructed financial institutions across the globe to migrate from the current MT messaging standards to ISO 20022 messaging standards by November 2025. To ensure compliance with SWIFT's deadline, the relevant engagements are currently underway at both regional and domestic levels. At a regional level, the SADC-RTGS Operator and the SADC Bankers Association ISO 20022 Migration Project which is underway has proposed the implementation date for the SADC region to be October 2023. Domestically, the Bank will, as part of its oversight efforts, continue to ensure compliance within the NPS with international standards. Furthermore, in support of the ISO 20022 migration efforts, the Bank issued a Guidance note to ensure the timely migration of the standard by the Namibian jurisdiction.

The Bank participated in the Continental Payments Integration Project to interlink the regional payments systems within the African continent. The Association of African Central Banks (AACB) has initiated the Continental Payments Integration Project to interlink the regional payment systems within the African continent. As the initiative is driven by AACB Governors, all the regions and member central banks are expected to align their strategies with the AACB initiative. Two working groups of the AACB task force have been established and are mandated with the development of an interregional payment system integration framework and an integrated mobile/retail payment strategy for the continent. The Bank of Namibia and representatives from the private sector are part of the working groups driving the implementation of both initiatives.

INDUSTRY FRAUD STATISTICS

The total value of fraudulent transactions perpetrated within the NPS has increased over the past five years. For the period under review, the total value of fraudulent transactions increased compared to 2020. The total value of fraud attributable to card, EFT, and e-money streams for the period under review amounted to N$6.8 million, N$2.9 million and N$3.6 million, respectively. Payment card fraud increased by 16 percent, while EFT and e-money payments fraud increased by 49 percent and 56 percent, respectively, when compared to 2020. The increase in payment card fraud was primarily due to Card-Not-Present payment incidents perpetrated via internet banking platforms and/or mobile applications, whilst EFT incidents were perpetrated via phishing. E-money payments fraud ensued from incidents that were perpetrated via phone scams. The total fraud perpetrated within the NPS remained within the fraud safety index indicator of 0.05 percent as per the Bank's Strategic Goal, with a figure of 0.0012 percent being recorded.

TABLE A.7 INDUSTRY FRAUD STATISTICS (NPS)

YEAR	CARD FRAUD	EFT FRAUD	CHEQUE FRAUD	E-MONEY FRAUD	TOTAL FRAUD
	VALUE (N$'000)	VALUE (N$'000)	VALUE (N$'000)	VALUE (N$'000)	VALUE (N$'000)
2017	4 555	528	2 071	6 828	13 982
2018	5 216	194	677	1 466	7 553
2019	3 126	5 648	320	320	9 414
2020	5 690	1 476	-	1 585	8 751
2021	6 753	2 907	-	3 618	13 278

FINANCIAL STABILITY ASSESSMENT AND SURVEILLANCE

The Bank assesses risks and vulnerabilities that could threaten financial sector stability to determine the sector's resilience to withstand internal and external shocks. Such assessments are published in April each year in the Financial Stability Report (FSR), followed by a review in September. The FSR analyses risks in the global and domestic economic environments, public sector debt, household and corporate indebtedness, the banking sector, the non-bank financial sector and the payment and settlement systems, and recommends policies to mitigate potential risks. The 2021 FSR concluded that the Namibian financial system remained solvent and resilient amidst risks from the COVID-19 pandemic. Despite an elevated NPL ratio, the banking industry remained adequately capitalised and liquid during 2021. The non-bank financial institutions sector remained sound and sufficiently capitalised, and recorded a growth rate in assets of 2.0 percent during 2021, driven mainly by market returns from pension funds and new business from long-term insurance and collective investment schemes. Although the pension fund industry remained solvent, there are concerns regarding benefits paid exceeding contributions received, which is a result of the impact of the pandemic on the labour market. However, there is some comfort in the fact that the return on investments recorded a 4.0 percent growth rate during the period under review and thus remained sufficient to cover the gap identified above. The long-term insurance sector remained solvent, with sound reserves and net premiums sufficiently covering claims. In addition, the collective investment schemes sector remained stable. The Macroprudential Oversight Committee will continue to monitor developments accordingly.

The banking sector remained sound, well capitalised and liquid in 2021 despite depressed economic conditions resulting from the COVID-19 pandemic. The banking sector remained liquid and well capitalised notwithstanding the adverse impact of the pandemic. The capital adequacy ratio of the banking sector increased to 15.7 percent in 2021 from 15.2 percient in 2020, exceeding the statutory minimum requirement of 11 percent of total risk weighted assets. The liquidity ratio improved to 18.3 percent during 2021, up from 15.7 percent registered in 2020 and well above the prudential limit of 10 percent of total average liabilities to the public. This was largely due to the uptake of government securities coupled with subdued credit extension by banks. Asset quality as measured by the NPL ratio remained elevated at 6.4 percent in the review period, the same ratio registered in 2020, and consistent with the sluggish economic conditions. The banking sector partially responded to the higher potential default risk by increasing provisions. In this regard, the specific provisions to NPL ratio picked up from 29.3 percent in 2020 to 34.4 percent in 2021.

To help reduce the impact of the COVID-19 pandemic on the Namibian economy, during 2021 the Bank continued with the implementation of special policy relief measures introduced in April 2020 to complement its monetary policy stance. The measures were aimed at individuals, SMEs and corporations in Namibia and included loan payment holidays typically ranging from six to twelve months. Relief was also granted on the banks' capital conservation buffer, which was reduced from 1.00

percent to zero percent for at least 24 months since the commissioning date, in order to support the banking institutions' ability to supply credit to the economy. In October 2021, the Bank amended some key provisions of the Determination on Policy Changes in Response to Economic and Financial Stability Challenges (BID-33), to avoid the premature exit of relief measures. The aim of the amendment was to continue supporting banking institutions' clients in the face of the ongoing pandemic. The factors that necessitated the amendments included the ongoing macroeconomic strain and the uncertainty surrounding emerging COVID-19 variants and their concomitant impact on economic activity at large, which continued to delay economic recovery. BID-33 was revised and also extended to remain in place for an additional twelve months, until 1 April 2023.

Average residential property prices as measured by the First National Bank Namibia's House Price Index (HPI) increased at a faster rate in 2021 than they had in 2020, partly owing to base effects. House prices rose on average by 11.9 percent in 2021 from a modest increase of 3.7 percent in 2020, which can be ascribed to base effects. This was largely boosted by the demand for houses at the low end of the market by young professionals resulting in the completion of new developments, notably in the central area. Furthermore, increased sales activity at the higher end of the market played a pivotal role in driving prices upwards, as buy-to-let investors with access to funding competed for high-value properties.

STRATEGIC OBJECTIVE 2: PROMOTE PRICE STABILITY

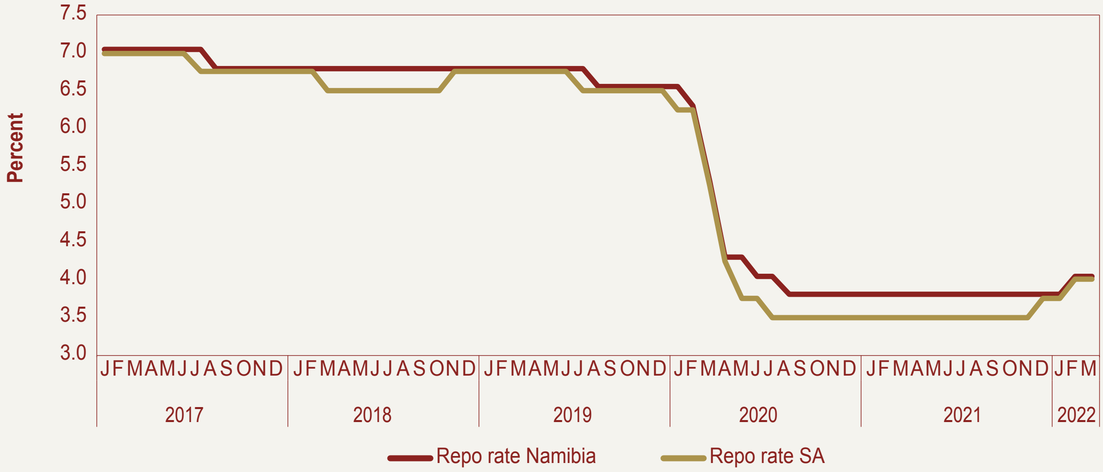
INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
2.1 Ensure reliability of economic data to support economic policy	Timely and reliable balance of payments and monetary and financial statistics (MFS) and data that meet international standards provided Timely and reliable other economic data provided to relevant stakeholders	MFS data were provided to the public once a month with a maximum lag of one month. Both balance of payments and MFS data were provided to the public on a quarterly basis, and annually. All macroeconomic data were provided to the MPC every two months and to external stakeholders on time.	Yes
2.2 Pursue monetary policy in accordance with the Monetary Policy Framework	Headline inflation below 7 percent maintained without compromising economic growth	The average annual consumer price inflation was 3.6 percent in 2021.	Yes

MONETARY POLICY STANCE DURING 2021

The Bank's MPC maintained an accommodative monetary policy stance throughout 2021, mainly aimed at mitigating the negative effects of the COVID-19 pandemic on the domestic economy while safeguarding the one-to-one link to the South African Rand. The monetary policy stance taken during the year continued to be mindful of the need to counter the negative effects of the COVID-19 pandemic, as it continued to manifest itself in relatively weak domestic economic activity. Despite the domestic economy showing intermittent gains in some sectors as the year unfolded, the subdued performance continued to be broadly reflected in key economic sectors such as *manufacturing, constructions,* and *electricity and water*. Simultaneously, the domestic inflation rate rose mainly due to pressure from international energy and food prices and currency depreciations in most emerging market and developing economies (EMDEs) during the year. The Bank's monetary policy stance remained accommodative as the Repo rate, which was first lowered to a post-independence low of 3.75 percent in August 2020, was kept unchanged at this level at all six of the MPC meetings held in 2021. The sustained accommodative stance of the Bank of Namibia was consistent with most of the monitored central banks in advanced economies (AEs), while a few EMDEs, including South Africa, raised their policy rates during 2021, citing increased inflationary pressure. During 2021, the Bank also continued with the implementation of special policy relief measures introduced in April 2020 to complement its monetary policy stance and help reduce the impact of the COVID-19 pandemic on the Namibian economy. The measures were aimed at individuals, SMEs and corporations in Namibia and included loan payment holidays typically ranging from one to twenty-four months. Relief was also granted on the banks' capital conservation buffer, which was reduced from 1.00 percent to zero percent for at least 24 months since the commissioning date, to support the banking institutions' ability to supply credit to the economy.

The monetary policy stance adopted in 2021 was considered appropriate to continue supporting the pandemic-impaired domestic economy and to safeguard the one-to-one link between the Namibia Dollar and the South African Rand. Given the pursuit of accommodative monetary policy stances by most central banks around the globe and despite global inflationary pressure, the Bank deemed its 2021 monetary policy stance appropriate (Figure A.1). Through careful action, the level of foreign reserves remained sufficient to maintain the peg and meet the country's international financial obligations. The pickup in inflation was not considered to be of runaway magnitude, and economic activity continued to fall short of its potential, thereby necessitating a strong case for continued monetary stimulus.

FIGURE A.1 NAMIBIA REPO RATE VERSUS SOUTH AFRICA REPO RATE



STRATEGIC OBJECTIVE 3: MANAGE RESERVES PRUDENTLY

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
3.1 Manage foreign exchange reserves prudently in accordance with the Investment Policy	Foreign reserves safe and easily convertible assets which generate risk-adjusted returns in line with the approved strategic benchmarks	All internally and externally managed sub-portfolios met their respective objectives over the review period.	Yes
	Foreign reserves cover the currency in circulation plus a buffer of three times the monthly average net commercial bank flows threshold	Foreign reserves covered the precautionary threshold by a ratio of 5.6 at the end of December 2021.	Yes
	Foreign reserves meet the international 3-months' import coverage ratio benchmark	The import coverage ratio stood at 6.4 months at the end of December 2021.	Yes
3.2 Manage liquidity in the banking system proactively to support reserves	100 percent compliance with reserve adequacy threshold as stated in the Market Intervention Framework	The level of foreign exchange reserves remained adequate and well above currency in circulation plus a buffer equal to three months of average commercial bank outflows by a ratio of 3.0 times.	Yes

As stipulated in section 61 of the Bank of Namibia Act (No. 1 of 2020), the Bank is entrusted with accumulating and prudently managing Namibia's foreign exchange reserves. As such, the reserve assets are held to provide support for the peg, as required in terms of the Bilateral Monetary Agreement between the governments of the Republic of Namibia and the Republic of South Africa. Reserve assets are also held to enable funding of international transactions and to serve other strategic objectives such as maintaining confidence in the country's monetary and exchange rate policies. In addition, holding adequate reserve assets promotes confidence amongst the international community that the country can service its external debt and ensures resilience to external shocks.

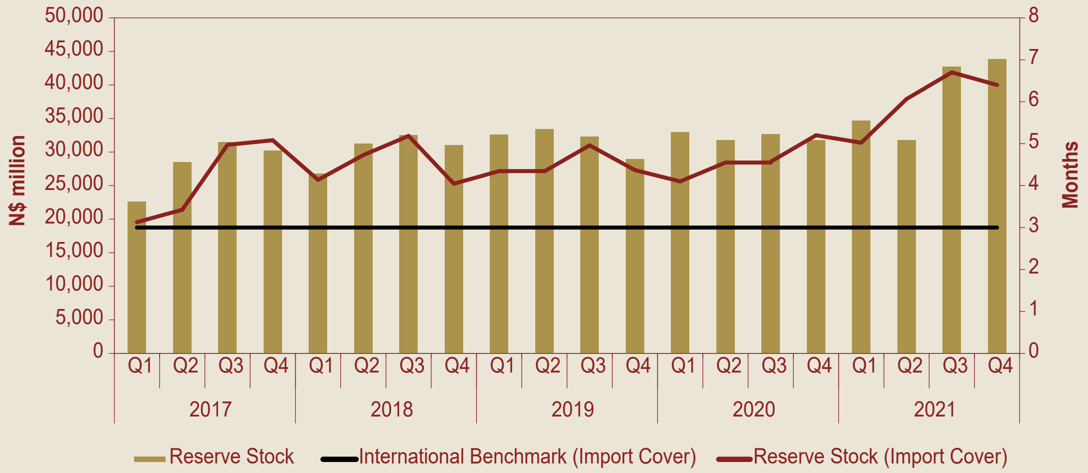
To serve the purpose of holding foreign reserves, the Bank needs to ensure that the primary objectives of capital preservation and liquidity management are met. Subject to meeting these two objectives, excess reserves are managed to pursue and maximize investment returns. These objectives are achieved through exposure to a range of eligible foreign assets set within limits which are informed by the Bank's annual strategic asset allocation exercise.

The stock of international reserves increased by 38 percent year-on-year, amounting to a level of N$43.9 billion as at 31 December 2021. Despite lower SACU receipts of N$16.6 billion in 2021 (compared to N$21.4 billion in 2020), foreign reserves increased on account of IMF Rapid Financing Instrument (RFI) amounting to N$3.9 billion and N$1.5 billion from African Development Bank (AfDB). Furthermore, foreign reserves increased due to additional IMF SDR allocation amounting to N$3.9 billion. The positive developments were further supported by additional inflows from the asset swap programme amounting to N6.8 billion. On the outflow side, net commercial bank outflows came in lower at N$11.9 billion (2020: N$19.9 billion). The decrease was due to higher proceeds from diamond sales. Over the year, the total payments made on behalf of the Government amounted to N$6.6 billion (2020: N$4.9 billion); the higher bill is attributed to an uptick in economic activity and the rolling out of vaccination programmes. Another significant outflow from the reserves was the redemption to the tune of N$7.2 billion of Namibia's first Eurobond that matured on 3 November 2021.

Regarding reserve adequacy, the level of foreign reserves remained adequate when measured in terms of (1) import coverage and (2) currency in circulation plus a buffer of three times the monthly commercial bank outflows. Foreign reserves were recorded with an import coverage ratio of 6.4 months as at 31 December 2021 compared to the 5.1 months reported at the corresponding time in 2020, mirroring the increase in foreign reserves. In terms of currency in circulation plus a buffer of three times monthly commercial bank outflows, the reserves were recorded at a ratio of 5.64 times as at 31 December 2021 (2020: 3.3 times), mainly aligned to lower commercial bank outflows during the period under review. At these levels, both measures are considered adequate to support the peg to the South African Rand (ZAR) and the threshold for invoking Section 62 of the Bank of Namibia Act.

FIGURE A.2 OFFICIAL FOREIGN EXCHANGE RESERVE STOCK AND IMPORT COVER

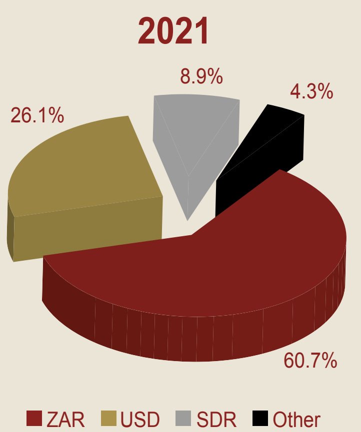
The stock of international reserves increased by 38 percent year-on-year and remains well above the international import coverage ratio of 3 months.



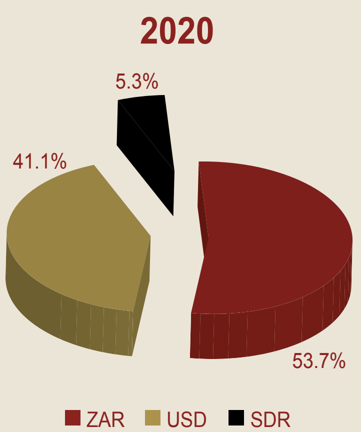
The USD and ZAR currencies continued to represent the biggest share of the Bank's overall foreign exchange reserves. As at 31 December 2021, the ZAR and USD currencies accounted for 60.7 percent and 26.1 percent, respectively. The remaining portion of 14.1 percent was made up of the IMF Special Drawing Rights allocation (8.6 percent) and other currencies of the basket, namely the Euro (EUR), British Pound Sterling (GBP), Japanese Yen (JPY) and the Chinese Yuan/ Renminbi (CNY) (see Figure A.2). The ZAR level was 7.7 percent higher, while USD presented a lower allocation of 15.64 percent compared to the previous year. This can be ascribed to the additional ZAR asset flows and redemption of the Eurobond in USD.

FIGURE A.3 CURRENCY MIX OF FOREIGN EXCHANGE RESERVES, 31 DECEMBER 2021

The largest currency allocation was apportioned among the USD and ZAR currencies of the overall reserves during 2021.



The largest currency allocation was apportioned among the ZAR and USD currencies of the overall reserves during 2020.



LIQUIDITY MANAGEMENT

The Bank employs various liquidity management tools to safeguard the level of international reserves. Accordingly, the Bank intervenes in the market by temporarily absorbing funds destined to leave the country in search of alternative investment opportunities. The common interventions include the issuance of Bank of Namibia Bills, as well as appropriate adjustments to the Settlement Account rate.[5] The Bank also engages in non-market interventions such as advice to the Government on appropriate regulations aimed at preventing capital outflows.

ADMINISTRATION OF EXCHANGE CONTROL

During the period under review, the Bank continued to execute its mandate as Agent for the Administration of Exchange Control as provided in the Bank of Namibia Act (No.1 of 2020). The Administration of Exchange Control supports foreign reserves management of the country. In accordance with the powers provided for in the Currency and Exchanges Act (No.9 of 1933) and the Exchange Control Regulations of 1961, as amended, the Minister has delegated the function of Exchange Control to the Bank and tasked it with the responsibility for fostering stable foreign exchange operations in the country. To this effect, the Bank also contributes to a sound foreign exchange market in the Common Monetary Area (CMA). During 2021 the key activities detailed below were carried out as part of the Bank's mandate to administer Exchange Controls.

As part of the envisaged next phase in the gradual exchange control liberalisation trajectory, the Bank drafted Capital Flow Management Regulations. The purpose of the Capital Flows Regulations is to modernise the exchange control regime in Namibia, in line with international best practice following the benchmarking exercise with the Organization for Economic Co-operation and Development and the South African Reserve Bank. Ultimately, with the new Regulations, the Bank aims to usher in a more business- and investor-friendly regulatory environment. In this regard, industry-wide consultations have begun, and inputs obtained through the engagement process would be incorporated in the final Regulations.

Like most developing countries, Namibia is not immune to the risk of Illicit Financial Flows (IFFs). To reduce this risk, an inter-agency statistical working group consisting of 10 agencies and key Government ministries[6] was established in October 2021 to quantify the level of IFFs in Namibia. In July 2017, the United Nations General Assembly adopted Sustainable Development Goal indicator 16.4.1, which requires countries to measure the "total value of inward and outward illicit financial flows". The Addis Ababa Action Agenda on financing for development similarly calls for a redoubling of efforts to substantially reduce IFFs by 2030. With the technical support of the United Nations, the working group is expected to adopt a methodological framework to be used for quantifying IFFs in Namibia during June 2022. Namibia is involved in the pilot testing of these methods under the guidance and capacity building provided by the UNECA/UNCTAD/UNODC[7] project on Defining, estimating, and disseminating statistics on IFFs in Africa.

As part of the digitisation of its processes, the Bank has finalised the business case and project plan for the implementation of the Import Verification System (IVS). The process of selecting the vendor has begun and the vendor will be appointed in 2022. The Import Verification System would interface with the Asycuda World System of NamRA to provide for a reconciliation model between the payments for imports of goods relative to the actual goods received in the country. It is envisaged that the system will be implemented in May 2023 as part of efforts to reduce IFFs.

The Bank continued to shape the compliance environment of the regulated populace consisting of six Authorised Dealers and six Authorised Dealers with Limited Authority (ADLAs) through onsite and offsite inspections and regular industry meetings. For the period under review, the Bank conducted four onsite inspections and continuous

5 The Settlement Account rate refers to the rate paid on commercial banks' deposits at the central bank.

6 The members of the working group are Bank of Namibia, the Financial Intelligence Centre, the Namibia Revenue Agency, the Ministry of Mines and Energy, the Ministry of Fisheries, the National Planning Commission, the National Statistics Agency, the Anti-Corruption Commission, the Namibian Police and the Namibia Financial Supervisory Authority.

7 UNECA - United Nations Economic Commission for Africa. UNCTAD - United Nations Conference on Trade and Development. UNODC - United Nations Office on Drugs and Crime

offsite monitoring, and data analysis on the Balance of Payment Reporting System to assess the industry compliance with the Exchange Control Regulations and the reporting requirements. In this regard, there was a notable improvement in overall compliance with the Exchange Control Regulations as well as an improvement on mis-invoicing of transactions.

The Currency and Exchanges Manuals for Authorised Dealers and ADLAs contain the permissions and conditions applicable to transactions in foreign exchange that may be undertaken by them on behalf of their clients. In 2021, the Bank processed 1 042 applications for foreign exchange transactions, which represents a one (1) percent decrease compared to 2020, during which a total of 1 057 applications were processed. The 1 057 applications processed in 2020 represented a ten (10) percent decrease compared to 2019, during which a total of 1 176 applications were processed. Figure A.4 below depicts the number of applications processed in the last three years:

FIGURE A.4 NUMBER OF APPLICATIONS PROCESSED IN THE THREE YEARS 2019–2021

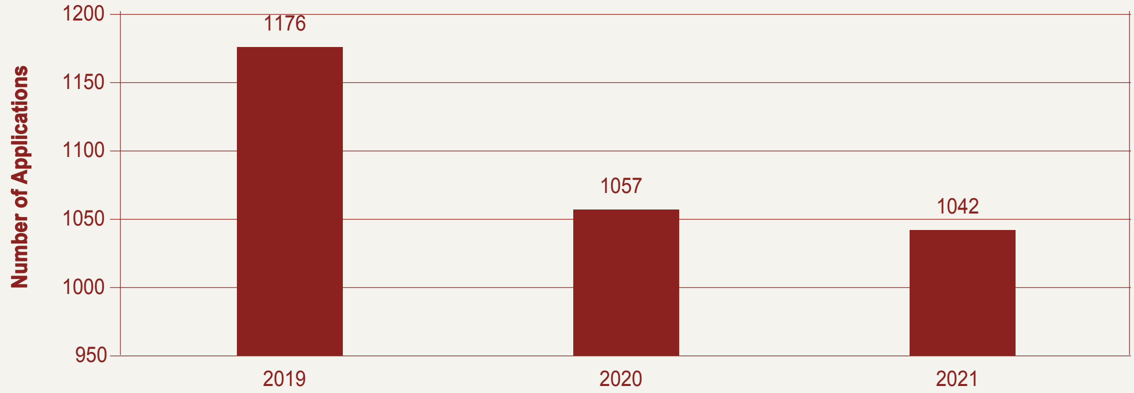
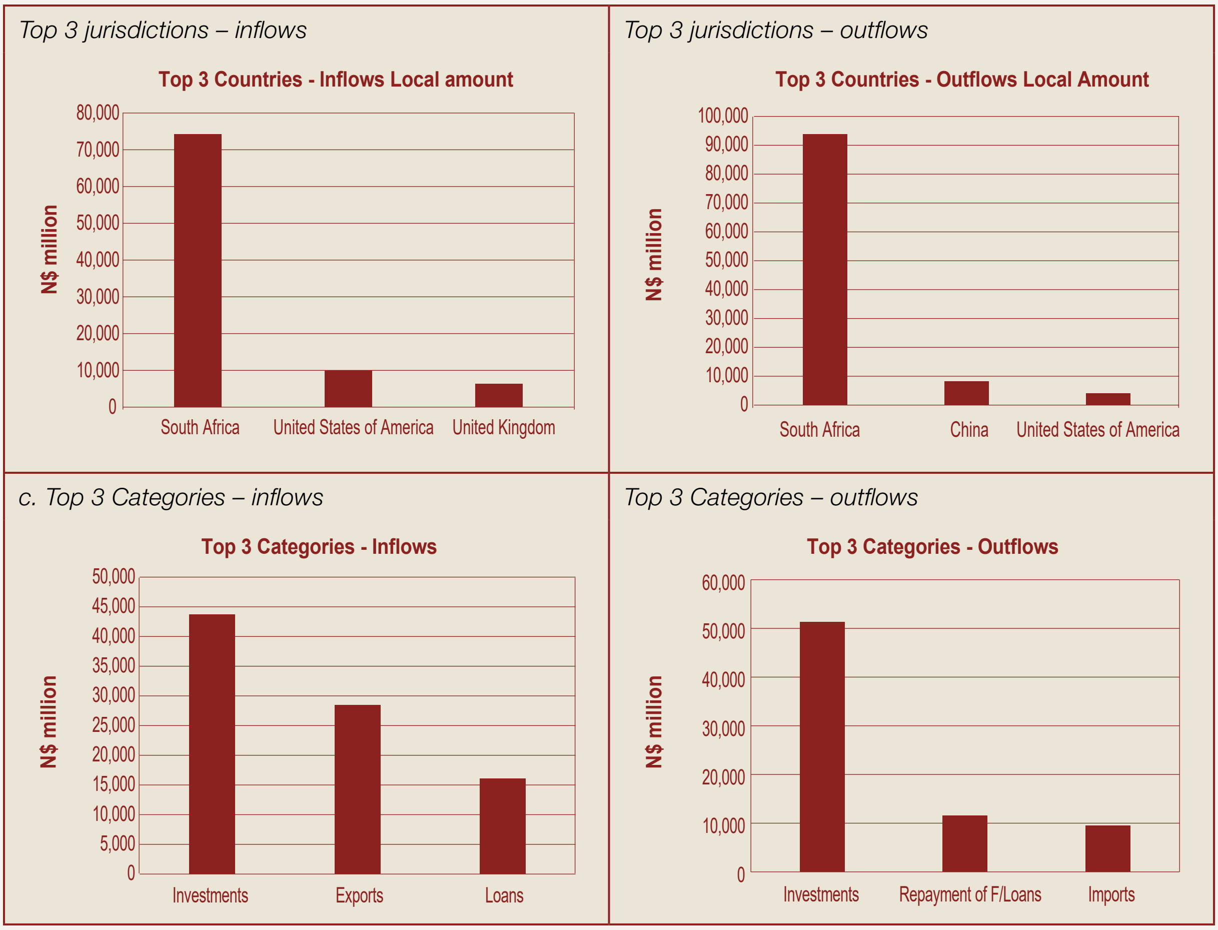


FIGURE A.5 TOP THREE COUNTRIES AND CATEGORIES OF ACTUAL CROSS- BORDER INFLOWS AND OUTFLOWS



In terms of inflows of funds into Namibia, most funds were received for investment purposes, exports and loans, while for capital outflows, most funds were remitted for investment purposes, e-payment of foreign loans, and imports. Namibia's foreign reserves were sufficient to allow for the free movement of these transactions, and despite the COVID-19 impact, the Minister did not deem it necessary to introduce restrictions on capital flow measures during the year.

The ADLA industry was severely impacted by the COVID-19. Since the ADLA industry is dependent on travel-related foreign exchange transactions, the travel restrictions negatively affected the operations of the ADLAs. Despite this impact, one application for establishing an ADLA was received, and assessment is still in progress.

As an integral part of the international system, the Bank continued to fulfil its multilateral obligations. In this regard, the exchange control policy remains aligned within the CMA countries. Furthermore, the review of the joint Exchange Control Liberalisation Index (ECLI) was finalised. This Index will be used to track the progress of the liberalisation of the Capital and Financial Account of SADC member countries and to inform capital controls adjustment aimed at moving towards the harmonisation of rules within the SADC in line with Annex 4 of the SADC Finance and Investment Protocol.

STRATEGIC OBJECTIVE 4: PROVISION OF CURRENCY, GOVERNMENT DEBT ISSUANCE AND BANKING SERVICES

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
4.1 Effective and efficient provision of banking services	All (100 percent) Government payments and deposits correctly effected and recorded within 3 days	99% of all Government payments destined to foreign beneficiaries were executed within the 3-day turnaround time. Internal controls have been reviewed and the necessary corrective measures have been implemented to ensure compliance to the turnaround time.	No
	BoN complies with anti-money laundering laws	All Government payments, both local and foreign, were screened against the UN sanctioned list. No suspicious transactions were detected.	Yes
	Previous day State Account balance made available to the Ministry of Finance the next day before 12h00 noon.	State Account balances were provided to the Ministry of Finance daily at the stipulated time.	Yes
4.2 Issue and manage Government securities	Meet funding requirements of the Government in line with the approved Borrowing Plan	The Bank succeeded in raising the required funding for the Government as per the Borrowing Plan.	Yes
4.3. Provide effective lending facilities to the banking institutions	Meet 100 percent of banking institutions' borrowing needs in line with the Bank's conditions	All banking institutions' liquidity needs were met.	Yes
4.4. Manage and issue currency	Good quality, cost-effective and sufficient currency supplied to commercial banks as per demand and in line with Bank's approved denomination mix	The Bank supplied the commercial banks with sufficient and good quality currency as per the Bank's approved denomination mix.	Yes
	Counterfeits detected and in circulation do not exceed the threshold of 10 pieces per 1 million notes in circulation	The ratio of counterfeits recorded in 2021 was 3 pieces per million banknotes in circulation and was thus below the Bank's threshold.	Yes
	All commercial banks' deposits and withdrawals to be processed on the system within one hour of conclusion of the said transaction	The Bank managed to process all commercial banks' deposits and withdrawals within the stipulated time frame of one hour.	Yes

PROVISION OF EFFECTIVE LENDING FACILITIES TO THE BANKING INSTITUTIONS

In line with its mandate, the Bank of Namibia continues to provide lending facilities to commercial banks. This is done through the provision of intra-day, overnight, and 7-day Repo lending facilities, which are aimed at assisting the banking institutions in meeting their short-term liquidity needs. During 2021, the Bank on several occasions provided liquidity to commercial banks through the abovementioned facilities. The 7-day Repo facility is generally the most utilised facility as it gives a longer window of liquidity provision.

ISSUANCE AND MANAGEMENT OF GOVERNMENT SECURITIES

As an agent for Government, the Bank continues to issue Government debt securities. This is intended to assist the Government in its efforts and commitment towards financial market development, as well as in the financing of the national budget. During 2021, the Bank of Namibia held several auctions for both short-term discount instruments and bonds as per the 2021/22 Borrowing Plan, which saw an increase in the total value of outstanding Government domestic debt in comparison to the preceding year. The Government introduced an inflation-linked bond (the GI27) in 2021, maturing in 2027, as well as a long-term fixed-rate bond (the GC48), maturing in 2048. This brings the total number of outstanding domestic listed Government bonds to 21, inclusive of the six inflation-linked bonds. During 2021, the Government also successfully redeemed two bonds, one in the domestic market (GC21) and another international Bond (2021 Eurobond). The GC21 to the tune of N$168.5 million which matured on 15 October 2021. Additionally, the 2021 Eurobond to the tune of USD500.00 million was paid back to investors at maturity, after the Government successfully raised enough funds to replenish the sinking fund to enable full redemption. The Government also managed to switch N$330 million of the N$2.3 billion outstanding on the GI21 during 2021 into longer dated inflation-linked bonds.

PROVISION OF BANKING SERVICES TO THE GOVERNMENT

In its role as banker to the Government, the Bank ensures that revenue and payment transactions destined for Government accounts are accurately and timeously processed, and that these accounts are well managed.

During the year under review, an overall reduction was noted in both local and foreign payments processed on behalf of Government.

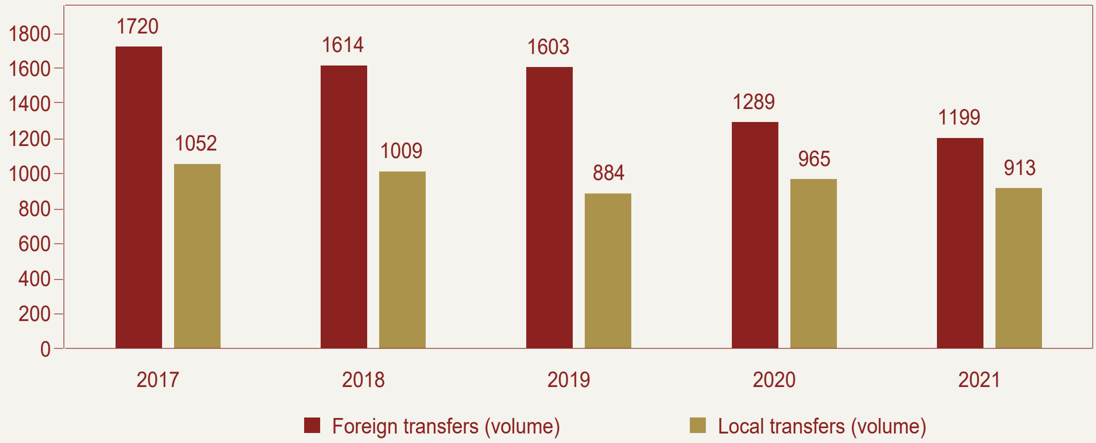
5.4% decrease in local transfers

913 ***(2021)*** vs 965 ***(2020)***

9.5% decrease in foreign transfers

1,166 ***(2021)*** vs 1,289 ***(2020)***

FIGURE A.6 LOCAL AND FOREIGN TRANSFERS PROCESSED ON BEHALF OF THE GOVERNMENT



It is noteworthy that the volume of local and foreign transfers has been declining over the past five years, with 2021 recording the lowest figure. The aforesaid reduction can be partially attributed to the contraction noted in the economy, which was exacerbated by the COVID-19 pandemic.

During the year under review, the Bank succesfully executed the electronic payment system modernisation project. The Bank facilitates domestic electronic payments on behalf of the Government through its Electronic Funds Transfer (EFT) System. The EFT system is one of the Bank's mission-critical systems. The Bank's business needs have evolved over time due to an increased number of transactions from the Government, and changes in business and Banking industry compliance requirements. In response, the Bank has had to replace its EFT System. This process coincided with the implementation of the industry EFT System called the NAMPAY System.

The implementation of the Bank's EFT System replacement project has yielded greater efficiency and safety, and enhanced controls for the processing of EFT payments for the Government and the Bank. The system is ISO 20022 compliant, and has enhanced anti-money laundering checking and reporting functionalities.

The replacement of the Bank's EFT System with the robust, secure, state-of-the-art system was a major project in terms of both financial resource requirements and its strategic importance to the Government and the nation at large. The provision of Banking services to the Government is one of the fiduciary mandates of the Bank as contained in its Strategic Objectives. Having successfully delivered on this major project was therefore a significant achievement for the Bank, the Government, and the nation at large.

The new EFT System was successfully implemented at the end of June 2021, and the old system was decommissioned at the end of December 2021. All EFT payments of the Government and the Bank are now processed on the new EFT System.

Electronic payments to local Government beneficiaries remained a popular payment method during 2021, despite a slight decrease in the volume of transactions effected. EFT payments in 2021 amounted to 2 292 688 (2020: 2 485 959).

FIGURE A.7 EFT TRANSFER VOLUMES 2017–2021

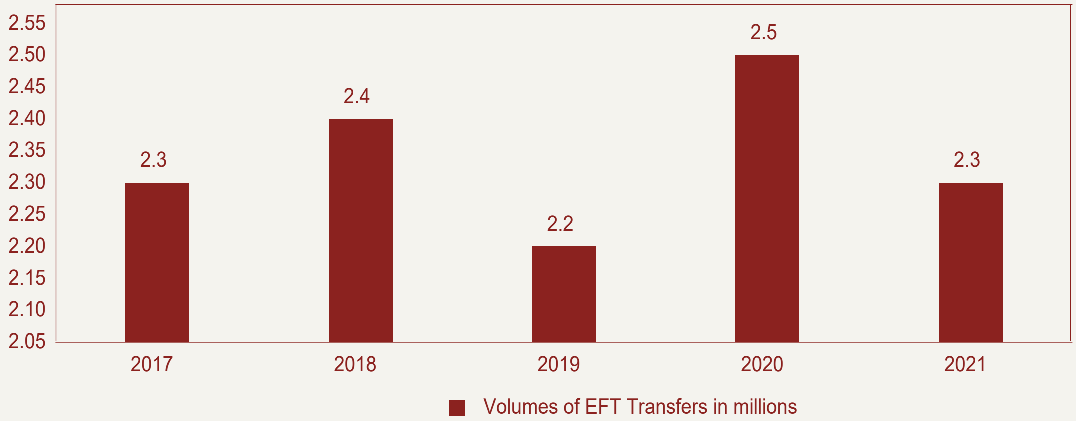
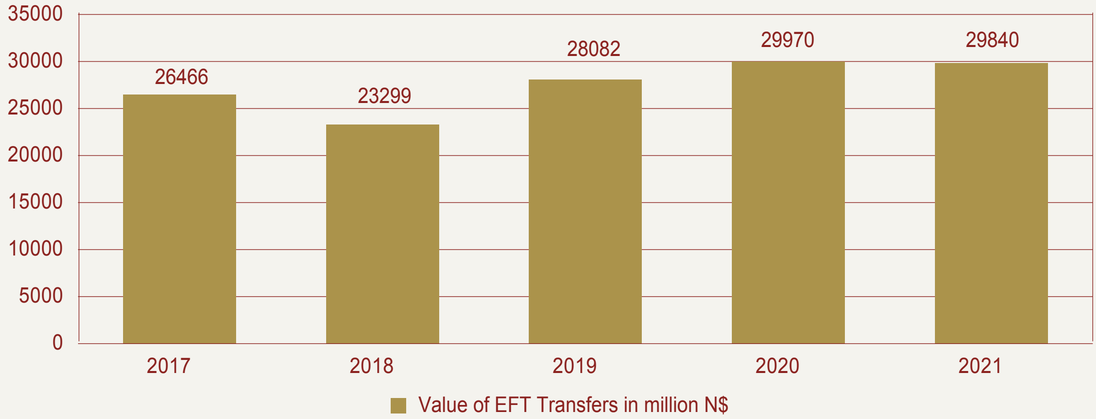


FIGURE A.8 EFT TRANSFER VALUES 2017–2021



Government payments processed by the Bank complied with the anti-money laundering, counter-terrorism financing, and counter-proliferation financing laws, as outlined in the Financial Intelligence Act (No. 13 of 2012), as amended. No suspicious transactions were noted during the period under review.

THE BANK'S MANDATE ON NATIONAL CURRENCY

As mandated by the Bank of Namibia Act (No. 1 of 2020), the Bank has the sole authority to produce and issue Namibian currency. The Banking Services Department is tasked with delivering on this mandate by:

Ensuring currency is designed in accordance with relevant regulations.	**Supplying the market with banknotes and coins through commercial banks.**	**Withdrawing unfit currency from circulation and destroying it.**	**Ensuring that sufficient and good quality currency is put into circulation.**

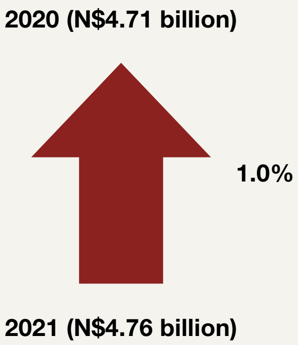
CURRENCY MANAGEMENT

The COVID-19 pandemic affected the Bank's currency function in various ways, most notably during the lockdown, when demand for cash was higher than usual. In order to mitigate the risk of possible disruptions in the currency supply chain, the Bank worked very closely with the local commercial banks to ensure that sufficient currency stock levels were maintained at the cash centres across the country. Overcoming these pressures required agility and innovation.

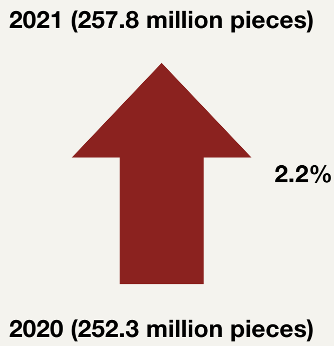
The issuance of good quality banknotes and coins to the commercial banks is the sole responsibility of the Bank, as contained in its mandate. The Bank fulfilled this mandate by supplying sufficient and good quality currency in all denominations to the Namibian market. Adequate currency management practices were applied to ensure that market demand was met. The Bank continued to oversee the full lifecycle of Namibian currency, which included all stages, from the production of new notes and coins to the destruction of unfit banknotes.

Total currency in circulation increased during 2021.

Currency in Circulation



Coins in circulation



The total value of currency in circulation in 2021 increased by 1.0 percent from N$4.71 billion in 2020 to N$4.76 billion. In contrast to this, the number of coins in circulation increased by 2.2 percent from 252.3 million pieces in 2020 to 257.8 million pieces in 2021. Furthermore, an increase in the individual coin denominations was observed for all coins except the N$10 coin. Although the N$0.05 cent coin remains in circulation as legal tender, the coin will not be issued by the Bank in the future. The final N$0.05 cent stock was issued in March 2021.

Overall, banknotes recorded a 0.9 percent average increase in value during the year under review. The N$200 banknote continued to be the most circulated banknote in 2021 with a volume of 14.3 million pieces, whilst the N$10 banknote was in second place with a volume of 10.2 million pieces.

The N$50 banknote denomination had a volume reduction from 6.9 million in 2020 to 6.7 million in 2021. The N$30 commemorative banknote showed an impressive increase of 49.8 percent over the previous year.

The N$30 commemorative banknote that was issued by the Bank on 15 May 2020 received high recognition in 2021. On 16 December 2021, the Bank was awarded the "Best Commemorative Banknote" at the High-Security Printing Virtual Awards in the regional category Europe, Middle East, and Africa. Winning the award was a significant achievement for the Bank as the note was the first commemorative banknote designed and issued by the Bank. To date, 90% of the banknote pieces printed by the Bank have been successfully placed in circulation. Interest from the international community remained firm and the Bank has continued to receive orders for the commemorative banknotes.

2021 was also the year that the Bank reprinted the modified N$10 banknote denomination under the signature of the new Governor following his appointment by the President of the Republic of Namibia in June 2020. The modified N$10 banknote will be issued in 2022.

FIGURE A.9 GROWTH OF CURRENCY IN CIRCULATION

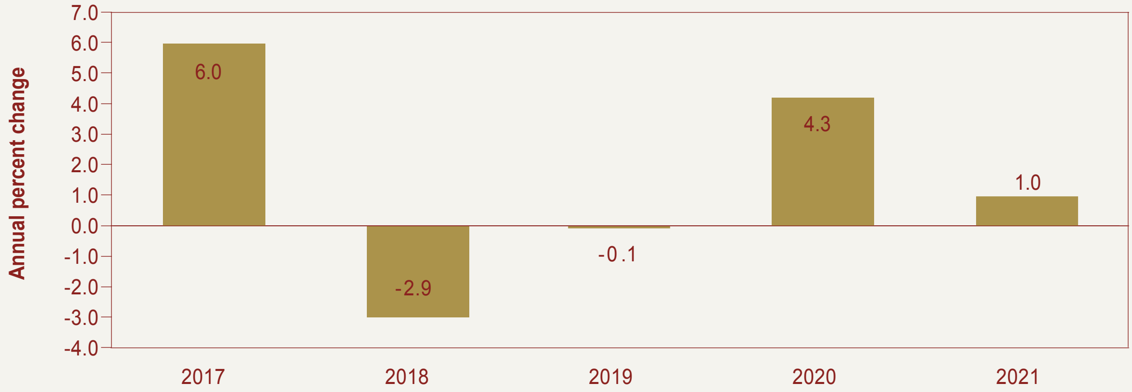


TABLE A.8 COMPOSITION OF CURRENCY IN CIRCULATION

DENOMINATION	2020		2021		CHANGE IN VALUE PERCENT
	VALUE (N$ MILLIONS)	VOLUME (MILLIONS)	VALUE (N$ MILLIONS)	VOLUME (MILLIONS)	
5c coin	14.4	288.0	14.5	290.0	0.7
10c coin	21.9	219.0	23.0	230.0	5.0
50c coin	16.6	33.2	16.8	33.6	1.2
N$1 coin	113.3	113.3	115.0	115.0	1.5
N$5 coin	69.2	13.8	71.6	14.3	3.5
N$10 coin	16.9	1.7	16.9	1.7	0.0
TOTAL COINS	**252.3**	**669.0**	**257.8**	**684.6**	**2.2**
N$10 notes	107.5	10.8	101.8	10.2	-5.3
N$20 notes	194.7	9.7	201.1	10.1	3.3
N$30 notes	91.1	3.0	136.5	4.6	49.8
N$50 notes	347.0	6.9	336.5	6.7	-3.0
N$100 notes	887.1	8.9	858.1	8.6	-3.3
N$200 notes	2 832.0	14.2	2 867.4	14.3	1.3
TOTAL NOTES	**4 459.4**	**53.5**	**4 501.5**	**54.4**	**0.9**
GRAND TOTAL	**4 711.7**	**722.5**	**4 759.4**	**739.0**	**1.0**

The Bank provides the public with secure banknotes with cutting-edge security features that render them easy to identify and difficult to counterfeit. Counterfeit banknotes recorded during the year under review declined significantly. The total number of counterfeit banknotes detected during the 2021 year was 155 pieces, down from 364 pieces in 2020 (see Table A.9 below).

Counterfeits in circulation continued to decrease, as is evident in Table A.9 below, with 2021 having the lowest number of counterfeits recorded in the past five years. Counterfeits remain of poor quality and are below the Bank's threshold of 10 pieces per million in circulation, as well as the industry standard of 70 pieces per million in circulation.

FIGURE A.10 COUNTERFEITS OVER THE PAST FIVE YEARS

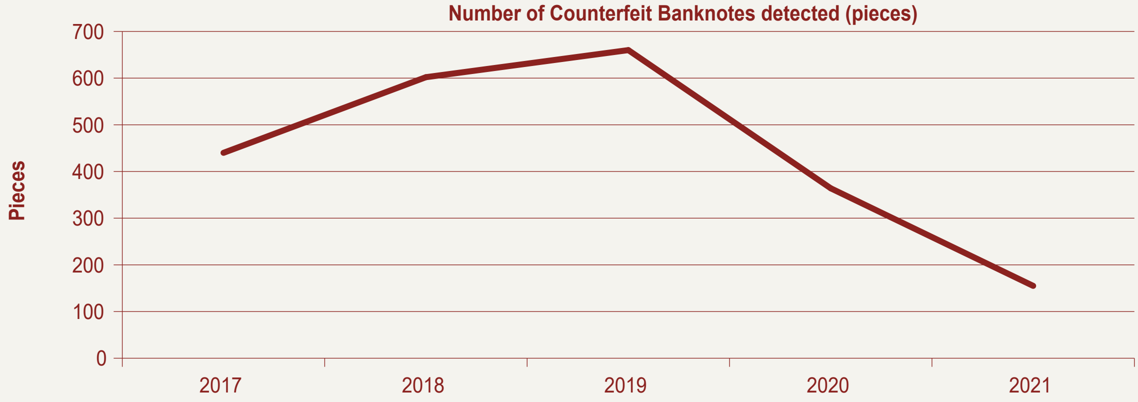


TABLE A.9 COUNTERFEIT NAMIBIA DOLLAR BANKNOTES

DENOMINATION	NUMBER OF COUNTERFEIT BANKNOTES DETECTED					COUNTERFEITS PER SINGLE DENOMINATION PER MILLION NOTES IN 2020	COUNTERFEITS PER SINGLE DENOMINATION PER MILLION NOTES IN 2021
	2017	2018	2019	2020	2021		
N$10	2	5	2	23	1	2	0
N$20	24	64	42	29	6	3	1
N$30	0	0	0	0	0	0	0
N$50	74	214	189	59	37	9	6
N$100	81	130	180	54	33	6	4
N$200	259	189	247	199	78	16	5
TOTAL	**440**	**602**	**660**	**364**	**155**	**7.9**	**3.03**

TABLE A.10 COUNTERFEIT NAMIBIA DOLLAR BANKNOTES PER SERIES

NOTES	N$10	N$20	N$50	N$100	N$200	TOTAL PIECES	TOTAL VALUE (N$)
New Series	1	6	36	33	76	152	20 430
Old Series	0	0	1	0	2	3	450
TOTAL	**1**	**6**	**37**	**33**	**78**	**155**	**20 880**

In compliance with the Bilateral Common Monetary Agreement between Namibia and South Africa dated 14 September 1993, the Bank continued to repatriate South African Rand banknotes deposited by the commercial banks to the South African Reserve Bank. During 2021, the value of Rand banknotes repatriated to South Africa by the Bank decreased substantially, with R150 million being repatriated in 2021, compared to R225 million in 2020. This equated to a 33.3 percent reduction in the total value of repatriations.

TABLE A.11 REPATRIATION OF SOUTH AFRICAN RAND BANKNOTES AND NAMIBIA DOLLAR BANKNOTES IN CIRCULATION

CALENDAR YEAR	VALUE OF RAND REPATRIATION		N$ IN CIRCULATION	
	RAND (MILLION)	CHANGE IN VALUE (PERCENT)	N$ (MILLION)	CHANGE (PERCENT)
2017	225.0	-62.5	4 658.5	6.0
2018	150.0	-33.3	4 362.7	-6.3
2019	225.0	50.0	4 414.3	3.6
2020	225.0	0.0	4 711.7	6.7
2021	150.0	-33.3	4 759.4	1.0

CURRENCY RESEARCH

During the year under review, the Banking Services Department conducted research on the "Impact of Digital Payment Instruments on the Future of Cash in Namibia". The research emanated from the realisation that there are an increasing number of digital payment methods available in the country. This trend is fuelled by changing customer preferences and expectations, enhancements to traditional payment mechanisms, new technologies, and the adaptation of existing technologies. This metamorphosis has provided new ways of effecting payments and has challenged the status quo regarding regulations and legislation applicable to the industry. Furthermore, digital payment instruments bring a competitive element to the industry and provide various opportunities to new market entrants.

Existing studies have mostly approached this topic from the perspective of advanced economies, with less work having been done to gauge the desirability of eliminating cash in favour of digital payments in emerging economies. Moreover, no work has been done in the Namibian context, which underlines the importance of the study. The paper assessed the impact of digital payments on the future issuance of cash by analysing different payment instruments in Namibia between 2015 and 2020.

The study revealed that although the usage of digital payments has increased tremendously over the past years, there was also a significant increase in the value of cash in transit in 2017 and 2020. The study further concluded that given the various factors that drive the demand for currency, cash in Namibia is neither declining in importance nor threatened by the emerging digital payment methods. Cash will continue to endure alongside other payment instruments within the Namibia Payment System.

LOOKING AHEAD

In 2022, the Bank will:

- ensure the sufficiency of supply and the integrity of currency;
- modernise and automate the Government's banking operations with the aim of enhancing operational efficiency;
- continue its research into security features for future banknotes and coins;
- expand its research on the use of cash and digital currencies;
- enhance the security posture of the Bank; and
- develop a new digital education tool for the national currency.

STRATEGIC OBJECTIVE 5: PROMOTE A POSITIVE REPUTATION

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
5.1 Enhanced corporate image	Positive media tone of more than 80 percent based on systematic media analysis	The Bank achieved a positive media tonality of 84.4 percent for the period under review.	Yes
	Achieve 70 percent attendance of targeted audience at Bank events. Stakeholder confidence in the Bank measured by satisfaction of > 80 percent based on minimum response rate of 70 percent	The events hosted by the Bank continued to be well subscribed with an attendance above the 70 percent audience target. The average stakeholder satisfaction rate was 83.5 percent, based on a response rate of 72 percent, as measured through the 2019 External Stakeholder Perception Survey.	Yes

ENHANCED CORPORATE IMAGE

The Bank of Namibia maintained its positive corporate image, by strengthening and maintaining long-term relationships with various stakeholders, policymakers, and opinion leaders. During the year under review, the Bank recorded 84.4 percent positive media tonality based on a systematic media analysis of news articles featuring the Bank and its activities. Events organised by the Bank continued to attract stakeholders and set the agenda for endeavours related to economic growth.

PUBLIC EDUCATION

The Bank has undertaken to raise its profile amongst the public by creating awareness of its role. The Bank's Public Education Programme continued to educate various stakeholders on issues relating to its functions, role, and operational activities. To fulfil this role, effectively, the Bank approved a consolidated public education strategy to be implemented in a phased approach: 2021 – 2023. The Strategy supports the Strategic Plan of the Bank by leveraging on enabling technologies and digital innovations to enhance its communication and public education capability. The Bank's public education activities are used to strategically position the Bank as a vital institution that contributes meaningfully to society by addressing the lack of awareness of the mandate and functions of the Bank, financial literacy, media engagement and visibility.

In the past, the Bank issued statements declaring business models of various financial schemes to be illegal, which proved to be ineffective in deterring the proliferation of such activities. For this reason, the Bank launched an illegal financial schemes campaign which centred on changing perceptions and behaviour using a consumer protection-oriented approach. By making use of this approach, the Bank is now viewed as predominantly protecting the vulnerable in society from unscrupulous schemers instead of simply stifling investment opportunities, as previously perceived. Plans are underway to roll-out a campaign on alternative investment and savings options.

Campaign material

The Bank of Namibia initiated a campaign encouraging Namibians to get vaccinated. The campaign was meant to support and boost the national vaccination campaign. The Bank has realised that an effective way to salvage the economy is to prioritise vaccination across the country. While vaccination remains voluntary in Namibia, a high level of vaccination will dramatically reduce severe disease and mortality and facilitate a return to economic activity that is not impaired by the pandemic. To this end, several initiatives, including public engagements, multi-media messages encouraging Namibians to get vaccinated, and radio competitions were broadcast on all radio stations of the Namibia Broadcasting Corporation (NBC). Furthermore, a radio competition was launched to create an incentive for the public to get vaccinated. For participation in this competition, members of the public were required to be newly vaccinated from October 2020 to January 2021. Another leg of the competition targeted the Namibian youth studying at tertiary institutions. The participants won weekly hampers and monthly cash prizes while students won scholarships that will be paid directly to the tertiary institutions.

The Bank proudly hosted its first ever Bank of Namibia Tertiary Institutions' Debating Challenge on 28 September 2021. The competition was hosted in support of the country's identified need to educate the nation on the functions of the central bank and its role in the economy. UNAM and NUST locked horns as inaugural participants in this Debating Challenge. The questions to be answered in the first debate were: "Have the central bank's monetary policy stance and other additional policy measures been effective since the start of the COVID-19 pandemic? What has been the evidence thus far and lessons learned?" The focus was on the unprecedented measures implemented by the Bank since April 2020, such as the significant reduction in the Repo rate and policy relief measures to commercial banks which enabled the country to weather the COVID-19 storm.

The UNAM team won the inaugural Challenge. The judging panel consisting of Ms Florette Nakusera as Head Judge, Mr Emile van Zyl, former Technical Advisor to the Governor, and Ms Hamunime Naufiku, who served as the external judge, awarded the winning prize of N$10 000 to the UNAM team, and the runner-up prize of N$5 000 to the NUST team. Nchimonya Mweetwa, a 4th-year student from UNAM, received the best speaker award, walking away with a cash prize of N$2 500.

This initiative augments current efforts to proactively engage the youth at tertiary institutions doing advanced economic studies to apply their theoretical knowledge acquired in lecture halls to topical real-life, experiential issues. The Bank believes that the Debating Challenge provides a platform for students who would otherwise not have had an opportunity to gain knowledge of the central Bank's roles and operations.

UNAM's winning debating team, together with BoN's Deputy Governor, Mr Ebson Uanguta

The second prize winners representing NUST, together with BoN's Deputy Governor, Mr Ebson Uanguta

Nchimonya Mweetwa, a 4th -year student from UNAM, receiving the best speaker award.

The effort to provide simplified, attractive content to the public continued in 2021. Referred to as "the layering of messages", the process aims to provide readers with simplified, clear and easily comprehensible messages. This is done by giving infographic representations of critical messages on various economic and financial developments as covered in the publications of the Bank. Infographics make the information easily accessible to the public.

CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

As a responsible corporate citizen, the Bank places Corporate Social Responsibility and Investment at the heart of its interactions with stakeholders. During the year under review, the Bank also sponsored various activities. The sponsorships were targeted at various institutions and initiatives that demonstrated the potential to contribute to the attainment of Namibia's developmental, economic and social empowerment goals. Below are some of the major projects and activities that benefited from the sponsorships:

COVID-19 exacted a huge toll on the Namibian nation during the year under review. In its quest to curb the spread of the COVID-19 virus, the Bank announced the sponsorship and donation of COVID-19 medical equipment to the Ministry of Health and Social Services as part of its Corporate Social Investment and Responsibility programme. With an explicit commitment to contribute to national efforts to combat the COVID-19 pandemic, the Bank sponsored consignments containing medical equipment worth N$11 million, the construction of an oxygen plant in Zambezi Region, and the refilling of an existing plant in Rehoboth. Donations to Omusati, Kunene, Omaheke, Hardap and Karas regions were also made.

These donations were in addition to the N$3 million given to the Ministry in February 2021, and were intended to address actual needs at a national level which were accentuated by the third wave of the COVID-19 pandemic. The total investment stands at N$14 million.

BoN Governor, Mr Johannes !Gawaxab, Director: Exchange Control and Legal Services, Mr Bryan Eiseb, and Deputy Director of Corporate Communications, Mr Kazembire Zemburuka handing over the equipment to the Minister of Health and Social Services, Hon. Dr Kalumbi Shangula and Ministry officials as part of the Bank's N$11 million COVID-19 Sponsorship on 5 November 2021

BoN Governor, Mr. Johannes !Gawaxab, handing over equipment as part of the N$3 million donation on 20 January 2021 to the Minister of Health and Social Services, Hon. Dr Kalumbi Shangula,

Erongo Regional Governor, Hon. Neville Andre, receiving the donation from BoN Deputy Governor, Mr Ebson Uanguta; N$1 million of the N$3 million was medical equipment for Erongo Region.

Director: Payment and Settlement Systems, Ms Barbara Dreyer, handing over medical equipment to senior staff of the Outapi State Hospital

To combat COVID-19, an oxygen plant and other medical equipment were donated to the Katima Mulilo State Hospital in Zambezi Region. Here BoN Director of Financial Markets, Mr Nicholas Mukasa, hands over the equipment to the Deputy Minister of Health and Social Services, Dr Esther Muinjangue, who thanked the Bank for recognising the challenges Zambezi Region health system is faced with.

The memorandum of agreement signed between the Bank and the Namibia Training Authority (NTA) to the value of N$4.5 million over a 3-year period concluded in 2021. It provided the opportunity for 50 apprentices to undergo intensive on-the-job training in agriculture, and as tour guides and auto mechanics. During the year under review, 14 tour guides successfully completed their apprenticeships, and a graduation ceremony was held.

The Bank granted bursaries to Namibian students, enabling them to pursue undergraduate and postgraduate degrees in areas relevant to the operations of the Bank. As part of the Bank's social responsibility actions in support of the country's effort to build human capacity, the Bank continued to offer financial support to Namibian students to complete their undergraduate and postgraduate studies in fields related to the Bank's operations. In 2021, eleven undergraduate bursaries were awarded to students to study at recognised institutions in the SADC region in the fields of General and Chartered Accounting, Financial Management, Financial Mathematics, Actuarial Science, and Science Education. In addition, the Bank continued with the special bursary provision for four students from marginalised communities, with the aim of funding more students from these communities to study in the fields related to the Bank's operations or in the field of Education with specialisation in Science. This brought the total number of undergraduate bursaries to 35 for the 2021 fiscal year (Table A.13). A total of 168 undergraduate bursaries and postgraduate scholarships have been awarded by the Bank since 2003; of these, 58.9 percent were female recipients, and 41.1 percent were male recipients.

TABLE A.12 NAMIBIAN STUDENTS SPONSORED BY THE BANK'S UNDERGRADUATE BURSARY SCHEME

FIELD OF STUDY	2016	2017	2018	2019	2020	2021
Accounting/Finance/CA	13	10	11	7	5	10
Computer Science/IT	2	1	0	2	4	6
Economics	8	11	12	16	15	9
Actuarial Science	1	2	2	1	1	1
Education (Accounting and Science)	4	4	4	3	3	4
Education (Environmental Biology)	-	-	-	2	2	2
Applied Maths & Statistics	0	0	0	0	2	2
Financial Mathematics	0	0	0	0	0	1
TOTAL	**28**	**28**	**29**	**31**	**32**	**35**

STRATEGIC OBJECTIVE 6: PROMOTE FINANCIAL SECTOR DEVELOPMENT

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
6.1 Promote financial sector development	Namibia Financial Sector Strategy (NFSS) implementation coordinated in line with agreed implementation action plan	The Bank continued to coordinate and execute initiatives aimed at reforming the financial sector and improving access to finance for individuals and SMEs.	Yes

FINANCIAL SECTOR DEVELOPMENT

During the period under review, the Bank continued to play a key role in the coordination and execution of projects and initiatives contained in the Namibia Financial Sector Strategy (NFSS). The NFSS was launched in 2012 to address identified weaknesses and chart the road ahead for the Namibian financial sector. The strategy focuses on the following five identified reform areas: financial markets deepening and development; financial safety net; financial inclusion; localisation of the Namibian financial sector; and skills development in the financial sector.

The Financial Institutions and Market Act (No. 2 of 2021) was gazetted during the period under review. One of the identified areas of focus of the NFSS is the need to deepen and develop Namibia's financial markets. With the Financial Institutions and Market Act now published in the Government Gazette, the work on the demutualisation of the Namibian Stock Exchange (NSX) has reached an advanced stage. Another initiative under this reform area that will enhance financial markets development is the establishment of a Central Securities Depository, which is a specialist financial organisation that aims to keep record of securities such as shares and government stocks in uncertificated (dematerialised) form, so that ownership can easily be transferred through a book entry rather than the transfer of physical certificates. In this connection, Standards/ Regulations for the Central Securities Depository were submitted to the legal drafters during the review period, and once gazetted, application for a license will commence.

To ensure the financial safety net as envisaged by the NFSS, the Namibia Deposit Guarantee Authority (NDGA) was officially launched on 22 April 2021, and the institution also presented its first Annual Report at that occasion. The Bank continued to support the administration of the NDGA during 2021. The institution was established in 2018 and operationalised in 2019 to administer the Namibia Deposit Guarantee Scheme. The main aim of the Scheme is to ensure that depositors are reimbursed in an efficient and transparent manner in the event of a bank failure. Although the NDGA is an independent institution, it is administratively supported by the Bank in line with a Service Level Agreement signed between the two institutions.

The enhancement of financial inclusion remained a priority for the Bank during the review period. Under the stewardship of the Ministry of Finance, the Bank continued to provide technical support to the implementation of the SME Financing Strategy, with a view to enhancing financial inclusion. The Strategy involves three complementary facilities, namely the Credit Guarantee Scheme, the Catalytic First Loss Venture Capital Fund and the Mentoring and Coaching Programme, which are being implemented in phases. In addition to providing funding toward the capitalisation of this Strategy, the Bank played a crucial technical role that saw the operationalisation of the Credit Guarantee Scheme on 18 August 2020. Although the operationalisation of the Strategy has been delegated to the Development Bank of Namibia, the Bank continued to spearhead consultations with relevant stakeholders during the year with the aim of speeding up the operationalisation of the remaining facilities under the SME Financing Strategy.

During 2021, the Bank continued to provide financial and technical support to the Financial Literacy Initiative. As a platform supporter of the National Financial Literacy Initiative since 2012, the Bank participated by serving on a working group that was specifically set up for the drafting of the National Policy on Financial Education during the year under review. The

BoN Governor, Mr Johannes !Gawaxab, pictured with the Minister of Agriculture and Land Reform, Hon. Calle Schletwein, the Leader of the Official Opposition, Hon. McHenry Venaani, Member of the National Assembly Standing Committee on Natural Resources, Hon. Gordhardt Kasuto, and members of the Board of Directors of the NDGA at the official launch of the NDGA and the institution's first Annual Report.

Policy aims to outline a clear vision for the identification, planning and coordination of national financial education programmes in Namibia, and defines the necessary institutional arrangements for implementing financial literacy programmes. The Policy was endorsed by the Financial Inclusion Council Advisory Body in October 2021. Once all stakeholder consultations have been completed, the Policy will be presented to the Financial Inclusion Council before it is tabled before Cabinet for final approval. Financial literacy is an important factor for ensuring the attainment of financial inclusivity, as individuals and entities can only be active participants in the financial sector when they are well informed about the various services and products offered and have a clear understanding of their roles and responsibilities.

During the year under review, the Bank continued to work closely with NAMFISA and other stakeholders on the finalisation of the draft Consumer Credit Policy and the drafting of the Consumer Credit Bill. The draft Policy was approved by the Financial Inclusion Council at its meeting in November 2021, while the drafting process of the Consumer Credit Bill is ongoing. Once enacted, the Consumer Credit Bill will consolidate outdated laws regulating consumer credit, such as the Credit Agreements Act (No. 75 of 1980), as amended, and the Usury Act (No.73 of 1968), as amended, and will regulate all consumer credit-related issues in Namibia. The regulation of consumer credit issues is an important component of ensuring a comprehensive and effective consumer protection framework.

In line with the expectations of the NFSS 2011–2021, the Bank of Namibia coordinated the finalisation of the exercise of mapping out the skills gap in the Namibian financial sector and the development of a Skills Enhancement Plan. This is an initiative by the financial sector in collaboration with four Namibian institutions of higher learning. The Plan encompasses the provision of critical short courses and professional certification, as well as the provision of input into the curriculum of the various qualifications offered by the four training institutions. This is based on the realisation that skills enhancement for the financial sector is an important pillar supporting the transformation of the sector to meet current and future needs in an inter-connected and fast-changing financial landscape. Several short courses were identified as being critical for the sector, and eight (8) of these have been selected to form part of a pilot programme. The rollout of the pilot programme is planned to take place during the first half of 2022.

STRATEGIC OBJECTIVE 7: ENHANCE CONTRIBUTION TOWARDS SUSTAINABLE ECONOMIC GROWTH

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
7.1 Deliver and assist with implementation of relevant and high-quality policy advice	>80 percent of national economic policy advice accepted, and 60 percent implemented within a period of five years	86 percent of national economic policy advice was accepted, while 71 percent was implemented during the period under review	Yes
7.2 Deliver innovative and quality research output	At least one of the working and occasional papers per year published in a peer reviewed journal and presented at conferences in Namibia	One research paper was presented at the BoN-UNAM research seminar ("The Impact of Fiscal Deficit on Inflation in Namibia").	Yes
7.3 Promote regional integration	Advice on regional integration matters accepted and implemented	The Bank has been made responsible for implementing 9 of the 12 annexes of the SADC Finance and Investment Protocol; the implementation progress was monitored in 2020. It is evident that the impact of the pandemic, coupled with domestic structural challenges and adverse climatic conditions have impacted the economic performance of many countries in the SADC region, including Namibia, and the implementation of some of the annexes.	Yes

POLICY RESEARCH AND ADVICE

As part of its statutory mandate, the Bank is required to provide policy advice to the Government. In this regard, the Bank conducts economic and financial research, as well as other research of strategic importance. The main aim of the research undertaken by the Bank is to inform specific policy direction and actions. The following is a summary of activities and research carried out in 2021:

The Bank held its 22nd Annual Symposium during the year in review, under the theme "*Namibia beyond COVID-19: Digital Transformation for sustainable economic development*". Several policy recommendations emanated from the symposium:

- There is a need to invest in education, training, and retraining to ensure the presence of necessary skills for a digital economy.
- Regulatory reforms that are necessary to fast-track digital transformation must be expedited. There is a need for laws to be amended and policies to be put in place to ensure digital transformation in the country.
- There is a need for collaboration within the different organisations for data and infrastructure sharing that will drive business growth.
- It is essential that Namibia continually invests in the development of digital infrastructures to meet existing and future demands and help bridge digital divides.
- Funding structure of e-Government: The Government alone may not have adequate resources to fund

and manage the different facets of e-Government. It is therefore important that considerable efforts be made in the Namibian context to practically explore public-private partnerships and cloud-funding models with actors drawn from both internal and external environments.

The Bank continued to provide the Ministry of Finance with technical advice on Government debt sustainability. Debt sustainability analysis is an important element in the macroeconomic analysis of fiscal policy. Three debt sustainability analysis reports were prepared and submitted to the Ministry of Finance during 2021. A careful analysis of Namibia's macroeconomic and fiscal indicators confirms that considering the country's widened fiscal deficit and the projected decline in public revenue on the back of the anticipated slow pace of economic recovery, Namibia needs to develop a domestic revenue mobilisation strategy that is aimed at improving efficiency in revenue collection, simplifying tax codes, and reducing tax evasion to enhance revenue collection in the country. This should be spearheaded by the Ministry of Finance in conjunction with the newly established Namibia Revenue Agency. It is also imperative for the Government to create a conducive and enabling environment that promotes private sector-led growth. Further, the Government should focus on developing a stabilisation fiscal path that goes beyond the Mid-term Expenditure Framework (MTEF).

During 2021, the Bank published two working papers in the field of monetary policy with the aim of providing policy advice to the MPC and informing the public about its research activities. The first paper is on "The impact of financial innovation on the demand for money and its implications for monetary policy in Namibia". The paper investigates the impact of financial innovation on the demand for money and draws implications for monetary policy in Namibia. The paper suggests that the demand for money in Namibia is mainly determined by prices and interest rates, and that the money demand function is unstable irrespective of the inclusion or exclusion of a financial innovation variable. The instability of the money demand function confirms that the current monetary policy framework does not rely exclusively on the full control of the broad money aggregate, due to the fixed exchange rate regime. The policy recommendations for monetary policy relate to enhanced awareness and responsiveness of the monetary authority to the likely impact that financial innovation might have on key monitored monetary aggregates, changes to their definitions, and potential variations to the monetary policy transmission mechanism as economic and financial transactions become more complex in an increasingly digital global economy.

The second paper is on "The asymmetric determinants of money demand in Namibia: The NARDL approach". The study provides new insight on the asymmetric determinants of money demand in Namibia using the NARDL (nonlinear autoregressive distributed lag) approach. The results illustrate techniques for estimating asymmetric long-run equilibrium relationships between money demand and its explanatory variables, where increases and decreases in explanatory variables do not bring about effects of equal magnitude. Significant changes in prices, the real interest rate and real income are shown to have a significant impact on the demand for money in Namibia.

INTERNATIONAL AND REGIONAL COOPERATION

The collaboration between the Bank and other central banks and international institutions continued in 2021. The Bank continued to strengthen its cooperation with the International Monetary Fund (IMF), the World Bank Group (WBG), and the Alliance for Financial Inclusion (AFI). At the continental level, as a member of the Association of African Central Banks (AACB), the Bank participated in meetings and seminars on regional and continental monetary integration, and banking and payment system issues. Furthermore, the Bank continued to participate in SADC activities through the Committee of Central Bank Governors and other regional structures. Additionally, the Bank also attended the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Board meetings. As has become the norm, the Bank actively participated in the CMA and SACU activities. The details of each cooperation arrangement are presented below.

Cooperation with the International Monetary Fund and the World Bank Group

The Bank participated in the annual meetings of the Boards of Governors of the IMF and the WBG in 2021. The annual meetings were held virtually from Washington, DC, during 11-17 October 2021. The annual meetings brought together central bankers, ministers of finance and development, parliamentarians, private sector executives, representatives from civil society organisations and academics to discuss issues of global concern, including the World Economic Outlook, poverty eradication, economic development, and aid effectiveness. The meeting discussions centred around the theme "Vaccinate, Calibrate and Accelerate", which was the IMF Managing Director's Global Policy Agenda. Specifically, the International Monetary and Financial Committee (IMFC) members of the Board of Governors of the IMF elaborated on the actions and measures taken by member countries to combat COVID-19 and facilitate economic recovery.

The Bank supported the Ministry of Finance to access the IMF Rapid Financing Instrument in 2021. The Rapid Financing Instrument (RFI) is a financing facility extended to IMF member countries to address urgent balance of payment and fiscal financing needs triggered by the COVID-19 pandemic. The responses to the pandemic include the purchase of vaccines and deployment of the vaccination campaigns, and interventions needed to mitigate the severe socio-economic impact. Namibia accessed US$270.83 million under the facility.

Employees of the Bank attended virtual specialised training offered by the Regional Technical Assistance Center in Southern Africa (AFRITAC South). The Bank staff members attended training on fiscal policy analysis, monetary policy and exchange rate regimes, and macroeconomic diagnostics. Towards the end of 2021, AFRITAC South successfully assisted the Bank through its technical assistance programmes to transition from the CAMELS[8] ratings System to Risk Based Supervision Ratings Approaches to enhance the coordination between the Off-site Analysis and On-site Examination Methodologies. Through a request by the Bank, AFRITAC South also provided technical assistance to capacitate the Automated Clearinghouse, NAMCLEAR to finalise the Principles for Financial Markets (PFMI) self-assessment.

Specialised virtual workshops and webinars were offered through the World Bank's Reserves Advisory and Management Program (RAMP). The latter was developed within the World Bank Treasury, and it aims at building human capital, delivering asset management services, and convening a network of practitioners Staff members of the Bank participated in online training and workshops offered by RAMP. Under the RAMP investment management and consulting agreement, the Bank receives technical advisory and asset management services. For the year under review, staff members of the Bank attended virtual workshops on fundamentals of fixed income risk management, management of an external asset manager programme, governance, and fundamentals of asset allocation for reserve managers, artificial intelligence and machine learning, and portfolio management, as well as on legal aspects of governance and asset management. Staff were also afforded an opportunity to participate in several one-hour webinars with a particular focus on global economic and market performance and outlook.

Cooperation with the Alliance for Financial Inclusion

As a member of the AFI, the Bank continued to participate in relevant activities and programmes of the Alliance during the year under review. AFI is the world's leading organisation on financial inclusion policy and regulation. The Alliance is a member-owned network that aims to promote and develop evidence-based policy solutions that improve lives of the poor through the power of financial inclusion. During 2021, the Bank continued to work with AFI on the implementation of two major projects through the AFI In-country support programme to member institutions. The one project, spearheaded by the Financial Intelligence Centre, entails the development of a framework to guide the licensing and supervision of fintechs to enhance financial inclusion without compromising the integrity of the financial system. This project is currently on track and consultations with the relevant stakeholders, that will inform the development of the framework, are on-going. The other project entails the development of a country-specific template to collect supply-side data. Since commencement of the project, the Bank has completed the peer learning exercise with identified

8 CAMELS stands for "Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity." It is an international rating system used by regulatory banking authorities to rate financial institutions, according to these six factors.

Central Banks within the AFI network, namely the Bank of Zambia, Central Bank of Philippines, and Central Bank of Ghana. The templates for both banking and non-bank industries have been developed during the year and workshops were held with stakeholders in the banking industry for the regulated entities to review and adopt the designed template. Similar workshops will also be conducted with stakeholders in the non-bank industry in 2022 for the same purpose. The Bank further partook in the SME Financing Working Group and Digital Financial Services Working Group meetings, as well as in meetings of the AFI Africa Region Expert Group on Financial Inclusion, which were conducted virtually during the year under review.

Cooperation with the Association of African Central Banks

The Bank actively participated in the activities of the Association of African Central Banks (AACB) in 2021. The Governor and officials attended the 43rd ordinary meeting of the AACB Assembly of Governors, hosted by the Banque Centrale du Congo in August 2021. As a prelude to the ordinary meeting, a symposium themed ‘’African Economies and the COVID-19 Pandemic: Crisis Management and Policies for the Economic Recovery”, took place. The Bank also took part in the activities of the Community of African Banking Supervisors (CABS) and attended meetings of the CABS Working Group on Cross-border Banking Supervision. As an active member of the Payments Integration Working Group, established under the auspices of the AACB, the Bank participated actively in its activities to ensure that an appropriate continental integrated payments capability is in place to support and facilitate trade on the continent.

Cooperation with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa

The Bank participated in the annual meetings of the Board of Governors of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), alongside the 2021 IMF/WBG annual meeting. Both meetings were held virtually. The three institutions, namely MEFMI, the IMF and the WBG, collaborate in providing training in the areas of debt management, macroeconomic management, and financial sector management.

Cooperation with the Committee of Central Bank Governors in the SADC

The Bank continued to participate in the activities of the Committee of Central Bank Governors in the SADC in 2021, and the Governor and senior officials of the Bank participated in its meetings. The meetings discussed issues related to economics, financial developments, the payments system in the SADC region, and the SADC’s progress towards monetary integration, as well as strategies on how to emerge from the setbacks to the convergence process of SADC economies caused by COVID-19.

Cooperation with Common Monetary Area Structures

As a member central bank of the CMA, the Bank continued with its active participation in CMA activities and related issues. The CMA central bank governors’ meetings assessed recent economic developments in member countries as well as global economic developments and the impact of COVID-19 on the CMA economies. In addition, the meetings discussed issues related to payment systems, exchange control, banking regulation and supervision, and financial stability. Moreover, common risks and challenges confronting CMA countries and policy options to address these risks and challenges were also discussed. The three meetings that were held in 2021 were hosted virtually in February, July and November.

Cooperation with the Southern African Customs Union

The Bank continued to provide technical support to the Namibian Government on SACU-related matters during 2021. The Bank participated in meetings of the SACU Commission, the Finance and Audit Committee, and the Task Team on Trade Data Reconciliation, among others. The Bank also contributed to the SACU Draft Strategic Plan and Organisational Structure 2022–2027 document.

STRATEGIC OBJECTIVE 8: OPTIMISE ORGANISATIONAL EFFICIENCY AND COST-EFFECTIVENESS

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
8.1 Manage risk effectively	All gaps identified and mitigating strategies for medium and high risks implemented within the agreed time frame	The 2021 Audit Plan was executed. Sufficient audit coverage was obtained to express an opinion on the risk management practices, controls and governance processes of the Bank. Areas of improvement were highlighted, and an action plan is in place. As of 31 December 2021, the cure rate for the audit findings was 99.8 percent, and 99 percent for the risk actions. 44 operational risk incidents were reported in 2021 compared to 22 in 2020.	Yes
8.2 Ensure that the Bank can function in the event of a disaster (business continuity)	A tested Crisis Management Plan is in place	The Bank continued with the Work from Home Plan to mitigate the impact of COVID-19; 70% of the staff worked from home, while those who execute essential services that cannot be done at home worked from the office. The Bank's Crisis Management Team (CMT) continuously monitored the situation and followed guidelines laid down by the Government to curb the COVID-19 pandemic in line with the work-from-home arrangement. The Bank completed the two planned Business Continuity Plan exercises virtually to ascertain that the Plan remains viable in a work-from-home dispensation. The Cyber Incidents Response Plan was tested.	Yes

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
8.3 Enhance a high-performance-driven culture, which lives the Values of the Bank and strategic talent management	The Bank achieves all (100 percent) of its goals	99 percent of the stated goals were achieved.	No
	100 percent of staff members live the Bank's Values	100 percent of the Bank's staff were found to be living its Values.	Yes
	95 percent of the critical talent of the Bank are retained	The Bank retained 100 percent of its critical staff in 2021.	Yes
8.4 Manage the Bank's financial resources and affairs in a prudent manner	Annual Financial Statements in compliance with the Bank of Namibia Act, the Financial Intelligence Act and International Financial Reporting Standards	The Bank consistently obtained an unqualified audit report, in compliance with International Financial Reporting Standards.	Yes
8.5 Ensure functionality, security and availability of facilities, other assets and infrastructure that support its operations in an environmentally friendly manner			
	Security systems and equipment are functional and maintain 97 percent availability to provide maximum protection to employees and the Bank's assets	Security systems have been functional at more than 97 percent and provide maximum protection to employees and Bank assets.	Yes
	97 percent availability and functionality of all facilities, other assets and infrastructure that support the Bank's operations in an environmentally friendly manner	98 percent facilities availability was achieved during the period under review.	Yes
8.6 Manage technology to optimise Bank operations	Relevant and secure IT systems that are 99.9 percent available (8 hours off-time)	The Bank realised an overall availability of 99.7 percent for critical systems and infrastructure during 2021, marginally missing the target.	No
8.7 Ensure efficient procurement practices	Procurement practices that result in cost savings of 1.0 percent	The Bank continued to apply effective and efficient procurement practices during 2021, in line with its Procurement Policy, with oversight from the Tender Committee, and achieved its objectives for the year.	Yes
8.8 Manage the legal affairs of the Bank	All court matters handled in terms of the timelines set out in legislation, court rules and practice directives	All litigation matters in the courts handled by either the Bank or instructed law firms adhered to the strict rules of the courts.	Yes
	All contracts managed in terms of the Bank's Contract Management Procedures	The Bank has implemented a new Contract Management System; all existing contracts migrated to the new System.	Yes

RISK MANAGEMENT AND ASSURANCE

Effective risk management is fundamental to achieving the Bank's objectives. As a result, the Bank's risk management function facilitates enterprise risk management practices across the board to manage risks in a proactive, coordinated, prioritised and cost-effective manner in line with the Bank's risk appetite and tolerance levels. The risk management assessment includes monitoring and responding to potential and actual political, economic, social, technological, environmental and legal risks arising from global and domestic environments that affect the Bank and threats that affect the strategic initiatives and projects of the Bank. The top strategic and operational risks and their identified response strategies continued to be reviewed and monitored continuously at the Bank's quarterly Risk Management Committee, Audit Committee and Board meetings.

Enterprise risk management activities are designed to increase the probability of success and reduce uncertainty relating to the achievement of the Bank's objectives. In 2021, 44 operational risk incidents were reported, up from 22 in 2020. These were risk events resulting from a failure of people, processes or systems, or external events that could bring about losses or near misses. No actual financial losses were incurred. Remedial actions to address, wherever possible, the root causes of the incidents in question were identified and appropriate measures were introduced. The Bank's risk universe, which is a central repository of all the risks that could affect the Bank and is intended to provide a better understanding of inherent risks, was updated.

The Bank continues to ensure compliance with applicable laws and regulations through the Bank-wide compliance management procedure. The current legal and regulatory environment was scanned to update the current regulatory universe. Following the approval of the whistleblowing policy in 2020, the Bank is currently finalising the whistle-blower hotline with the identified service provider before awareness raising and implementation can be effected.

Monitoring of compliance with applicable regulatory requirements was carried out by the various departments during the period under review. The aim of this monitoring process is to ascertain the compliance status and engender a culture of adequate compliance with the relevant laws, regulations, policies and procedures; gaps were highlighted. Out of the 25 planned compliance monitoring activities for 2021, 14 were completed. The rest were postponed to 2022 due to either policy review, process changes or workload. Corrective actions were identified for the noted shortcomings, and their implementation was monitored by the Bank's risk management function. Reporting on compliance risks to the Risk Management Committee and the Audit Committee was done on a quarterly basis.

The Bank maintains a dedicated Business Continuity Policy, which seeks to identify, manage and mitigate potential impacts on the Banks operations of disruptive incidents. The Risk Management and Assurance Department provides centralised coordination of the Bank's Business Continuity Policy and facilitates business continuity impact assessments and business continuity plans for all departments. The Bank continued with the work-from-home plan which allowed 70 percent of the Bank's employees to work from home. The key priority was to protect people while ensuring maximum delivery on business operations. The Bank also ensured that sufficient resources were immediately obtained to ensure that staff were supported to work from home. IT capabilities were strengthened so that they would remain resilient, and regular virtual cyber security awareness sessions were held. The Cyber Incident Response Plan was tested for the first time, and while the outcome was satisfactory, lessons were learnt, and are being implemented.

The Internal Audit Department provides objective and independent assurance on the adequacy and effectiveness of the Bank's governance, risk management and controls processes. The approved risk-based Internal Audit Plan for 2021 provided comprehensive assurance regarding the processes which manage key risks. This was undertaken as planned, and all material issues that arose were reported to the appropriate level of management and to the Board's Audit Committee. As per the completed assignments, sufficient audit coverage was achieved that enabled the Bank to state that it had adequate and effective risk management practices, and that controls and governance processes were in place for the achievement of the objective of the Strategic Plan.

Tracking and accountability for corrective actions on issues raised during audits were prioritised by way of quarterly reporting to the Audit Committee in respect of the Bank-wide cure (resolution) rate. The cure rate result for December 2021 was 99.8 percent (2020: 99.4 percent), which is still below the required target of 100 percent.

SECURITY AND SAFETY MANAGEMENT

The Bank has efficient and effective security systems in place. By virtue of its creation and operational requirements, the Bank is a Key National Point. The Bank deploys a Security Operations Management System consisting of physical security, electronic hardware, procedures, and personnel to ensure the safety and maximum security of its critical assets, staff and visitors. During the period under review, the Bank ensured that all its assets, staff and visitors were duly protected.

The security systems of the Bank need to be of the highest standard. The Bank has consequently embarked upon a project to upgrade its surveillance system. The upgrading of the system will improve the Bank's security posture and enable the Security Division to provide effective security management for the Bank's assets.

MANAGEMENT OF LEGAL AFFAIRS

The Legal Services Division is responsible for managing the legal affairs of the Bank. The division also provides company secretarial services to the Board. During 2021, the division managed and coordinated one labour dispute and three disputes on regulatory interventions. All these matters are pending in the High court. The Bank has a panel of external legal counsel who litigate on its behalf.

HUMAN RESOURCE DEVELOPMENTS

Organisational Development and Workplace Culture

The impact of the pandemic became more evident in 2021, presenting the Bank with challenges and opportunities. The staff of the Bank rose to the challenge of transforming their manner of doing business and preparing for the new world of work. Driven by the value of high-performance in the Bank, they responded with concerted efforts to understand digital transformation, and embed it as part of their culture. Employees responded to the plight of high levels of employment loss and hardship in the community by living the values of care and gratitude, and serving the community through various charitable activities.

Staffing

The Bank maintained an adequate staff complement throughout 2021 to meet its objectives. The staff complement as of 31 December 2021 stood at 307 employees, 10 less than the approved positions of 344 The decline was attributed to vacancies resulting from retirements, promotions, and resignations during the year under review (Table A.14). Despite the vacancies, the operations of the Bank were not impacted as it managed to retain 100 percent of its critical skills.

TABLE A.13 NUMBER OF STAFF AT 31 DECEMBER (2016–2021)

STAFF CATEGORY	2016	2017	2018	2019	2020	2021
General staff	265	253	263	254	260	271
Management	22	21	21	22	22	23
Senior management	11	11	12	12	12	11
Executive management	2	2	2	2	2	2
Total employed	300	287	298	290	296	307

Note: The staff numbers exclude Financial Intelligence Centre staff, as it has been an independent reporting entity since 2015.

Employment Equity

The Bank continued to comply with the requirements of the Affirmative Action (Employment) Act (No. 29 of 1998). In this regard, the Bank ensured that all its policies and practices were aligned with affirmative action requirements and guidelines. The Bank consistently implemented the current three-year Employment Equity Plan (2019–2021). During 2021, the Bank met and in some instances exceeded its employment equity targets.

TABLE A.14 EMPLOYMENT EQUITY DATA (2016–2021)

WORKFORCE	2016	2017	2018	2019	2020	2021
Male	136	127	133	129	134	153
Female	164	160	161	161	162	182
Racially disadvantaged	288	276	289	286	293	330
Racially advantaged	6	5	4	4	3	5
Persons with disabilities	6	6	4	4	3	4
Non-Namibians	0	1	1	1	1	1

Note: The staff numbers include Financial Intelligence Centre staff, as it has been included in the Affirmative Action Report of the Bank since.

Capacity Development

To enable employees to accomplish the Bank's mandate as articulated in its Strategic Plan, the Bank continued to invest in capacity-building initiatives by sharing various learning platforms with other institutions. These included MEFMI, AFRITAC South, the Bank of England, the SADC Banking Association, the IMF, the World Bank, Bundesbank, the Payment Association of South Africa and the South African Reserve Bank. During 2021, 151 employees were provided with technical and soft skills training in various aspects of central banking and related fields. In addition, the Bank supported 30 staff members financially with study loans and bursaries for part-time undergraduate studies, in areas relevant to its operations. Six employees were awarded bursaries for part-time undergraduate studies, while two employees were offered post-graduate scholarships to study in the United Kingdom and South Africa.

The Bank continued to support the country's effort in building human capacity through the Graduate Accelerated Training Programme, with the aim of grooming and developing future skills for key areas in central banking and the Namibian market. The programme provides graduate trainees with 18 months of on-the-job exposure. For 2021, the Bank trained six candidates in the fields of economics, financial management, law, and information technology. Candidates were rotated to various departments in the Bank to learn valuable skills in their fields. The 18-month programme since inception been a success and a strong contributor to the Bank's talent pool, providing fully rounded candidates that require minimum supervision. Candidates who are not absorbed by the Bank quickly secure employment in the market due to the highly competitive skills they learn on the programme.

Business Process Management

During the period under review, the Bank enhanced the Business Process Management practice in the Bank. A Business Process Architecture was developed to ensure that all processes are aligned with the strategic intent of the Bank, and workshops were conducted to ensure a common understanding of Business Process Management. Consistent approach towards business process decomposition from the highest to the lowest level, was adopted. The ultimate aim is to improve cross-functional collaboration, and improved value creation for customers and stakeholders. The process is ongoing. Overall, the Business Process Management will set the foundation for future process enhancements and innovations in furtherance of the efficient and effective execution of the Bank's mandate. The Bank believes business processes that are properly designed and managed are an enabler of change and agility. This undertaking will therefore:

- provide an understanding of how the Bank is creating and delivering value to its customers and stakeholders as everyone will visualise the process in the same way;

- improve collaboration and build a better understanding of inter-dependencies across functional working groups; and
- provide a current state upon which to base future improvements.

Employee Wellness

To ensure the physical and mental wellbeing of the staff, an appropriate Wellness Programme remains a key component within the Bank. During the period under review, the Wellness Programme initiatives were mainly geared towards responding effectively to the COVID-19 pandemic by raising awareness and providing support and counselling to staff. A total of 79 employees reported to have contracted the corona virus. To this end, the Bank ensured that all those affected were provided with the neccessary supplies; such as oxygen concentrators, oxymeters, immune boosters, masks, sanitisers and health care package. Other initiatives included personal financial management, retirement planning and healthy lifestyle sessions.

FINANCIAL MANAGEMENT

The Bank manages its financial affairs in a prudent manner and continues to publish unqualified financial statements which comply with all appropriate regulations and prescribed standards. The Bank maintains adequate controls to mitigate all potential transaction processing risks. There are defined limits within the accounting system to ensure adherence to the approved budget. On a quarterly basis, variance analysis reports for both income and expenditure are presented to the Management Committee.

Facilities Management

The availability and functionality of the facilities is important in enabling the Bank to achieve its Strategic Objectives. The facilities management function includes infrastructure improvement, general repairs, and maintenance. This function has ensured that the facilities of the institution remain fully functional while the buildings are kept safe and comfortable for the general staff. The storage facilities at the Training Centre were renovated and the Data Recovery Centre's garden was given a makeover. While most staff members were working from home due to the COVID-19 pandemic, the facilities maintenance team switched off part of the HVAC (heat, ventilation, and air conditioning) system in the unoccupied areas of the building, and this resulted in savings on the municipal electricity bill.

Procurement Function

As a public institution, the Bank strives for transparent and efficient procurement practices. In the year 2021 the Bank ran 19 tenders totalling a value of approximately N$48 million. The Tender Committee ensured that tenders are fair, transparent, competitive, and cost-effective.

STRATEGY, PROJECTS AND TRANSFORMATION

A new division was established in May 2021 under the Governor's office. This division is responsible for facilitating and coordinating the Bank's strategy formulation and planning process. In addition, it is also responsible for project management and maximising the impact of initiatives as well as driving digital transformation across the Bank.

Strategy, Formulation and Implementation

As the Bank's 2017–2021 Strategic Plan came to an end, the Strategy, Projects and Transformation team facilitated the crafting of a new three-year 2022–2024 Strategic Plan. The new Mission and Vision for the 2022–2024 planning horizon were developed and the values of the organisation were also updated. The formulation of the 2022–2024 Strategic Plan was conducted through a consultative, participatory, and inclusive planning process, with the purpose of delivering the services specified in our mandate. The new Strategic Plan was launched on 1 December 2021.

Project Management

A project management function, defining project management governance processes and procedures has been established under the division. A Project Management Policy and a Procedure document have been approved and implemented through a successful pilot process. The project management office has now been operationalised and will continue to coordinate the conceptualisation and implementation of bank-wide strategic projects, to facilitate ongoing project reporting, monitoring and evaluation, and to ensure conformity with project management governance and procedures.

Transformation

The Transformation function established the relevant business process management governance principles which culminated in the Business Process Management Framework. The Framework outlines processes and principles to be applied to optimise and automate business processes across the Bank. All business processes have largely been documented, with several departments having commenced with the redesign, optimisation and automation of key business processes. The function will continue to cultivate a culture of continuous process improvement and digitisation. The Digital Transformation and Innovation Committee was established to assist the Bank in driving and facilitating the identification and investigation of digital innovations and disruptive technologies and their possible impact on the Bank's mandate, role, and operations. The Innovation Hub has also been established under the same committee. The function has coordinated key research into the desirability of a central bank digital currency for Namibia and an investigation of how financial inclusion can be improved, with a particular focus on the informal sector and rural Namibia.

INFORMATION TECHNOLOGY

Strategy and Governance

The Bank concluded its five-year IT Masterplan during the year under review. The Bank managed to address most of its technology objectives outlined in the plan. Technologies are now better aligned to business objectives, security measures have improved considerably, and the Banks' IT Infrastructure remains resilient and able to meet business objectives for the foreseeable future due to robust capacity planning. Additional resources were added to the Bank's IT function to meet the growing concerns raised by global cyber threats in the financial sector. Furthermore, IT governance controls were strengthened, and the reporting of technology risks and on investment to various platforms was improved. The Bank began reviewing its structure, roles and initial IT strategy in preparation for supporting a digital and agile enterprise in the future.

IT Security

Cyber security continued to be the top risk for the Bank. The Bank had approved a new IT Security Policy and adopted a three-year security plan ending in 2022. The Bank leans on internationally recognised cyber security frameworks, which aid the establishment and monitoring of security controls, thus reducing security risks. These frameworks include COBIT (Control Objectives for Information Technologies) 2019, the National Institute of Standards and Technology

(Cyber Security) Framework, and the Federal Financial Institutions Examination Council.

A new security unit was provisioned within the Bank during the year under review. The Bank focused on establishing the Security Operations Centre (SOC) during 2021, which enabled the continuous monitoring and improvement of the Bank's security posture while detecting, analysing, and responding to cyber security incidents. The SOC takes on a proactive role in mitigating cyber threats. Business continuity is of paramount importance, and consequently a cyber security incident response programme was developed and tested.

The Bank improved collaboration and information sharing of cyber threats and attacks. Coordination efforts took place with stakeholders at industry and national levels. Within the SADC region, efforts were underway in 2021 to establish a computer emergency response team.

IT Business System Investments

The Bank made good investments in business system technologies to lay some foundations for digital transformation. Efforts were made by the Bank in researching robotic processes automation technology, resulting in a better understanding of the technology, which was tested in some departments. The Bank also completed a large upgrade of its core Enterprise Resource Planning solution (SAP ECC6) to a modern and current platform (S/4 HANA). This upgrade will position the Bank to achieve greater efficiencies and effectiveness in many organisational processes. Further advancements were also made in the delivery of the Bank's EFT system and its role in NAMPAY.

Technology Infrastructure

Most of the Bank's IT systems remained available during the year under review, with only minor downtime experienced. The average system availability achieved in 2021 was 99.95%, surpassing the strategic target of 99.9 percent. The recorded average downtime of 0.05 percent did not impact business operations or stakeholders; however, the Bank continues to improve its controls in order to avoid downtime.

The Bank undertook two projects to ensure the responsiveness and resilience of the IT infrastructure. Following the completion of a network upgrade project, the Bank realised improved network speed and reliability with fewer opportunities for network failure. Another investment made was to the Bank's Storage Area Network. This investment brought about improved storage capacity to accommodate the new digital systems and data analytics infrastructure, and will enable several automation initiatives planned for the next few years.

KNOWLEDGE AND INFORMATION MANAGEMENT

Records management is a critical component of an embracing information governance strategy. Ensuring the authenticity and availability of records over time directly impacts an organisations' ability to achieve

Some Records Management Champions of the Bank attending the week-long capacity-building initiative its mission and objectives. It further assists in ensuring compliance with regulatory and industry standards.

The Bank continued to embed an effective records management practice through regular appraisal and the enforcement of policies. Additionally, capacity building formed an integral component of the Records Management Improvement Programme implemented since 2019. The Records Management Champions Committee continued to promote a culture of learning and sharing of knowledge between records functionaries. Refresher training on records and information governance took place from 29 November to 3 December 2021, strengthening this initiative.

BOX ARTICLE 2:

BEYOND COVID-19 – DIGITAL TRANSFORMATION FOR SUSTAINABLE ECONOMIC DEVELOPMENT

1. INTRODUCTION AND BACKGROUND

The Bank of Namibia held its 22nd annual symposium at the Safari Hotel and Conference Centre on 4 November 2021 under the theme: *"Namibia beyond COVID-19: Digital Transformation for sustainable economic development".* The symposium theme focused on digital transformation, and how Namibia can leverage it to achieve economic development. Significant advancements in communications technology and wide availability of internet resulted in what is dubbed the digital age, marked by large volumes of a variety of data created at ever increasing speeds. This is creating digital imperatives for transformation, while simultaneously impacting an organisation's supply, demand, and operations. In this new age of technological revolution, digital transformation is the new way of doing business by leveraging digital technologies such as cloud computing, big data, mobile computing, social computing and analytics, resulting in significant improvements in operational efficiencies and customer experiences.

Digital transformation offers new tools and opportunities to tackle developmental challenges. It has brought about disruptions that trigger innovations in businesses and consumption patterns, transforming production systems and value chains. Furthermore, it results in the reorganisation of economic sectors, generating smart goods and services and introducing new conditions of competitiveness. Equally, digital tools can also support access to better services, including education and health. Namibia, therefore, needs to ensure that it takes advantage of digital transformation and is not left behind.

Digital technology can drive innovation, economic growth, and job creation in many key sectors of the economy and allows for greater interconnection of African markets with one another and with the rest of the world. It can enhance both market and financial access and inclusion, particularly in marginalised areas neglected by the traditional financial system. Promoting digitalisation in Africa, and particularly in Namibia, will maximise our impact in sectors such as health, energy, transport, agriculture and education, and facilitate access to basic social services, consistent with our broader good governance and development policies and programmes.

Digital applications are already driving socioeconomic transformation, increasing the efficient production and distribution of goods and services, opening up new opportunities for income generation for thousands of poor people, and enhancing connectivity between people, societies, governments and organisations. In the financial sector, we are already seeing the benefit of accelerated digitisation and technology. Through e-wallet, blue wallet, easy wallet and send-money wallet applications, it is now more convenient and cheaper to transmit money to rural and remote residents. We must leverage these gains and facilitate financial inclusion and banking of the unbanked.

It is against this backdrop that the symposium was organised under this theme, in the hope of advancing the country and becoming a digital economy that facilitates sustained economic growth. More specifically, the deliberations were guided by the following key questions:

- **i.** What can the country improve on to leverage digital transformation?
- **ii.** Can we promote infrastructure sharing and penetrate the rural regions fully?
- **iii.** How do we develop the skills needed in the country?
- **iv.** How do we, as regulators, create a conducive environment that fosters innovation in digitalisation?

These issues, among others, were addressed through presentations given by local and international speakers. There was also a panel discussion, with representation from the University of Johannesburg, the Communications Regulatory Authority of Namibia, Mobile Telecommunications Company (MTC), NUST, and the Bank of Namibia.

A key conclusion that emanated from the 22nd Annual symposium was that although the country has made some strides in digital transformation, a lot still needs to be done for digital transformation to benefit the country. Key drivers of growth were identified as: enhancing intergovernmental coordination and cooperation; increasing scientific and technological human and institutional capacity; aligning regulatory reforms to digital transformation; and promoting infrastructure and data sharing.

2. KEY POLICY ISSUES EMANATING FROM THE SYMPOSIUM

The papers and discussions at the symposium raised several options for Namibia to become a digital economy and advance in the digital sphere. The following is a summary of the key policy issues that emerged from the symposium:

i) Enhance intergovernmental coordination and cooperation

Digital transformation of the public sector will largely depend on the focus of governance and intergovernmental coordination and cooperation. Namibia can build on its success and address critical gaps. This will guide the use of Information Communication and Technology (ICT) in building an efficient and user-oriented whole-of-government ecosystem for public service production and delivery. Therefore, a strong governance model with clear roles and responsibilities of all institutions complemented by formal cross-sectoral bodies for decision-making and ensuring inter-governmental coordination and cooperation is essential for successful digital transformation.

Government departments need to have e-Services with adequately integrated data systems such as the X-Road innovation in Romania. The X-Road presents itself as an interoperability innovation platform for data exchange within the different government departments. The use of the X-Road enables proper execution of queries where decisions depend on drawing and analysing information from multiple sources stored in different databases and information portals of public organisations (Weerakkody, Baire & Choudrie, 2006).

ii) Increase scientific and technological human and institutional capacity

There is a need to invest in education, training and retraining to ensure the presence of necessary skills for a digital economy. Namibia will not realise the full benefits of digital transformation unless it ensures that learners going through the school system are equipped with foundational numeracy and literacy skills and integrates digital technology in the lower levels of primary and secondary education. Although local universities are providing qualifications in areas of digital technology so that graduates are equipped for the labour market and its needs, there is a need for this to start from lower levels. This means that emphasis should be placed on computer literacy from primary school level so that learners fully embrace technology as digital natives. There is also a need for overall digital literacy in Namibia. The country should therefore increase scientific and technological human and institutional capacity. The private sector can also invest by making bursaries and scholarships available for computer literacy skills while partnering with institutions of higher learning to drive the research and development agenda.

iii) Align regulatory reforms to digital transformation

Expedite regulatory reforms necessary to fast-track digital transformation. There is a need for laws to be amended and policies to be put in place to ensure digital transformation in the country. It is thus important that the relevant policymakers ensure that these laws be promulgated in the short-to-medium term and that the required policies be drafted and adopted accordingly.

iv) Promote infrastructure and data sharing to avoid the multiplicity of initiatives and redundancies in the deployment of infrastructure

There is a need for collaboration within the different organisations for data and infrastructure sharing that will drive business growth. Data sharing, data exchanges, and data ecosystems are essential for advancement in digital transformation. It is therefore fundamental that there is collaboration regarding data-sharing among the different institutions. The Communications Act (No. 8 of 2009), as amended in 2020, allows for infrastructure sharing in a non-discriminatory way and for bilateral negotiations between the institutions. This means that more focused infrastructure sharing will enhance access and enable operators to focus on the competition in the service layer, regardless of the extent of the sharing. Operators can share whole or strategically unimportant parts of their infrastructure and in so doing share infrastructure costs while providing acceptable performance. Furthermore, these savings can facilitate mobile operators' migration to next-generation technologies and provide their customers with the latest available technology.

v) Strengthen infrastructure in ICT and electricity in rural areas to ensure that digitalisation is countrywide

It is essential that Namibia continually invests in the development of digital infrastructures to meet existing and future demand and help bridge digital divides. Digital infrastructures provide the foundation for many new services, applications and business models. They are also crucial in underpinning and enabling the digital innovations that are transforming production, including in the context of the Fourth Industrial Revolution, now and in the future. An important area for policy action involves establishing national broadband plans with well-defined targets and regularly reviewing them. These plans should ideally assess and address the key barriers to the deployment of highspeed networks and services, including the nature of the infrastructure market itself, geography, administrative barriers, regulatory uncertainty, high capital expenditure, access to spectrum, and in some countries, a lack of basic infrastructure (e.g. electricity), particularly in rural areas.

vi) Introduce technologies and innovations into business processes

Funding structure of e-Government: The **government alone may not have adequate resources to fund and manage the different facets of e-Government.** It is therefore important that considerable efforts be made in the Namibian context to practically explore public-private partnerships and cloud-funding models with actors drawn from both internal and external environments. It is a given that efforts encouraging any form of integration between public and private enterprises will ultimately draw attention from private sector partners.

vii) Connect government departments and the citizens through ICT infrastructure

Namibia needs to ensure that there is appropriate underlying ICT infrastructure that can connect government departments and the citizens. Reference to the already conducted e-Readiness assessment can help understand the state of ICT infrastructure in place to support desired e-Services. Based on e-Government developments elsewhere, the Namibian e-Government development trajectory needs to consider aspects of e-Government functionalities as achieved elsewhere.

3. POLICY RECOMMENDATIONS

Align education and research to the digital agenda

- There should be incentives for researchers to conduct innovative research in the country.
- Namibia's education curriculum needs to be reviewed and aligned to the needs of a digitally transformed society.
- Support the higher education institutions to ensure that the rate of evolution in the sector is aligned with the needs of the market to avoid skills mismatch.
- We need to create enthusiasm, especially in young people, in the space of digital

transformation for future readiness. Combine technology, talent, and innovation.

Regional and developmental policy recommendations

- Incorporate the sustainable development goals when determining the digital transformation trajectory and agenda of the country. Start small and grow from there while also sharing and collaborating with other economic players. As such, what is needed is a blended approach by way of going digital and keeping the traditional way of doing things in place. This is a journey and not an overnight goal.
- Openness is critically important when it comes to globalisation, external trade, ideas, and integration.
- We need to involve the young people in decision-making and discussions around the digital agenda of the country by properly assessing the needs of the younger generation.
- Namibia should leverage the undersea cables for regional markets that are landlocked.

Other cross-cutting policy recommendations

- There is a need for corporate social responsibility in preparing current and future workers in digital transformation. Corporate social responsibility can take the form of bursary opportunities and effective internship opportunities.
- There needs to be a policy mind-shift in terms of how we view ICT – is it a service provider or economic enabler?
- Security within the digital space: data security, cybersecurity and consumer protection need to be considered as the digital transformation agenda takes shape.
- Abrupt introduction of technology is not advised: It is better to introduce people gradually and progressively to new technology while simultaneously re-skilling human resources.

FIVE YEAR HISTORICAL FINANCIAL OVERVIEW

TABLE A. 15: BALANCE SHEET COMPARISONS, 2021-2017 - N$'000

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
ASSETS					
Investments	39,871,827	31,654,662	28,905,678	30,951,757	30,067,296
Loans and advances-Local banks	1,456	1,040,782	1,746,376	1,839,118	721,737
Currency inventory	90,100	84,895	98,646	43,870	66,958
Rand Deposits	70,014	45,337	89,727	68,526	79,631
Loans and advances - Other	112,518	99,582	151,130	123,888	54,654
Other receivables	12,386,771	5,288,750	4,265,239	3,893,707	5,221,697
Investment in Associate	-	-	-	-	-
Other inventory – stationery and spares	4,742	4,881	4,584	4,337	4,396
Property and equipment	278,240	284,287	288,584	299,150	313,802
Intangible assets – computer software	40,562	21,483	10,177	3,697	5,092
TOTAL ASSETS	**52,856,230**	**38,524,659**	**35,560,141**	**37,228,050**	**36,535,263**
EQUITY AND LIABILITIES					
Liabilities					
Deposits	37,534,161	24,147,300	21,822,910	23,946,257	24,867,334
Trade and other payables	99,077	110,901	128,189	178,249	36,402
Notes and coins in circulation	4,759,436	4,711,567	4,518,207	4,521,178	4,658,471
Provision for post-employment benefits	69,098	64,957	60,569	68,195	62,134
TOTAL LIABILITIES	**42,461,772**	**29,034,725**	**26,529,875**	**28,713,879**	**29,624,341**
Capital and Reserves					
Share capital	40,000	40,000	40,000	40,000	40,000
General reserve	2,741,385	2,463,986	2,160,111	1,800,506	1,473,023
Foreign Currency revaluation reserve	7,002,208	6,200,558	6,112,300	6,271,690	5,020,131
Training Fund Reserve	16,179	16,179	13,479	12,764	14,024
State revenue fund	413,700	278,198	399,941	294,237	213,140
Development fund reserve	95,986	114,402	166,702	97,402	49,970
Building fund reserve	85,000	85,000	85,000	65,000	45,000
Investment revaluation reserve	-	291,611	52,733	(67,428)	55,634
Total Capital and Reserves	**10,394,458**	**9,489,934**	**9,030,266**	**8,514,171**	**6,910,922**
TOTAL LIABILITIES, CAPITAL, AND RESERVES	**52,856,230**	**38,524,659**	**35,560,141**	**37,228,050**	**36,535,263**

TABLE A.16: INCOME STATEMENT COMPARISONS, 2021–2017 – N$'000

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Interest income	547,330	638,676	850,862	828,371	739,892
Interest expense	(79,063)	(105,011)	(208,193)	(283,372)	(262,995)
Net interest income	**468,267**	**533,665**	**642,669**	**544,999**	**476,897**
Rand compensation income	505,628	499,787	407,594	401,963	326,107
Other income	43,237	18,294	37,849	53,116	31,809
Total income	**1,017,132**	**1,051,746**	**1,088,112**	**1,000,078**	**834,813**
Operating expenses	(432,933)	(514,928)	(359,023)	(449,414)	(358,802)
Net profit/(loss) on investment portfolio	151,656	(4,345)	106,174	19,688	(13,418)
Profit for the year before net foreign exchange translation gain/(loss)	**735,855**	**532,473**	**835,263**	**570,352**	**462,593**
Net foreign exchange translation gain/(loss)* - Amortised cost	801,650	88,258	(159,390)	1,251,559	(831,486)
Profit/(Loss) for the year	**1,537,505**	**620,731**	**675,873**	**1,821,911**	**(368,893)**
Other comprehensive income	**(392,450)**	**238,878**	**134,459**	**(55,123)**	**-**
Unrealised Gains/(Losses) on investment portfolio	(366,157)	238,878	115,836	(56,766)	-
Allowance for credit losses - FVTOCI	(20,009)	-	4,325	1,643	-
Actuarial gain on post-employment benefits	(6,284)	-	14,298	-	-
Total comprehensive income	**1,145,055**	**859,609**	**810,332**	**1,823,554**	**-368,893**
Revaluation reserve	(801,650)	(88,258)	159,390	(1,251,559)	831,486
Investment revaluation reserve	366,157	(238,878)	(115,836)	56,766	(23,278)
Allowance for credit losses	(20,009)	-	(4,325)	(1,643)	-
Distribution adjustment -Unrealised losses	(36,879)	-	-	-	-
Net income available for distribution	**672,683**	**532,473**	**849,561**	**627,118**	**439,315**
Appropriations:	**672,683**	**532,473**	**849,561**	**627,118**	**439,315**
General Reserve	258,983	251,575	357,463	262,881	191,175
Building Reserve	-	-	20,000	20,000	25,000
Training Fund Reserve	-	2,700	2,157	-	-
Development Fund reserve	-	-	70,000	50,000	10,000
State Revenue Fund	413,700	278,198	399,941	294,237	213,140

Part B:
Annual Financial Statements

Financial Statements Overview

As at 31 December 2021

KEY POINTS		2021 N$'000	2020 N$'000
→ Net Interest Income declined from N$533.67 million in 2020, to N$468.27 million in 2021.This is mainly due to the low interest rates that prevailed during 2021, as Central Banks continued to cut the rates in response to the COVID-19 Pandemic.	Net Interest Income	468 267	533 665
→ Total operating expenses decreased by N$82 million from N$514.93 million in 2020 to N$432.93 million in 2021.	Operating expenses	432 933	514 928
→ Amount available for distribution increased by N$140.21 million, from N$532.47 million in 2020 to N$672.68 million in 2021.	Amount available for distribution	672 683	532 473
→ An amount of N$413.7 million will be paid to the Government as Dividend for the 2021 financial year compared to N$ 278.2 million paid in 2020.	Distribution to the State	413 700	278 198
→ The Bank's assets increased from N$38.52 billion in 2020 to N$52.86 billion in 2021 mainly due to increases in our investments and other receivable balances.	Total Assets	52 856 230	38 524 659
→ Currency in circulation increased from N$4.71 billion in 2020 to N$4.76 billion in 2021.	Currency in Circulation	4 759 436	4 711 567

Board's Statement of Responsibilities

The main statutory provisions relating to the role and duties of members of the Board are covered under Section 9 and 10 of the Bank of Namibia Act, 2020, we confirm that:

1. The Board members are responsible for the preparation of the annual financial statements and for the judgements used therein.

2. The Board has overall responsibility for the system of internal financial control in the Bank, which is designed to safeguard the assets of the Bank, prevent and detect fraud and other irregularities. To discharge this responsibility, an appropriate organisational structure has been established. In this regard, the Audit Committee of the Board meets periodically with Internal and External Auditors and members of Management of the Bank to discuss control issues, financial reporting and related matters. The Internal and External Auditors have full access to the Audit Committee. Further, the Bank has a comprehensive Risk Management Strategy in place.

3. The Board is satisfied that the Bank complies with International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 2020.

4. The Board members confirm that they are satisfied that the Bank has adequate resources to continue in business for the foreseeable future.
   For this reason, they continue to adopt the going concern basis in preparing the financial statements.

5. The Board's Audit Committee is composed of members who are neither officers nor employees of the Bank and who have the required mix of skills, with at least one member being a financial expert. The chairperson of the Audit Committee passed on during the financial year, and a Chartered Accountant who previously served as the Bank's Audit Committee Chairperson was engaged as a consultant to fill any skills gap. The committee is therefore qualified to review the Bank's annual financial statements and recommend the approval by the Board Members. The committee has a duty to review the adoption of, and changes in accounting principles including risk management issues and makes recommendations on the same for approval. The Board considers and where necessary approves the Board Audit Committee recommendations.

The annual financial statements on pages 93 to 140 were approved by the Board and are signed on its behalf by:

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Chairman
23 March 2022

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Board Member
23 March 2022

Independent Auditor's Report to the Members of the Bank of Namibia

Opinion

We have audited the financial statements of Bank of Namibia ("Bank"), set out on pages 93 to 140, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bank of Namibia as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Namibian Companies Act and the requirements of Bank of Namibia Act, 2020.

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 Statements section of our report. We are independent of the Bank 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board members are responsible for the other information. The other information comprises the information included in the Bank of Namibia Annual Report which includes the Message from the Governor, Part A (Operations and Affairs of the Bank), Financial Statement Overview, Board's Statement of Responsibilities, Part C (Economic and Financial Developments in 2021 and Theme Chapter), Part D (Banking Supervision) and Part E (Statistical Appendix and List of Abbreviations) which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, 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.

Responsibilities of the Board members for the Financial Statements

The Board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 2020 and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Bank'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 Board members either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Independent Auditor's Report to the Members of the Bank of Namibia

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 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 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.
- 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board of 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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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.

Deloitte & Touche

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Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Deloitte Building, Maerua Mall Complex, Jan Jonker Road, Windhoek
PO Box 47, Windhoek
ICAN Practice number 9407
Per: RH Mc Donald (Partner)
Partners:
RH Mc Donald (Managing Partner), J Cronjé, H De Bruin, A Akayombokwa, J Nghikevali, G Brand*, M Harrison*
*Director
Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited.

Grand Namibia

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Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
09 Axali Doeseb Str Windhoek;
PO Box 24304, Windhoek
ICAN Practice number 9424
Per: RN Beukes (Partner)
Partners:
R Theron (Managing Partner), RN Beukes, P Nghipandulwa

31 March 2022

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 December 2021

	Notes	2021 N$'000	2020 N$'000
Net interest income		**468 267**	**533 665**
Interest income	2	547 330	638 676
Interest expense	2	(79 063)	(105 011)
		548 865	**518 081**
Rand compensation income	2	505 628	499 787
Other income	2	43 237	18 294
Total income		**1 017 132**	**1 051 746**
		(281 277)	**(519 273)**
Operating expenses	2	(432 933)	(514 928)
Net profit /(loss) on investment portfolio		151 656	(4 345)
Profit for the year before net foreign exchange translation gain/(loss)		**735 855**	**532 473**
Net foreign exchange translation gain- Amortised cost	20	801 650	88 258
Profit for the Year		**1 537 505**	**620 731**
Other Comprehensive (Loss)/Income		(392 450)	238 878
Unrealised (Loss)/Gain reserve	24	(366 157)	238 878
Allowance for credit losses - FVTOCI	4.1	(20 009)	-
Actuarial Losses on Post-employment Benefits	17	(6 284)	-
Total Comprehensive income		**1 145 055**	**859 609**
Profits attributable to:			
Revaluation reserve	20	801 650	88 258
Investment Revaluation Reserve	24	(366 157)	238 878
Distribution adjustment–Unrealised lossess	24	36 879	-
Amount available for distribution	3	672 683	532 473
		1 145 055	**859 609**

Statement of Financial Position as at 31 December 2021

	Notes	2021 N$'000	2020** N$'000	2019** N$'000
ASSETS				
Investments	4	39 871 827	31 654 662	28 905 678
Loans and advances-Local banks	5	1 456	1 040 782	1 746 376
Currency inventory	6	90 100	84 895	98 646
Rand deposits	7	70 014	45 337	89 727
Loans and advances -Other	8	112 518	99 582	151 130
Other receivables	9	12 386 771	5 288 750	4 265 239
Investment in Associates	10	-	-	-
Other inventory-stationery and spares	11	4 742	4 881	4 584
Property and equipment	12	278 240	284 287	288 584
Intangible assets-computer software	13	40 562	21 483	10 177
TOTAL ASSETS		**52 856 230**	**38 524 659**	**35 560 141**
EQUITY AND LIABILITIES				
Liabilities				
Deposits	14	37 534 161	24 147 300	21 822 910
Trade and other payables	15	99 077	110 901	128 189
Notes and coins in circulations	16	4 759 436	4 711 567	4 518 207
Provision for post-employment benefits	17	69 098	64 957	60 569
TOTAL LIABILITIES		**42 461 772**	**29 034 725**	**26 529 875**
Capital and Reserves				
Share capital	18	40 000	40 000	40 000
General reserve	19	2 741 385	2 463 986	2 160 111
Foreign currency revaluation reserve	20	7 002 208	6 200 558	6 112 300
Training Fund reserve	21	16 179	16 179	13 479
State Revenue Fund	3	413 700	278 198	399 941
Development fund reserve	22	95 986	114 402	166 702
Building fund reserve	23	85 000	85 000	85 000
Investment revaluation reserve	24	-	291 611	52 733
TOTAL CAPITAL AND RESERVES		**10 394 458**	**9 489 934**	**9 030 266**
TOTAL LIABILITIES, CAPITAL, AND RESERVES		**52 856 230**	**38 524 659**	**35 560 141**

***Assets and liabilities reclassified from current and non-current to order of liquidity basis. Refer to 1.23 for details.*

Statement of Changes in Equity for the Year ended 31 December 2021

	Share Capital N$'000	Accumulated Profit & loss account N$'000	Training Fund Reserve N$'000	General Reserve N$'000	Foreign currency Revaluation Reserve N$'000	Investment Revaluation Reserve Fund N$'000	Distribution State Revenue Fund N$'000	Development Fund Reserve N$'000	Building Fund Reserve N$'000	Total N$'000
Balance at 1 January 2020	**40 000**	**-**	**13 479**	**2 160 111**	**6 112 300**	**52 733**	**399 941**	**166 702**	**85 000**	**9 030 266**
Profit for the year	-	859 609	-	-	-	-	-	-	-	859 609
Transfer to Revaluation reserve	-	(88 258)	-	-	88 258	-	-	-	-	-
Transfers	-	-	-	52 300	-	-	-	(52 300)	-	-
Allowance for credit losses -FVTOCI	-	-	-	-	-	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(238 878)	-	-	-	238 878	-	-	-	-
Dividend distribution (current year)	-	-	-	-	-	-	(399 941)	-	-	(399 941)
Appropriation of net profit for the year	-	(532 473)	2 700	251 575	-	-	278 198	-	-	-
Balance at 31 December 2020	**40 000**	**-**	**16 179**	**2 463 986**	**6 200 558**	**291 611**	**278 198**	**114 402**	**85 000**	**9 489 934**
Profit for the year	-	1 145 055	-	-	-	-	-	-	-	1 145 055
Transfer to Revaluation reserve	-	(801 650)	-	-	801 650	-	-	-	-	-
Transfers	-	-	-	18 416	-	-	-	(18 416)	-	-
Allowance for credit losses -FVTOCI 2020 Adjustment	-	-	-	-	-	17 658	-	-	-	17 658
Allowance for credit losses – FVTOCI	-	-	-	-	-	20 009	-	-	-	20 009
Transfer to Unrealised Gain reserve	-	366 157	-	-	-	(366 157)	-	-	-	-
Distribution adjustment - unrealised losses	-	(36 879)	-	-	-	36 879	-	-	-	-
Dividend distribution (current year)	-	-	-	-	-	-	(278 198)	-	-	(278 198)
Appropriation of net profit for the year	-	(672 683)	-	258 983	-	-	413 700	-	-	-
Balance at 31 December 2021	**40 000**	**-**	**16,179**	**2,741,385**	**7,002,208**	**-**	**413 700**	**95,986**	**85,000**	**10 394 458**

Statement of Cash Flows for the Year ended 31 December 2021

	Notes	2021 N$'000	2020 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	A	278 818	183 524
CASH FLOWS FROM INVESTING ACTIVITIES		**(48 489)**	**23 057**
Interest acquired in Associate		(252)	(303)
Proceeds on disposals of property & equipment and intangible assets		-	8
Purchase of property & equipment		(11 522)	(14 745)
Purchase of intangible asset – computer software		(23 779)	(13 451)
(Increase)/Decrease in loans and advances		(12 936)	51 548
CASH FLOWS FROM FINANCING ACTIVITIES		**(230 329)**	**(206 581)**
Distribution to the State Revenue Fund	B	(278 198)	(399 941)
(Increase)/Decrease in Notes and coins in circulation		47 869	193 360
		-	-
NOTE:			
A. RECONCILIATION OF PROFIT FOR THE YEAR TO CASH GENERATED BY OPERATIONS			
Profit for the year before net foreign exchange translation gain/(loss)		735 855	532 473
Adjusted for:			
Depreciation		17 566	19 042
Provision post-employment benefits		(2 144)	4 388
Amortisation of computer software		4 701	2 145
Loss/(Profit) on disposal of property & equipment		-	(8)
Net (gains)/Loss on Investment portfolio		(151 656)	4 345
Impairment Loss - ECL		13 517	23 203
Impairment of Investment in Associate		252	303
Operating cash flows before movements in working capital		598 083	585 891
(Increase)/Decrease in Currency Inventory		(5 205)	13 751
(Increase)/Decrease in Other Inventory		140	(297)
(Increase) in loans and advances Local banks		1 039 326	705 594
(Increase)/Decrease in Rand deposits		(24 677)	44 390
(Increase)/Decrease in other receivables		(7 098 021)	(1 023 511)
Increase/(Decrease) in deposits		13 386 861	2 324 390
Increase/(Decrease) in trade and other payables		(11 823)	(17 288)
(Increase)/Decrease in investments		(7 605 866)	(2 449 396)
		278 818	183 524
B. DISTRIBUTION TO STATE REVENUE FUND			
Opening balance		(278 198)	(399 941)
Appropriations of net profit for the year		(413 700)	(278 198)
Closing balance in reserves		413 700	278 198
Paid for the year		(278 198)	(399 941)

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES

The Bank's annual financial statements are prepared in accordance with the going concern principle under the historical cost basis, except for financial assets and liabilities where the fair value and amortised cost basis of accounting is adopted. The principal accounting policies, which have been consistently applied in all material respects, are set out below. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.2. The annual financial statements have been prepared to comply with the requirements of the Bank of Namibia Act, 2020 and with the requirements of International Financial Reporting Standards (IFRS).

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards and amendments issued but not effective for 31st December 2021 year-end; An assessment on the impact of the below standards have not yet been performed:

Standard(s)	Effective date	Executive summary
IFRS 10 *Consolidated Financial Statements*	The effective date of this amendment has been deferred indefinitely until further notice	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
IFRS 17 *Insurance contracts*	1 January 2023	• IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. • IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. • The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. • Insurance contracts are required to be measured based only on the obligations created by the contracts.
IAS 37 Amendments *Onerous Contracts*	1 January 2022	The IASB published Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

Notes to the Annual Financial Statements 31 December 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.1 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Standard(s)	Effective date	Executive summary
IAS 1 *Presentation of Financial Statements*	1 January 2023	Classification of Liabilities or Non-current: Narrow -scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2023	Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirement for recognising the effect of change in accounting prospectively remain unchanged.
IAS 16 amendments *Property Plant and Equipment*	1 January 2022	Property Plant and Equipment: Proceeds before intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit and loss.
IFRS 9, IAS 39 and IFRS 7 *Interest rate Benchmark*	1 January 2021	The International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39, IFRS 7 representing the finalization of Phase II of the project on 27 August 2020 to address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate i.e replacement issue

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

1. Impairment of Financial Assets

IFRS 9 requires that financial instruments be tested for impairments on a forward-looking basis. The main aim is to determine whether the credit risk of an instrument has changed materially since the previous reporting period. In order to make this calculation, the IASB requires entities to develop and use an Expected Credit Loss (ECL) model. Generally, it can be summarised that the ECL model aims to anticipate shortfalls of contractual cash flows of financial instruments in the event of a default. Refer to note 1.4 and 4.1 for the ECL accounting policy and disclosure.

2. Provision for post-employment benefits disclosed under note 17

An Actuarial valuation is performed once every three years to determine the Bank's obligation in this regard. The assumptions and judgments used by the actuary were considered by the Bank and were deemed reasonable considering the prevailing and anticipated future economic conditions.

3. Evaluation of useful lives and residual values

The residual value and useful life evaluation exercise is performed by internal staff members who have technical knowledge of specific classes of assets. Market information with regards to pricing is also obtained to ensure the required level of objectivity is maintained in the whole evaluation process.

4. Accounting for off-market loans as disclosed under note 8

Management judgement was applied to determine the average repayment period on the various classes of loans granted by the Bank. Prevailing interest rates at year-end were however applied to determine the impairment charge for the year on new off-market loans.

Notes to the Annual Financial Statements 31 December 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.3 REVENUE RECOGNITION

Interest income is recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period to maturity. The effective interest rate takes into account all directly attributable external costs, discounts, or premiums on the financial assets.

Rand compensation income is received from the South African Government as compensation for the Rand currency in circulation in Namibia. The Bank accounts for this income on an accrual basis.

Other income consists of rental received, bank supervision fees and charges as well as sundry income. Other income is recognised to the extent that it is probable that the economic benefit will flow to the Bank and revenue can be reliably measured.

1.4 FINANCIAL INSTRUMENTS

Financial instruments as reflected on the Bank's Statement of financial position include all financial assets and financial liabilities. Management determines the appropriate classification at initial recognition of the financial instrument. Depending on their classification, financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

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

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

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

Recognition

The Bank recognises financial instruments including, “regular way” purchases and sales on settlement date and thus applies settlement date accounting to these transactions.

Financial assets and financial liabilities are recognised in the Bank’s statement of financial position when the Bank becomes a party to the contractual provisions of the instrument.

Loans and advances, other receivables and other financial liabilities are recognised on the day they are transferred to the Bank or on the day the funds are advanced.

Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent to initial measurement financial instruments are measured at fair value or amortised cost depending on their classification.

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Reclassification

It is a requirement that institutions should disclose when it has reclassified a financial asset between one measured at amortised cost, FVTOCI or FVTPL. The Bank has not reclassified any of its financial assets during the year under review.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1. Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Bank may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Bank may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

2. Impairment of financial assets

The Bank recognises a loss allowance for expected credit losses on investments in financial assets that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Bank always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Bank's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Bank recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Bank measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.1 Definitions

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost.
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

- an actual or expected significant deterioration in the operating results of the debtor.
- significant increases in credit risk on other financial instruments of the same debtor.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Bank has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Bank assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Bank considers a financial asset to have low credit risk when the asset has an external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amount.

The Bank regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify a significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Bank considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank, in full (without considering any collateral held by the Bank).

Irrespective of the above analysis, the Bank considers that default has occurred when a financial asset is more than 90 days past due unless the Bank has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.
(b) a breach of contract, such as a default or past due event (see (ii) above).
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
(d) it is becoming probable that the borrower will enter bankruptcy or another financial re-organization; or
(e) he disappearance of an active market for that financial asset because of financial difficulties.

3. Write-off policy

The Bank writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Banks's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Bank in accordance with the contract and all the cash flows that the Bank expects to receive, discounted at the original effective interest rate.

If the Bank has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Bank measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Bank recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in financial assets that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

5. De-recognition of financial assets

The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss.

The Bank did not transfer financial assets in such a way that part of the asset did not qualify for de-recognition.

Financial Liabilities

These are measured at amortised cost. Amounts due to the Government, bankers reserve and current accounts are stated at cost as these accounts do not have fixed maturity dates.

Notes and coins issued are measured at face value as this liability does not have a fixed maturity date.

Accounts payable are stated at cost as this approximates fair value due to the short-term nature of such obligations.

1.5. GENERAL RESERVE

The general reserve is established in terms of Section 72 of the Bank of Namibia Act, 2020 and may only be used for the purpose specified below:

- increase the paid-up capital of the Bank.
- offset losses sustained by the Bank during a financial year.
- fund a Development Reserve Account; and
- redeem any securities issued by the Bank.

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

The amount maintained in this account relates to the annual appropriation of distributable profits determined by Section 71 of the Bank of Namibia Act, 2020. The Act prescribes that not less than 25% of the net profits of the Bank for a financial year be transferred to the General Reserve Account.

1.6. FOREIGN CURRENCY ACTIVITIES AND REVALUATION RESERVE

The Revaluation Reserve has been created in accordance with Section 64 of the Bank of Namibia Act, 2020 and is used to accommodate any net gains or losses in any financial year of the Bank arising from any change in the book value or realised/unrealised value of the Bank's Assets or Liabilities denominated in currencies or units of account other than the Domestic Currency, such as gold, special drawing rights and foreign currencies. Any change in the value of such currencies or units of account in terms of the currency of Namibia, shall be credited to the Revaluation Reserve Account before any appropriation to any other reserve.

Assets and liabilities in foreign currencies are translated to Namibia Dollars at year-end exchange rates. In terms of Section 64 of the Bank of Namibia Act, 2020, exchange gains and losses of the Bank are for the account of the Government and are consequently transferred to the Revaluation Reserve Account before appropriation of profits.

1.7. BUILDING FUND RESERVE

This reserve was reactivated in the financial year 2016 to set aside funds for the construction of a Currency Museum and to extend the parking facilities at the Bank premises. Annual profits appropriated will be credited to the reserve and on completion of the construction, the reserve so created will be released to the General Reserve.

1.8. DEVELOPMENT FUND RESERVE

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of promoting or financing economic development in Namibia. The reserve will be released to the General Reserve.

1.9. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and are depreciated on the straight-line method over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed regulary, with the effect of any changes in estimate accounted for on a prospective basis. The revised useful life in years, is as detailed below:

Freehold buildings	50 years
Computer hardware	2-6 years
Motor vehicles	4 years
Furniture, fittings and equipment	1-20 years
Note Sorting Machines	9-17 years

Notes to the Annual Financial Statements 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.9. PROPERTY AND EQUIPMENT (CONTINUED)

The residual value on the building is benchmarked to similar structures in the country and did not call for any adjustment in residual value both in the previous year and the current year. Subsequent costs are included in the assets carrying value only when it is probable that future economic benefits associated with the assets will accrue to the Bank. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive income during the financial period in which they are incurred.

1.10. INTANGIBLE ASSETS – COMPUTER SOFTWARE

On acquisition the software is capitalised at purchase price and amortised on a straight-line basis with zero residual value. The estimated useful lives, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in the estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of Computer software on an annual basis and the useful life has been set to range between 1 and 8 years. Refer to note 5 for disclosure.

1.11. INVENTORY

Currency Costs

The costs of new Namibia bank notes and coins are capitalised and amortised on the earlier of issue of the currency or over five years. Cost comprises of printing and minting costs, carriage, insurance and freight landed at the Bank's premises or designated port of consignment arrival. Currency is issued using the weighted average cost.

Stationery and spares

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

1.12. PENSION FUND

It is the policy of the Bank to contribute to the retirement benefits for employees. The Bank operates a Defined Contribution pension fund, contributions to the Bank of Namibia Provident Fund are charged against income in the year in which they become payable.

1.13. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.14. EMPLOYEE BENEFITS

(a) POST- EMPLOYMENT MEDICAL BENEFITS

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

(b) ANNUAL LEAVE

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months are recognised and measured at the amounts expected to be paid when the liabilities are settled.

1.15. CASH FLOW STATEMENT

The definition of cash in the Standard is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency, the Bank has no cash balances on its Statement of financial position.

1.16. PROVISIONS

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.17. TRANSACTIONS ON BEHALF OF GOVERNMENT

The Bank undertakes numerous transactions on behalf of the Government, which include among others, payments and receipts, opening and maintenance of accounts for donor funded projects and the maintenance of accounts for line ministries. All such accounts opened are pre-funded with the funds received invested and the corresponding liability recorded in the books of the Bank. The transactions where the Bank only acts as an agent, as well as the assets and liabilities arising from such transactions, are not reflected in the annual financial statements of the Bank. Refer to note 31 for disclosure.

1.18. BORROWING COSTS

Borrowing costs are primarily interest and other costs incurred by the Bank in connection with the borrowing of funds. Borrowing costs are recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period of the loan and are expensed accordingly.

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.19. ACCOUNTING FOR IMF – SPECIAL DRAWING RIGHTS (SDR)

The SDR is an international reserve asset, created by the International Monetary Fund (IMF) in 1969 to supplement the existing official reserves of member countries. SDRs are allocated to member countries in proportion to their IMF quotas. The SDR also serves as the unit of account of the IMF and some other international organizations. The SDR is defined in terms of a basket of currencies. Its value is determined as the weighted sum of exchange rates of the five major currencies (Euro, Japanese yen, Pound sterling, US dollar and Chinese renminbi). In as far as Namibia is concerned, the total allocation of SDR by the IMF is recorded in the books of the Bank as an asset under "SDR and Other Receivables" classification and as a liability under "Deposits" classification.

1.20. NOTES AND COINS IN CIRCULATION

One of the primary functions of the Bank is the printing and minting of Namibia Dollar currency and issuance thereof into circulation. Costs of printing and minting the currency are capitalised and amortised based on issuance of the currency into circulation. New currency notes and coins are issued to the Commercial Banks at face value which then flows into circulation through the monetary and financial systems operational in the country. Once issued into circulation the notes and coins are reflected in the books of the Bank as a liability and the liability is only extinguished when the currency is no longer in circulation.

1.21. LENT-OUT SECURITIES

The Bank derives income from securities lending activity. The counterparties involved in these transactions are highly rated institutions and a cash collateral is deposited by the counterparty with the custodians as guarantee for the lent-out securities. Our custodians are responsible for the administration and management of this activity. The income generated from the lent-out securities activities, are recorded in the books of the Bank accordingly.

1.22. INVESTMENT REVALUATION RESERVE

The Reserve has been created to retain unrealised gains and losses on the Bank's portfolio investments that are measured at fair value through other comprehensive income (FVTOCI) as per IFRS 9, until they are realised. Unrealised gains when realised become available for distribution and unrealised losses when realised are charged to the Statement of Profit or Loss and Other Comprehensive Income.

1.23. CHANGE IN ACCOUNTING POLICY WITH RETROSPECTIVE RECLASSIFICATION

During the year, the Bank changed its accounting policy for the presentation of the Statement of Financial Position from classifying assets and liabilities as current and non-current, to classifying the assets and liabilities in order of liquidity from most liquid to least liquid items. This was done by looking at the level of ease to which an asset or liability is convertible into cash without affecting it's price. The reclassification was done to provide information in a more relevant format to the users of the financial statements.

The change in the accounting policy is applied retrospectively, and as a result, the Bank presents a third statement of financial position representing 2019.The reclassification has no material impact on the information in the statement of financial position at the beginning of the 2020 financial year. The reclassification affects the following class of accounts:

Notes to the Annual Financial Statements
31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.23. CHANGE IN ACCOUNTING POLICY (CONTINUED)

Assets:

- Loans and Advances-Other

Liabilities:

- Provision for Post-employment Benefits

These account balances were presented as follows in the 2020 and 2019 Financial Statements:

	2020 N$'000	2019 N$'000
Assets:		
Loans and Advances -Other		
Non-Current portion	82 748	132 628
Current portion	16 834	18 502
Liabilities:		
Provision for Post-employment benefits		
Non-Current portion	62 201	57 985
Current portion	2 756	2 584

These account balances are presented in the 2021 Financial Statement comparatives as follows:

	2020 N$'000	2019 N$'000
Assets:		
Loans and Advances -Other	99 582	151 130
Liabilities		
Provision for Post-employment benefits	64 957	60 569

Notes to the Annual Financial Statements 31 December 2021

2. RESULTS FOR THE YEAR

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

	2021 N$'000	2020 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**404 697**	**445 532**
Debt Securities and Money Market instruments	404 697	445 532
Other Currency	**137 548**	**187 780**
Debt securities	135 488	183 757
Money market instruments	2 060	4 023
Unwinding of present value adjustments (Staff Loans)	5 085	5 364
	547 330	**638 676**
Interest Paid		
Government	-	8 179
Commercial Banks	54 906	77 104
Other	24 157	19 728
	79 063	**105 011**
Other Income		
Rand compensation income	505 628	499 787
Sundry income	43 237	18 286
Profit on disposal of property, equipment, and intangible assets	-	8
	548 865	**518 081**
Operating Expenses		
Depreciation	17 566	19 042
Amortisation of computer software	4 701	2 145
Currency inventory amortisation costs	36 724	38 133
Salaries and related personnel costs	266 343	257 617
Staff training and development	2 955	2 647
Social responsibility	11 447	4 954
Board members' fees - for services as Board members	1 163	1 317
Auditors' remuneration - audit fees	1 921	1 599
Membership fees	1 146	1 648
Building, IT and other maintenance costs	18 881	18 189
Amortisation of pre-paid long-term employee benefit	5 084	5 364
Credit Allowance losses - IFRS 9	(6 491)	23 203
Share of Loss from Associate	252	303
Other expenditure	71 241	138 768
Total operational expenditure	**432 933**	**514 928**
Number of employees	**323**	**297**

Interest income relates to interest earned on investments which are invested in the Rand, Euro and USD money and capital markets as well as interest earned in NAD on the Commercial banks' settlement accounts, Repurchase agreements and staff loans.

Interest expense mainly relates to interest paid to GIPF, BON Bills issued, Commercial Banks' settlement accounts and Special Drawing Rights allocations by the IMF.

Notes to the Annual Financial Statements 31 December 2021

3. APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 2020

	Notes	2021 N$ `000	2020 N$ `000
Total Comprehensive Profit for the Year		**1 145 055**	**859 609**
Unrealised Losses / (Gains) transferred to the Investment Revaluation Reserve		366 157	(238 878)
Dustribution adjustment- unrealised losses		(36 879)	-
Exchange Rate Gains transferred to the Revaluation Reserve		(801 650)	(88 258)
Net Profit for the Year		**672 683**	**532 473**
Appropriation of Profits		**672 683**	**532 473**
General Reserve	19	258 983	251 575
Training Fund Reserve	21	-	2 700
Distribution to State Revenue Fund	3	413 700	278 198

The foreign exchange gain reflected on the Statement of Profit or Loss and Other Comprehensive Income includes the translation gain for the year that has been charged to the Statement of Profit or Loss and Other Comprehensive Income to comply with the requirements of IAS 21 – Effect of changes in Foreign Exchange Rates. In terms of section 64 of the Bank of Namibia Act, 2020, gains and losses arising based on changes in the book or realised value of assets or liabilities, denominated in currencies other than the domestic currency, are to be transferred to the Revaluation Reserve. The Net Profit for the year in line with the compliance requirements of the Bank of Namibia Act, 2020 would therefore amount to N$672.68 million (2020: N$532.47 million). Appropriations of profits are based on this Net Profit figure.

Notes to the Annual Financial Statements
31 December 2021

4. INVESTMENTS

	2021 N$'000	2020 N$'000
Rand currency		
Fair value through profit or loss		
Debt securities & Money Market Investments	17 486 315	8 669 201
Fair value through other comprehensive income		
Debt securities	4 176 576	2 726 257
Amortised Cost		
Money market instruments	4 926 431	5 568 891
	26 589 322	**16 964 349**
Other currencies		
Fair value through profit or loss		
Debt securities & Money Market Investments	-	3 007 606
Fair value through other comprehensive income		
Debt securities & Money Market Investments	8 094 265	7 012 461
Amortised Cost		
Money market instruments	5 192 520	4 698 677
	13 286 785	**14 718 744**
Total Gross investments	**39 876 107**	**31 683 093**
Less: Allowance for credit losses -Amortised costs (refer to 4.1)	(4 282)	(28 431)
Total Investments	**39 871 826**	**31 654 662**

Notes to the Annual Financial Statements 31 December 2021

4. INVESTMENTS (CONTINUED)

4.1 IMPAIRMENT OF FINANCIAL ASSETS

The following table shows the movement in expected credit losses that has been recognised for the respective investments.

Classification	Internally Managed Bonds	Externally managed	Total Impairment Loss on assets measured at FVTOCI	Internally Managed Money Market Instruments	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
Balance at 1 January 2021	**21 123**	**2 503**	**23 626**	**10 773**	**34 399**
Net increase/(decrease) in ECL for the year	**20 436**	**(428)**	**20 009**	**(6491)**	**13 517**
Increase/(Decrease) in 12 Month ECL	26	(123)	(96)	(44)	(141)
Increase/(Decrease) in Lifetime ECL	20 410	(305)	20 105	(6 447)	13 658
Balance at 31 December 2021	**41 559**	**2 075**	**43 634**	**4 282**	**47 916**

Classification	Internally Managed Bonds	Externally managed	Total Impairment Loss on assets measured at FVTOCI	Internally Managed Money Market Instruments	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
Balance at 1 January 2020	**4 598**	**1 370**	**5 968**	**5 228**	**11 196**
Net increase/(decrease) in ECL for the year	**16 525**	**1 133**	**17 658**	**5 545**	**23 203**
Increase/(Decrease) in 12 Month ECL	(4 156)	355	(3 801)	(4 920)	(8 721)
Increase/(Decrease) in Lifetime ECL	20 681	778	21 459	10 465	31 924
Balance at 31 December 2020	**21 123**	**2 503**	**23 626**	**10 773**	**34 399**

IFRS 9.5.5.2 prescribes that the Allowance for credit losses for Financial Assets measured at FVTOCI of N$43.634 million (2020: N$23.626 million) shall be recognised in Other comprehensive income and shall not reduce the carrying amount of the Financial asset in the statement of financial position. The movement in the loss allowance is included in the Investment revaluation reserve.

Notes to the Annual Financial Statements 31 December 2021

4. INVESTMENTS (CONTINUED)

4.2 LENT-OUT SECURITIES

As at 31st December 2021, the value of lent-out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to USD 1.593 million; NAD equivalent 25.34 million (2020: Euro 2.63 million; NAD equivalent 47.28 million). The counter-parties involved in these transactions are rated institutions and cash collateral has been deposited with the custodians as guarantee for the lent-out securities. The income generated from the lent-out securities activity, has been recorded in the books of the Bank accordingly.

4.3 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The levels of hierarchy used to determine the fair value of financial instruments is as detailed below:

Fair value of instruments that fall in the Level 1 category would be based on the unadjusted quoted prices in an active market for identical assets or liabilities. Level 2 category would be based on quoted prices that are observable for the asset or liability, either directly as prices or indirectly as derived from prices. Level 3 category would be based on inputs for the asset or liability that are not based on observable market data.

Level 1
The fair value of the Bank's financial instruments traded in active markets are based on the quoted prices obtained from the custodians at the statement of the financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer broker or pricing services, and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
The fair value of financial instruments not traded in an active market is determined using available observable market data and rely as little as possible on entity specific estimates. Some of the techniques used include market prices for similar instruments and discounted cash flows where future cash flows are discounted using a market related interest rate.

As at 31st December 2021, the fair value of financial instruments that were classified under the various hierarchies is detailed in the tables below:

As at 31st December 2021

	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Total N$'000
Rand and Other Currencies Investments	3 386 452	26 325 819	-	29 712 271
	3 386 452	**26 325 819**	**-**	**29 712 271**

As at 31st December 2020

	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Total N$'000
Rand and Other Currencies Investments	2 236 637	19 178 888	-	21 415 525
	2 236 637	**19 178 888**	**-**	**21 415 525**

The fair value of the amortised cost instruments not included above amounts to N$10 118 952 (2020: N$ 10 267 567).

Notes to the Annual Financial Statements 31 December 2021

5. LOANS AND ADVANCES - LOCAL BANKS

	2021 N$'000	2020 N$'000
Repurchase agreements-local banks	-	1 040 782
Loans to Local Banks	1 456	-
	1 456	1 040 782

Repurchase agreements are overnight and seven-day loan facilities granted to the commercial banks to cover for temporary liquidity shortages. The overnight and seven day repurchase agreements are granted to banking institutions to draw under the credit facility an amount equal to the total adjusted value of eligible securities pledged by each banking institution as collateral to Bank of Namibia.

The Loans to Local Banks are for the COVID-19 SME Loan Scheme where the commercial banks further on-lent the funds to eligible SME's as COVID-19 Loans. These loans are unsecured and accrue interest at prime rate of which the obligation to pay interest and capital is deferred for the first six months after the first drawdown. The Government provided guarantees amounting to N$500 million towards this scheme.

6. CURRENCY INVENTORY

	2021 N$'000	2020 N$'000
Opening Balance	84 895	98 646
Purchases Current year	25 028	33 892
Currency revaluation	14 195	(9 510)
Currency Amortisation	(34 018)	(38 133)
Closing Balance	**90 100**	**84 895**

7. RAND DEPOSITS

	2021 N$'000	2020 N$'000
Closing Balance	**70 014**	**45 337**

Rand deposits is the value of Rand bank notes held by the Bank of Namibia. Commercial banks deposit the Rand notes collected at their various branches at the Bank of Namibia.The Bank of Namibia in turn repatriates the said currency to the South African Reserve Bank based on predetermined currency values. Upon repatriation, the South African Reserve Bank then credits the Namibian reserves on deposit with it with an amount equal to the value of the Rands repatriated.

Notes to the Annual Financial Statements 31 December 2021

8. LOANS AND ADVANCES

	2021 N$'000	2020 N$'000	2019 N$'000
Staff loans	114 118	99 727	86,541
Less: Present value adjustment for off-market loans	**(42 857)**	**(37 871)**	**(33,379)**
Opening balance – 1 January	(32 507)	(27 726)	(7 770)
Current year fair value adjustment of new loans	(5 266)	(4 781)	(19 704)
Amortised to Income statement	(5 084)	(5 364)	(5 905)
Add: Staff Long term benefit	**42 857**	**37 871**	**33,379**
Opening balance – 1 January	32 507	27 726	7 770
Current year Fair value adjustment of new loans	5 266	4 781	19 704
Amortised to Income statement	5 084	5 364	5 905
Net staff loans	**114 118**	**99 727**	**86,541**
Other Loans	-	-	64 663
Lifetime credit loss allowance	(1 600)	(145)	(74)
Closing Balance	**112 518**	**99 582**	**151 130**

9. OTHER RECEIVABLES

	2021 N$'000	2020 N$'000
Accounts receivable	59 813	43 111
Less: Allowance for credit losses	-	-
	59 813	**43 111**
Rand compensation receivable – Government	505 628	499 787
IMF – Quota	7 848 993	4 717 395
IMF -Special Drawing Rights holdings	3 972 337	28 457
Total Other Receivables	**12 386 771**	**5 288 750**

The SDR is an international reserve asset, created by the International Monetary Fund (IMF) to supplement the existing official reserves of member countries. SDRs are allocated to member countries in proportion to their IMF quotas. Additional SDRs were allocated to Namibia and all other IMF member countries in August 2021.

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10. INVESTMENT IN ASSOCIATE

	2021 N$'000	2020 N$'000
Carrying value of Investment – 1 January 2021	-	-
Increase in Investment	252	303
Share of loss in Associate	(252)	(303)
Total Investment in Associate – 31 December 2021	-	-

The Bank holds a 49% interest in the Central Securities Depository (Pty) Ltd. The company is incorporated in Namibia and the interest is equity accounted for.

The CSD incurred a loss of N$932 083 in the current year (2020: N$882 750) and generated no income.

The cumulative unrecognised share of loss as at 31 December 2021 is N$ 326 024, of which N$ 204 939 relates to the current year.

The CSD Company had total assets of N$2 162 (2020: N$1 652) and total liabilities of N$6 037 150 (2020: 5 104 556). The Bank has subordinated it's debt of N$2 886 in favour of other creditors of CSD, both present and future and the Bank will not call it's claims against the CSD before the 1 January 2023.

11. OTHER INVENTORY – STATIONERY AND SPARES

	2021 N$'000	2020 N$'000
Opening Balance	4 881	4 584
Purchases current year	469	915
Issues current year	(591)	(617)
Adjustments	(17)	(1)
Closing Balance	**4,742**	**4,881**

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12. PROPERTY AND EQUIPMENT

2021 Cost	Freehold Land and Buildings N$'000	Computer Hardware N$'000	Furniture Fittings & Equipment N$'000	Motor Vehicles N$'000	Total N$'000
At 1 January 2021	340 763	28 451	121 721	12 954	503 889
Additions	3 471	6 842	1 209	-	11 522
Disposals	-	(53)	(776)	-	(829)
At 31 December 2021	**344 234**	**35 240**	**122 154**	**12 954**	**514 582**
Accumulated depreciation					
At 1 January 2021	87 830	25 229	96 503	10 040	219 602
Current year charge	7 200	3 279	5 810	1 277	17 566
Disposals	-	(53)	(773)		(826)
At 31 December 2021	**95 030**	**28 455**	**101 540**	**11 317**	**236 342**
Carrying value					
At 1 January 2021	**252 933**	**3 222**	**25 218**	**2 914**	**284 287**
At 31 December 2021	**249 204**	**6 785**	**20 614**	**1 637**	**278 240**
2020					
Cost					
At 1 January 2020	332 393	25 409	118 388	12 954	489 144
Additions	8 370	3 042	3 333	-	14 745
Disposals	-	-	-	-	-
At 31 December 2020	**340 763**	**28 451**	**121 721**	**12 954**	**503 889**
Accumulated depreciation					
At 1 January 2020	77 483	23 829	90 602	8 646	200 560
Current year charge	10 347	1 400	5 901	1 394	19 042
Disposals	-	-	-	-	-
At 31 December 2020	87 830	25 229	96 503	10 040	219 602
Carrying value					
At 1 January 2020	**254 910**	**1 580**	**27 786**	**4 308**	**288 584**
At 31 December 2020	**252 933**	**3 222**	**25 218**	**2 914**	**284 287**

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

Notes to the Annual Financial Statements 31 December 2021

13. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2021	
Cost	
At 1 January 2021	75 404
Additions	23 779
At 31 December 2021	**99 183**
Accumulated amortisation	
At 1 January 2021	
Current year charge	53 921
	4 701
At 31 December 2021	**58 622**
Carrying value	
At 1 January 2021	**21 483**
At 31 December 2021	**40 562**
2020	
Cost	
At 1 January 2020	61 953
Additions	13 451
At 31 December 2020	**75 404**
Accumulated amortisation	
At 1 January 2020	51 776
Current year charge	2 145
At 31 December 2020	**53 921**
Carrying value	
At 1 January 2020	**10 177**
At 31 December 2020	**21 483**

Notes to the Annual Financial Statements 31 December 2021

14. DEPOSITS

	2021 N$'000	2020 N$'000
Government of the Republic of Namibia	2 515 377	4 758 856
Domestic bankers' reserve account	1 283 911	1 277 809
Domestic bankers' settlement account	2 200 533	1 704 330
SDR Allocation account	6 815 307	2 744 996
IMF Securities account	7 848 993	4 717 395
GIPF BoN Asset Swap Investment	14 894 372	6 911 503
NAMPOWER BoN Asset Swap Investment	917 284	938 580
Other Deposits	969 486	1 044 022
Other – Pre-funded donor funds at cost	88 898	49 809
Total Deposits	**37 534 161**	**24 147 300**

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

Pursuant to Section 45 and 47 of the Bank of Namibia Act, the Government may take up short-term loans from the Bank, which shall have a maturity of less than six months. The government may without prior notification utilise an overdraft facility from the Bank not exceeding N$2.5 billion. The Government shall pay interest to the Bank on debit balances at a rate equivalent to the 91-day Treasury bill rate plus 50 basis points. Any request by Government for credit from the Bank in excess of N$2.5 billion shall be referred to the Board of the Bank for consideration.

The IMF Securities represents long-term government deposits. The GIPF and NAMPOWER BoN Asset Swap arrangements were entered to enhance Namibia's foreign reserve stocks.

Other Deposits are mainly made up of foreign currency denominated call deposit facilities provided to commercial banks and call account facilities extended to specific local institutions.

The pre-funded donor funds are monies received on behalf of the Government for various donor funded projects being undertaken in the country. These funds have no maturity dates and attract no interest.

15. TRADE AND OTHER PAYABLES

	2021 N$'000	2020 N$'000
Sundry Creditors	53 011	76 768
Payable - Financial Intelligence Centre (FIC)	35 185	28 902
Payable - Namibia Deposit Guarantee Authority (NDGA)	10 881	5 231
	99 077	**110 901**

16. NOTES AND COINS IN CIRCULATION

	2021 N$'000	2020 N$'000
Notes	4 501 499	4 459 242
Coins	257 937	252 325
	4 759 436	**4 711 567**

Notes to the Annual Financial Statements
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17. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Bank provides post-employment medical benefits to retired staff members. A provision for the Liability has been determined based on the Projected Unit Credit Method. The valuation was performed for the year ended 31 December 2021.The Actuarial valuation was performed by ARCH Actuarial consulting, a member of the Actuarial Society of South Africa ("ASSA") with 20 year's experience in performing similar valuations.

	2021 N$'000	2020 N$'000	2019 N$'000
Opening Liability	64 957	60 569	68 5195
Interest costs	6 134	5 806	6 296
Current service costs	1 130	1 166	2 073
Benefit payments	(2 897)	(2 584)	(1 697)
Estimate adjustment*	(6 510)	-	-
Actuarial loss/ (gain)	6 284	-	(14 298)
Closing Liability	**69 098**	**64 957**	**60 569**
Number of members	**173**	**175**	**175**

Key assumptions	**2021**	**2020**	**2019**
Discount rate	9.79 % p.a.	9.79 % p.a.	9.79 % p.a.
Medical inflation	6.71 % p.a.	6.71 % p.a.	6.71 % p.a.
Valuation date	31 December 2021	31 December 2019	31 December 2019

The effect of a 1% movement in the assumed medical cost trend rate is as follows:	**Increase** **N$'000**	**Decrease** **N$'000**
Effect on the aggregate of the current service cost and interest cost	1 305	1 064
Effect on the defined benefit obligation	**70 403**	**68 034**

At 31 December	**2021** **N$'000**	**2020** **N$'000**	**2019** **N$'000**	**2018** **N$'000**	**2017** **N$'000**
Present value of post-retirement benefit obligation	69 098	64 957	60 569	68 195	62 134

The Bank's post-retirement plan is unfunded.

*This is due an adjustment to reflect change in earning basis. At the 2020 valuation, employees total package earnings were based on post -employment medical aid income band placement. For the 2021 valuation is based on basic salaries as this is used for income band placement in practice.

Notes to the Annual Financial Statements 31 December 2021

18. SHARE CAPITAL & CAPITAL MANAGEMENT

	2021 N$'000	2020 N$'000
Authorised share capital		
100 000 000 ordinary shares of N$1 each	**100 000**	**100 000**
Issued share capital		
40 000 000 ordinary shares of N$1 each	**40 000**	**40 000**

The Capital is the amount subscribed by the Government in accordance with Section 8 of the Bank of Namibia Act, 2020. The Bank is not subject to any externally imposed capital requirements however annually the appropriation of the profits is approved by the Government which requires that a minimum percentage of the annual profits is transferred to the general reserve which forms part of the Bank's capital.

19. GENERAL RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	2 463 986	2 160 111
Transfer from Development Fund Reserve/Training Fund Reserve	18 416	52 300
Appropriation of net profit for the year	258 983	251 575
Closing Balance	**2 741 385**	**2 463 986**

The General Reserve is a Statutory Reserve that can be utilised for increasing the paid- up Capital of the Bank, offset losses incurred, fund a Development Reserve and redeem any securities issued by the Bank.

20. FOREIGN CURRENCY REVALUATION RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	6 200 558	6 112 300
Net foreign exchange gain (losses)	801 650	88 258
Closing Balance	**7 002 208**	**6 200 558**

The Foreign currency Revaluation reserve has been created in accordance with Section 64 of the Bank of Namibia Act, 2020. The Act requires that both realised and unrealised gains and losses be transferred to the Revaluation Reserve account.

21. TRAINING FUND RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	16 179	13 479
Appropriation of net profit for the year	-	2 700
Closing Balance	**16 179**	**16 179**

The training fund reserve has been created to provide funds to up-skill the Bank's human capacity in order to meet challenges of the rapidly changing and complex financial environment under which the Bank operates.

Notes to the Annual Financial Statements 31 December 2021

22. DEVELOPMENT FUND RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	114 402	166 702
Transfer to General Reserve	(18 416)	(52 300)
Closing Balance	**95 986**	**114 402**

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of promoting or financing economic development in Namibia. The N$18 million was availed for the COVID 19 donations and Harvard Research project.

23. BUILDING FUND RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	**85 000**	**85 000**

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of accumulating funds for building projects that the Bank intends to embark upon in the future.

24. INVESTMENT REVALUATION RESERVE

	2021 N$'000	2020 N$'000
Opening Balance	291 611	52 733
Transfers to Investment revaluation reserve for the year	(366 157)	238 878
Allowance for credit loss 2020 adjustment	17 658	-
Allowance for credit losses	20 009	-
	(36 879)	**291 611**
Distribution adjustment - unrealised losses	36 879	-
Closing Balance	**-**	**291 611**

The Reserve has been created to retain unrealised gains and losses on the Bank's portfolio investments that are measured at fair value through other comprehensive income (FVTOCI) as per IFRS 9, until they are realised. Unrealised gains when realised become available for distribution and unrealised losses when realised are charged to the Statement of Profit or Loss and Other Comprehensive Income.

25. RETIREMENT FUND

Retirement benefits are provided for employees by a separate provident fund, known as the Bank of Namibia Provident Fund, to which the Bank contributes. The provident fund is administered under the Pension Fund Act, 1956 (No. 24 of 1956). The Fund was converted from a Defined Benefit Pension Fund to a Defined Contribution Provident Fund as at 1 March 2000. All employees contribute to the fund. Total Bank's contributions for the year 2021 amounted to N$ 25 891 288 (31 December 2020: N$ 24 141 876).

26. TAXATION

No provision for taxation has been made in the annual financial statements as the Bank is exempted from taxation in terms of Section 74 of the Bank of Namibia Act, 2020.

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27. FINANCIAL INTELLIGENCE CENTRE (FIC)

The Bank continues to render administrative support to the Financial Intelligence Centre (FIC). The FIC was established in terms of the Financial Intelligence Act, 2007 (No 3 of 2007). This Act was repealed in 2012 and replaced by the Financial Intelligence Act of 2012 which came into effect in December 2012. The Act prescribes that the Bank of Namibia shall host the FIC and will be responsible and accountable for all its operational and administrative activities. During 2016, the FIC financials were separated from those of the Bank. The intercompany accounts are used to determine and settle transactions between the FIC and the Bank. As at 31 December 2021, the Bank owes the FIC N$35 185 273 (2020: N$28 901 651.76) which is reflected on the intercompany account and disclosed under Note 24.

28. NAMIBIA DEPOSIT GUARANTEE AUTHORITY (NDGA)

The Bank renders administrative support to the Namibia Deposit Guarantee Authority (NDGA). The NDGA was established in terms of the Deposit Guarantee Act (No. 16 of 2018). The Act prescribes that the Bank of Namibia shall host the NDGA and will be responsible and accountable for all its operational and administrative activities. The intercompany accounts are used to determine and settle transactions between the NDGA and the Bank. As at 31 December 2021, the Bank owes the NDGA N$ 10 880 986 (2020: N$ 5 230 968.89), which is reflected on the intercompany account and disclosed under Note 24.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The investment of foreign exchange reserves in financial instruments gives rise to exposure to various types of financial risks which include currency, interest rate, credit and liquidity risk. Risk management at the Bank of Namibia forms an integral part of foreign reserves management within the governance structures of the Bank. Foreign exchange reserves are managed in a three-tier governance structure consisting of the Board of Directors, the Investment Committee and the Financial Markets Department (FMD). To further strengthen the role of managing foreign reserves, a Credit Risk Committee was established acting as a function of the FMD and consists of members from outside the department.

The highest hierarchy, namely the Board defines the investment policy of the Bank, which guides the management and risk appetite of the foreign exchange reserves. The Board authority is delegated to the Investment Committee to ensure compliance with the investment mandate. The FMD is responsible for managing the reserves and within the FMD, there is a Risk & Analytics section that proactively monitors compliance of investments to assigned risk parameters daily.

In order to best achieve the multiple investment objectives, the Bank divides the reserves into three tranches namely: Working Capital, Liquidity and Investment Tranche.

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

The different types of risks that the foreign exchange reserves are exposed to and the Bank's risk management approaches are stated below:

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.1 MARKET RISK

Market risk is the potential for adverse changes in the fair value or future cash flows of the Bank's foreign reserve assets due to changes in market and macroeconomic variables such as interest rates, exchange rates and inflation. The Bank employs duration management, diversification, hedging, correlation analysis and risk budgeting to manage market risk. In managing the foreign exchange reserves, the Bank follows an enhanced indexation approach which aims to outperform traditional passive portfolio management techniques by investing in a defined benchmark as well as employing an active management strategy to enhance investment returns on appropriate portfolios.

Sensitivity analysis on Interest rate risk

This has been considered under the interest rate risk below. Refer to Note 29.2.

Sensitivity Analysis on Currency risk

The Bank of Namibia follows an Asset-Liability Management Approach to determine its currency composition (an exercise which is undertaken annually during the Strategic Asset Allocation review). In order to manage the Bank's exposure to foreign-denominated liabilities, the foreign reserve assets are matched to these liabilities, therefore there is no exposure to currency risk. Refer to note 29.3.

	2021		2020	
	Total Assets NAD '000	(Increase)/ Decrease profit/loss NAD'000	Total Assets NAD'000	(Increase)/ Decrease profit/loss NAD'000
Assets				
USD	11 478 014	(1 147 801)	13 044 055	(1 304 405)
EURO	885 313	(88 531)	867 628	(86 763)
OTHER CURRENCIES	12 761 019	(1 276 102)	5 551 992	(555 199)
	25 124 346	**(2 512 435)**	**19 463 675**	**(1 946 367)**
% Impact on investments		5%		5%
Liabilities				
USD	(1 058 384)	105 838	(513 078)	51 308
EURO	-	-	-	-
OTHER CURRENCIES	(14 664 299)	1 466 430	(7 462 391)	746 239
	(15 722 683)	**1 572 268**	**(7 975 469)**	**797 547**
% Impact on Liabilities		4%		3%

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of a financial instrument will reduce below its acquisition cost due to an increase in interest rates. Foreign exchange reserve assets are sensitive to the interest rate movement path. Changes in interest rates impacts the value of these assets as well as the potential interest income. A commonly used measure for interest rate risk on a bond or money market portfolio is the Dollar Value (DV01) approach. This approach considers the change in value of an asset or portfolio due to a 0.01 percent change in yield. The following table summarises the Bank's interest rate exposure using this methodology and applies a 0.01 percent interest rate shock. The table can therefore be used as a basis for an assessment of the sensitivity of the Bank's income to interest rate movements.

IMPACT OF INTEREST RATE CHANGE ON EUR PORTFOLIO – 2021

Instrument	Amount Invested €'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	0	0%	0.00%	-	-	-	-	-
Liquidity Tranche	0	0%	0.00%	-	-	-	-	-
Investment Tranche	0	0%	0.00%	-	-	-	-	-
	0	**0%**	**0.00%**		**-**	**-**	**-**	**-**

There is no interest rate calculation on the EUR portfolio as it currently has no assets that carry interest rate risk.

IMPACT OF INTEREST RATE CHANGE ON USD PORTFOLIO - 2021

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1 % Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1 bsp Change ('000)
Working Capital	13 109	2%	0.05%	0.00	0.00	0.36	208 521	6
Liquidity Tranche	56 748	9%	0.14%	0.09	0.53	52.88	902 656	841
Investment Tranche	68 279	11%	1.79%	2.45	16.71	1 671.26	1 086 080	26 584
Externally Managed Portfolios	440 885	69%	2.21%	3.43	151.01	15 101.28	7 012 908	328 290
CFC	60 003	9%	0.13%	0.01	0.07	6.66	954 432	106
	639 024	**100%**	**4.32%**		**168.32**	**16 832.44**	**10 164 597**	**355 827**

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

IMPACT OF INTEREST RATE CHANGE ON ZAR PORTFOLIO - 2021

Instrument	Amount Invested R'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	2 217 592	24%	3.79%	0.00	0.61	60.76	2 217 592	61
Liquidity Tranche	3 866 911	43%	3.22%	0.21	81.21	8 120.51	3 866 911	8 121
Investment Tranche	2 999 941	33%	3.40%	0.30	89.87	8 987.29	2 999 941	8 987
	9 084 444	**100%**	**10.41%**		**171.69**	**17 168.56**	**9 084 444**	**17 169**

IMPACT OF INTEREST RATE CHANGE ON SDR PORTFOLIO - 2021

Instrument	Amount Invested '000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
SDR	182 726	57%	0.00%	-	-	-	3 972 338	-
CNY	156 704	6%	2.32%	0.02	0.25	25	391 175	62
EUR	49 120	12%	-0.27%	0.11	0.55	55	883 747	989
GBP	11 847	4%	0.05%	0.10	0.11	11	254 377	244
JPY	1 600 831	3%	0.00%	-	-	-	221 218	-
USD	79 687	18%	0.11%	0.14	1.13	113	1 267 530	1 798
	2 080 915	**100%**	**2.21%**		**2.04**	**204**	**6 990 384**	**3 093**

Exchange Rates source www.imf.org

IMPACT OF INTEREST RATE CHANGE ON EUR PORTFOLIO – 2020

Instrument	Amount Invested €'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	0	0%	0.00%	-	-	-	-	-
Liquidity Tranche	0	0%	0.00%	-	-	-	-	-
Investment Tranche	0	0%	0.00%	-	-	-	-	-
	0	**0%**	**0.00%**		**-**	**-**	**-**	**-**

Notes to the Annual Financial Statements 31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

IMPACT OF INTEREST RATE CHANGE ON USD PORTFOLIO - 2020

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1 % Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1 bsp Change (N$ '000)
Working Capital	11 742	2%	0.00%	0.00	0.00	0.33	171 684	0.05
Liquidity Tranche	74 738	12%	0.25%	0.09	0.64	63.79	1 092 805	9.33
Investment Tranche	36 099	6%	2.04%	2.27	8.21	821.00	527 829	120.05
Externally Managed Portfolios	444 494	74%	2.05%	3.38	150.45	15 044.82	6 499 280	2 199.82
CFC	35 004	6%	1.64%	0.00	0.01	0.97	511 814	0.14
	602 077	**100%**	**1.772%**		**159.3**	**15 930.91**	**8 803 412**	**2 329.38**

IMPACT OF INTEREST RATE CHANGE ON ZAR PORTFOLIO - 2020

Instrument	Amount Invested R'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	1 922 054	23%	3.81%	0.00	0.52	52.49	1 922 054	0.52
Liquidity Tranche	4 028 961	49%	3.66%	0.21	84.57	8 456.93	4 028 961	84.57
Investment Tranche	2 339 286	28%	4.23%	0.30	70.07	7 007.46	2 339 286	70.07
	8 290 301	**100.0%**	**3.855%**		**155.17**	**15 516.88**	**8 290 301**	**155.17**

IMPACT OF INTEREST RATE CHANGE ON SDR PORTFOLIO - 2020

Instrument	Amount Invested '000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
SDR	1 352	1%	0.00%	0	0	0.00	28 463	0
CNY	152 750	12%	2.47%	0.17	2.61	261.00	68 218	5.84
EUR	49 268	31%	-0.32%	0.52	2.54	254.00	885 425	45.74
GBP	11 809	8%	0.67%	0.37	0.44	44.00	235 164	8.77
JPY	1 600 831	8%	0.00%	-	-	-	226 925	-
USD	79 520	40%	0.31%	0.22	1.76	176.00	1 162 722	25.71
	1 895 530	**100%**	**3.13%**		**7.35**	**735.00**	**2 606 917**	**86.06**

Exchange Rates source www.imf.org

Notes to the Annual Financial Statements
31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

INTEREST RATE REPRICING PROFILE

The following table summarises the Bank's interest rate exposure in the form of an interest rate repricing table. This shows when the interest rate earned or charged on assets and liabilities are expected to change based on the various maturities. The table can therefore be used as the basis for an assessment of the sensitivity of the Bank's net income to interest rate movements.

AS AT YEAR ENDED 31 DECEMBER 2021

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 years	Non-Interest Bearing	Total
Assets						
Loans and advances Local Bank	-	-	1 456	-	-	1 456
Loans and advances	-	15 503	97 015	-	-	112 518
Investment	12 951 468	4 470 540	20 350 682	1 740 489	358 648	39 871 827
Rand deposits	70 014	-	-	-	-	70 014
Other receivables	4 032 150	-	-	-	8 354 621	12 386 771
Total Assets	**17 053 632**	**4 486 043**	**20 449 153**	**1 740 489**	**8 713 269**	**52 442 586**
Liabilities						
Deposits	28 312 359	-	-	-	9 221 802	37 534 161
Trade and other payables	99,077	-	-	-	-	99 077
Total Financial Liabilities	**28 411 436**				**9 221 802**	**37 633 238**
Interest rate repricing gap	**(11 357 804)**	**4 486 043**	**20 449 153**	**1 740 489**	**(508 533)**	**14 809 848**

AS AT YEAR ENDED 31 DECEMBER 2020

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 years	Non-Interest Bearing	Total
Assets						
Loans and advances	-	-	99 582	-	-	99 582
Loans and advances – Local banks	1 040 782	-	-	-	-	1 040 782
Investment	10 239 642	6 740 887	12 446 309	2 000 923	226 901	31 654 662
Rand deposits	-	45 337	-	-	-	45 337
Other receivables	5 288 750	-	-	-	-	5 288 750
Total Assets	**16 569 174**	**6 786 224**	**12 545 891**	**2 000 923**	**226 901**	**38 129 113**
Liabilities						
Deposits	22 288 738	-	-	-	1 858 562	24 147 300
Trade and other payables	110 901	-	-	-	-	110 901
Total Financial Liabilities	**22 399 639**	**-**	**-**	**-**	**1 858 562**	**24 258 201**
Interest rate repricing gap	**(5 830 465)**	**6 786 224**	**12 545 891**	**2 000 923**	**(1 631 661)**	**13 870 912**

Notes to the Annual Financial Statements
31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.3 CURRENCY RISK

In terms of the Investment Policy and Guidelines, foreign exchange risk is managed on a risk neutral basis through a currency composition (benchmark) that provides a natural hedge against potential liabilities. The currency composition of the foreign exchange reserves reflects the currency distribution of the country's short-term external debt, imports and other contingent liabilities. The Bank's foreign reserve tranches are further composed of its various reserve currencies. The currency composition of reserves is determined using an asset liability approach whereby the potential calls on the reserves form the basis for the respective currency allocations. For the year 2021, the foreign reserves tranches were managed in-line with the currency exposure limits as shown below.

Instruments	ZAR Portfolio	USD Portfolio	EUR Portfolio	Other Portfolio
Working Capital	500mil – 2.5bn	0mil – 10mil	0mil – 5mil	0
Liquidity Tranche	500mil ≤	0mil – 125mil	0mil – 50mil	0
Investment Tranche (%)	73	27	0	0

Risk-return preferences per tranche

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

The effect of the Namibia dollar exchange rates against the foreign currencies can have an impact on the level of foreign currency reserves when reported in local currency (NAD). The weakening of the NAD against the USD as well as other major currencies will favourably affect the reserve position when reported in NAD. The opposite effect holds when the NAD appreciates against these currencies. The NAD is pegged to the ZAR at a one-to-one parity and hence there is no currency risk on the portion of foreign reserves invested that currency.

Notes to the Annual Financial Statements
31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.3 CURRENCY RISK (CONTINUED)

AT 31 DECEMBER 2021 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

N$'000	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Loans and advances	112 518	-	-	-	-	112 518
Investment	-	26 568 811	885 313	11 478 014	939 689	39 871 827
Loans and advances - Local Banks	1 456	-	-	-	-	1 456
Rand deposits	-	70 014	-	-	-	70 014
Other receivables	59 812	505 628	-	-	11 821 331	12 386 771
Total Assets	**173 786**	**27 144 453**	**885 313**	**11 478 014**	**12 761 020**	**52 442 586**
Liabilities						
Deposits	5 999 821	15 811 657	-	1 058 384	14 664 299	37 534 161
Trade and other payables	99 077	-	-	-	-	99 077
Total Liabilities	**6 098 898**	**15 811 657**	**-**	**1 058 384**	**14 664 299**	**37 633 238**
Net Statement of financial position	**(5 925 112)**	**11 332 796**	**885 313**	**10 419 630**	**(1 903 280)**	**14 809 348**

AT 31 DECEMBER 2020 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Loans and advances - non-current	99 582	-	-	-	-	99 582
Investment	-	16 936 839	867 628	13 044 055	806 140	31 654 662
Loans and advances - current	1 040 782	-	-	-	-	1 040 782
Rand deposits	-	45 337	-	-	-	45 337
Other receivables	43 111	499 787	-	-	4 745 852	5 288 750
Total Financial Assets	**1 083 475**	**17 481 963**	**867 628**	**13 044 055**	**5 551 992**	**38 129 113**
Liabilities						
Deposits	8 321 748	7 850 083	-	513 078	7 462 391	24 147 300
Trade and other payables	110 901	-	-	-	-	110 901
Total Financial Liabilities	**8 432 649**	**7 850 083**	**-**	**513 078**	**7 462 391**	**24 258 201**
Net Financial Instruments	**(7 249 174)**	**9 631 881**	**867 628**	**12 530 977**	**(1 910 399)**	**13 870 912**

Notes to the Annual Financial Statements 31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.4. LIQUIDITY RISK

Liquidity risk is the risk that the Bank will be unable to meet its financial obligations as they fall due or the possibility that the Bank will incur substantial capital losses when it disposes its securities in the secondary market. Liquidity is the second most important foreign exchange reserves management objective after capital preservation. The Bank seeks to maintain sufficient liquidity by investing in money market instruments and securities with an active secondary market. As at 31 December 2021 50% (2020:55%) of investments could be liquidated at no cost within two working days, reflecting the high liquidity nature of the portfolio. The remaining 50% remains highly liquid with varying minimal cost of liquidation. The Bank seeks to maintain sufficient liquidity by investing in money market instruments and securities with an active secondary market.

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2021

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	5 – 10 Years	Total
Assets					
Loans and advances	-	15 503	97 015	-	112 518
Loans and advances- Local banks	-	-	1 456	-	1 456
Investment	13 309 931	4 470 540	20 350 867	1 740 489	39 871 827
Rand deposits	70 014	-	-	-	70 014
SDR Holdings - IMF	3 972 338	-	-	-	3 972 338
SDR Quota	-	-	-	7 848 993	7 848 993
Other receivables	565 440	-	-	-	565 440
Total Assets	**17 917 723**	**4 486 043**	**20 449 338**	**9 589 482**	**52 442 586**
Equity and Liabilities					
Deposits	19 070 574	3 799 287	-	-	22 869 862
SDR Allocation – IMF*	6 815 307	-	-	-	6 815 307
IMF Securities Account*	-	-	-	7 848 993	7 848 993
Trade and other payables	99 077	-	-	-	99 077
Total Equity and Liabilities	**25 984 958**	**3 799 287**	**-**	**7 848 993**	**37 633 238**
Liquidity sensitivity gap	**(8 067 235)**	**686 756**	**20 449 338**	**1 740 489**	**14 809 348**
Cumulative Liquidity sensitivity gap	**(8 067 235)**	**(7 380 480)**	**13 068 859**	**14 809 348**	

*Relates to reserves that are held as a result of the Bank's IMF membership. Refer to Note 1.19

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2020

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	5 – 10 Years	Total
Assets					
Loans and advances - non current	-	16 834	82 748	-	99 582
Investment	10 466 543	6 740 887	12 446 309	2 000 923	31 654 662
Loans and advances - Local Banks	1 040 782	-	-	-	1 040 782
Rand deposits	45 337	-	-	-	45 337
SDR Holdings - IMF	-	-	-	28 457	28 457
SDR Quota	-	-	-	4 717 395	4 717 395
Other receivables	542 898	-	-	-	542 898
Total Assets	**12 095 560**	**6 757 721**	**12 529 057**	**6 746 775**	**38 129 113**
Equity and Liabilities					
Deposits	6 463 185	-	-	10 221 724	16 684 909
SDR Allocation – IMF*	-	-	-	2 744 996	2 744 996
IMF Securities Account*	-	-	-	4 717 395	4 717 395
Trade and other payables	110 901	-	-	-	110 901
Total Equity and Liabilities	**6 574 086**	**-**	**-**	**17 684 115**	**24 258 201**
Liquidity sensitivity gap	**5 521 476**	**6 757 721**	**12 529 057**	**(10 937 341)**	**13 870 912**
Cumulative Liquidity sensitivity gap	**5 521 476**	**12 279 197**	**24 808 253**	**13 870 912**	

*Relates to reserves that are held as a result of the Bank's IMF membership. Refer to Note 1.19

Notes to the Annual Financial Statements 31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.5. CREDIT RISK

In terms of the Bank's Foreign Reserve Management Policy and Guidelines, foreign reserve assets are invested with reputable high-quality institutions in line with the Bank's investment guidelines. As such, the management and monitoring of credit risk, which is the potential loss arising from failure of a counterparty to meet payment obligations in accordance with agreed terms, is an integral part of the reserve management practice.

In terms of the Bank's credit appetite and threshold, the Bank is exposed to credit risk through money market instruments issued by counterparts with a minimum short-term credit rating of Upper medium grade. Longer-dated fixed income instruments are limited to issues by countries holding a Lower medium grading rating according to the IMF country classification list. South Africa's credit rating is presently below investment grade, however exposure to this market is inevitable due to the historic economic relation between Namibia and South Africa, Accordingly, a special provision has been made to allow for short-term exposure (minimum one year) to liquid instruments issued by the South African government as well as by the top five commercial banks in South Africa. This is of strategic importance given the peg of the Namibian Dollar to the South African rand.

Detailed below is a table which presents the Bank's total foreign asset exposure over various regions as well as their credit rating grading:

CREDIT RISK RATING ANALYSIS AS AT 31 DECEMBER 2021

REGIONAL EXPOSURE	CREDIT RATING GRADING 2021*	N$'m
United States	High grade	7 456 757
North America (excl USA)	High grade	723 856
Euro Area	High grade	2 885 910
United Kingdom	High grade	982 484
Japan	Upper medium grade	1 795 989
Other Advanced Economies**	High grade	204 156
China	Upper medium grade	1 409 274
South Africa	Non-investment grade speculative	26 587 050
Other Emerging Market & Developing Economies**	Lower Medium grade	466 151
Multilaterals**	Prime	1 286 919
Namibia	Non-investment grade speculative	8 644 040
TOTAL ASSETS		**52 442 586**

**Lowest weighted average credit rating applied*

***Other Advanced Economies, Other Emerging Market & Developing Economies and Multilaterals represents countries classified as such as per the International Monetary Fund (IMF) country classification list and these have been grouped together to represent one regional risk exposure.*

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31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.5. CREDIT RISK (CONTINUED)

CREDIT RISK RATING ANALYSIS AS AT 31 DECEMBER 2020

REGIONAL EXPOSURE	CREDIT RATING GRADING 2020*	N$'m
United States	High grade	2 511 216
North America (excl USA)	Prime	750 029
Euro Area	High grade	4 848 452
United Kingdom	High grade	372 576
Japan	Upper medium grade	3 037 245
Other Advanced Economies	High grade	626 145
China	Upper medium grade	1 449 305
South Africa	Non-investment grade speculative	16 952 626
Other Emerging Market & Developing Economies	Lower Medium grade	639 499
Multilaterals	Prime	467 570
Namibia	Non-investment grade speculative	6 474 451
TOTAL ASSETS		**38 129 113**

**Lowest weighted average credit rating applied*

The Bank invests/buys securities in reputable institutions who are rated by rating agencies. The Bank's credit risk exposure has remained static and movements in the fair values of our external portfolio investments were as a result of movements in interest rate risk and foreign exchange risk.

29.2. SETTLEMENT RISK

The Bank is exposed to settlement risk when settling or clearing transactions. This type of risk occurs in an event that the Bank or the counterparty in the dealing contract fails to settle or clear transactions where the exchange of cash, securities is not instantaneous. This risk is of particular significance as this could result in penalties, interest forgone and consequently affect the reputation of the Bank. In order to control this risk, the Bank has imposed counterparty and dealer limits so as to limit the bank's exposure to a counterparty at any given time in the deal cycle.

29.3. OPERATIONAL RISK

Like any other institutions, the Bank is exposed to operational risk, which is the risk of financial losses or damage to the Bank's reputation resulting from one or more risk factors such as human factors, failed or inadequate processes, failed or inadequate systems and external events.

These factors are defined in detail as follows:

29.3.1. **Human Factors:** insufficient personnel, lack of knowledge, skills or experience, inadequate training and development, inadequate supervision, loss of key personnel, inadequate succession planning or lack of integrity or ethical standards.

29.3.2. **Failed or inadequate processes:** a process is poorly designed or unsuitable, or not properly documented, understood, implemented, followed or enforced.

Notes to the Annual Financial Statements
31 December 2021

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.3. OPERATIONAL RISK (CONTINUED)

29.3.3. **Failed or inadequate systems:** a system is poorly designed, unsuitable, or unavailable or does not operate as intended.

29.3.4. **External events:** the occurrence of an event having an adverse impact on the Bank but outside its control.

The operational risk at the Bank is managed by having a suitable operational organizational structure with clear segregation of duties as well as defined built-in systematic controls. Bank wide operations manuals are in place to be followed by staff. The Bank wide business continuity plans which clearly states effective disaster recovery plans are currently being developed.

In as far as the treasury operations are concerned the Bank ensures that dealers and analysts are well trained in instruments in which they are trading and that the systems they need to operate on are in place. The Bank also makes sure that all investment officers are aware of procedures in place and have access to relevant documents. The Financial Markets Department Director reviews all procedures, documentation requirements and the operational practices.

29.8 LEGAL RISK

Legal risk is the risk arising from failure to comply with statutory or regulatory obligations. Legal risk also comes about if the rights and obligations of parties involved in a payment are subject to significant uncertainty, for example if a payment participant declares bankruptcy. Legal disputes that delay or prevent the resolution of payment settlement can cause credit, liquidity, or reputation risks at individual institutions. Legal risk also results from a financial institution's failure to comply with the bylaws and contractual agreements established with the counter-parties with which it participates in processing, clearing, and settling payment transactions. The Bank therefore manages this risk by having appropriate documentation and using the market-customary, standard master-agreements where possible.

29.9 COLLATERAL

The Bank provides overnight and seven-day loans (Repo's) to Commercial Banks to cover for temporary liquidity shortages. The commercial banks pledge eligible securities in the form of Government bonds, treasury bills, etc. as collateral for this facility. The Bank is not permitted to sell or re-pledge these securities in the absence of default from the said commercial banks. As at 31 December 2021 the Repo's to Commercial Banks were to the tune of N$ 0 (2020: N$1.04 billion).

29.10 CREDIT LOSSES

The Bank's financial assets were not impaired as a consequence of credit losses, however when instances of this nature occur the Bank records the impairment in a separate impairment account rather than directly reducing the carrying amount of the concerned assets. Refer to note 4.1.

29.11 DEFAULTS AND BREACHES

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

Notes to the Annual Financial Statements 31 December 2021

30. CAPITAL COMMITMENTS

	2021 N$'000	2020 N$'000
Approved and Contracted	25 008	16 000

31. RELATED PARTY INFORMATION

During the year the Bank, in its ordinary course of business, entered into various transactions. These transactions were undertaken on commercial terms and conditions. The Bank of Namibia Act, 2020 prescribes that the emoluments of the Governor, Deputy Governor and Board members be determined by the Minister of Finance. The emoluments of the Board members are primarily sitting fees and the annual stipend. The Governor and the Deputy Governor's emoluments are all inclusive packages which comprises of salaries, pension contributions, medical aid and leave pay. The gross emoluments of executive, senior management and Board members are detailed below. Transactions with the Namibian Government who is the sole shareholder of the institution are detailed in note 1.17 of this report. Note 25, 27 and 28 provides more information on the Retirement Fund, Financial Intelligence Centre and Namibia Deposit Guarantee Authority.

Gross Emoluments

	Salaries N$'000	Retirement Benefit N$'000	Medical Aid Benefit N$'000	Total 2021 N$' 000	Total 2020 N$'000
Executive Management					
Governors'	5 743	362	98	6 203	9 055
Senior Management	20 878	2 786	832	24 496	27 705
Non-Executive Board					
Ms S T Haipinge				197	197
Ms C v/d Westhuizen				246	244
Mr E I Meroro				331	348
Mr C A Baisako				243	228
Mr Fanuel Tjivau				124	296
				1 141	1 313
Government of Namibia					
Assets - Investments				1 629 773	3 826 724
Liabilities-Government Deposits				2 515 377	4 758 856
Interest paid to Government				-	8 179
Interest received from Government				409	36 666
Payable - Financial Intelligence Centre (FIC)				35 185	28 902
Payable - Namibia Deposit Guarantee Authority (NDGA)				10 881	5 231

Notes to the Annual Financial Statements
31 December 2021

31. RELATED PARTY INFORMATION (CONTINUED)

The chairperson of the Audit committee passed on during the financial year, and a Chartered Accountant who previously served as the Bank's Audit Committee Chairperson was engaged as a consultant to fill any skills gap. An amount of N$23 000 was paid for her service during the 2021 financial year.

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

32. APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements have been approved by the Board of Directors at the Board meeting held on 11 March 2022.

33. SUBSEQUENT EVENTS

There were no other material events subsequent to the reporting date other than the declaration of Dividends to the State of N$413.7 million

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 December 2020 (In compliance with the Bank of Namibia Act, 2020)

	Notes	2021 N$'000	2020 N$'000
Net interest income		**468 267**	**533 665**
Interest income	2	547 330	638 676
Interest expense	2	(79 063)	(105 011)
		548 865	**518 081**
Rand compensation income	2	505 628	499 787
Other income	2	43 237	18 294
Total income		**1 017 132**	**1 051 746**
		(281 277)	**(519 273)**
Operating expenses	2	(432 933)	(514 928)
Net profit/(loss) on investment portfolio		151 656	(4 345)
Profit for the year before net foreign exchange translation gain/(loss)		**735 855**	**532 473**
Net foreign exchange translation gain* - Amortised cost	20	801 650	88 258
Profit/(Loss) for the Year		**1 537 505**	**620 731**
Other Comprehensive Income/(Loss)		**(392 450)**	**238 878**
Unrealised (Loss)/Gain reserve	24	(366 157)	238 878
Allowance for credit losses - FVTOCI	4.1	(20 009)	-
Actuarial gains/(loss) on Post-employment benefits	17	(6 284)	-
Total Comprehensive Profit for the Year		**1 145 055**	**859 609**
(Loss)/Profits attributable to:			
Foreign currency revaluation reserve	20	801 650	88 258
Investment revaluation reserve	24	(366 157)	238 878
Distribution adjustment-unrealised losses	24	36 879	-
Amount available for distribution	3	672 683	532 473
		1 145 055	859 609
Profit available for distribution		**672 683**	**532 473**
State Revenue Fund	3	413 700	278 198
General reserve	19	258 983	251 575
Training fund reserve	21	-	2 700

Part C:
Economic and Financial Developments

SELECTED FINANCIAL AND ECONOMIC INDICATORS

	2017	2018	2019	2020	2021
		Actual			Estimates[8]
(Annual percentage change)					
Real GDP growth	-1.0	1.1	-0.9	-7.9	2.4
GDP deflator	9.9	4.4	1.0	4.1	1.5
Consumer price inflation (period average)	6.2	4.3	3.7	2.2	3.6
Consumer price inflation (end-of-period)	5.2	5.1	2.6	2.4	4.5
Exports of goods	6.5	11.5	0.9	-7.8	1.4
Imports of goods	-9.9	2.8	-1.5	-9.9	19.9
Real effective exchange rate[9] (period average)	6.0	0.04	-1.6	-5.2	2.7
Private sector credit extension (period average)	6.6	6.3	6.8	3.5	2.4
Broad money supply (period average)	9.2	9.1	8.5	11.3	2.6
Repo rate (end-of-period)	6.75	6.75	6.50	3.75	3.75
10-year Government bond yield (period average, percent)	10.58	10.57	9.98	9.93	10.31
In percent of GDP, unless otherwise stated					
Investment	17.8	14.9	15.1	13.2	15.9
Public	5.4	4.7	3.7	3.0	2.7
Private	12.4	10.2	11.4	10.2	13.2
Saving	17.8	14.9	15.1	13.2	15.9
External	4.4	3.4	1.8	-3.3	8.8
Domestic	13.3	11.5	13.2	16.4	7.2
Public	-2.9	-2.3	-3.9	-6.9	-8.5
Private	16.2	13.8	17.2	23.3	15.6
Public Finance					
Overall Government deficit[10]	-5.2	-5.1	-5.0	-8.0	-8.7
Public debt outstanding	41.8	47.8	51.9	60.8	67.0
Public guaranteed debt outstanding	5.9	6.1	6.3	6.2	5.7
External Sector					
Current account balance	-4.4	-3.4	-1.7	2.8	-9.1
Excluding official transfers	-15.6	-13.7	-12.2	-10.0	-18.7
Gross official reserves					
In millions of Namibia Dollar	30 177	31 024	28 941	31 745	43 871
In millions of US Dollar	2 435	2 150	2 049	2 103	2 964
In months of imports	4.4	4.5	4.1	5.1	6.4
External debt[11]	59.9	66.9	64.3	68.9	71.5
Exchange rate to US Dollar (end-of-period)	12.3930	14.4309	14.1235	14.6218	15.9067
Exchange rate to US Dollar (period average)	13.3129	13.2339	14.4484	16.4633	14.7787
GDP at current market prices (N$ million)	171 570	181 067	181 229	173 896	180 836

8 The estimates contained in this table and in the Real Sector Developments section should be viewed as preliminary and are subject to revision as actual data become available.

9 A decrease in the Real Effective Exchange Rate index means that the national currency depreciated, reflecting a gain in the competitiveness of the Namibian products on the international market. An increase in the index, on the other hand, represents an effective appreciation of the national currency, indicating a loss in competitiveness of the local products on the international market.

10 These are fiscal year data, 2021 refers to 2021/22, ending 31 March 2022.

11 Includes government, parastatal and private sector debt.

SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

Global gross domestic product (GDP) growth recovered in 2021 compared to 2020, due to base effects as well as the continuation of both expansionary monetary and fiscal policies. The recovery in economic growth occurred despite a resurging pandemic that posed policy challenges among advanced economies (AEs) and emerging market and developing economies (EMDEs). The global GDP growth rate is estimated to have increased to 5.9 percent in 2021 from a contraction of 3.1 percent in 2020. Economic growth was supported by ongoing policy support in many countries globally. AEs deployed sizable fiscal support measures in 2020, which were largely maintained in 2021. On the other hand, many EMDEs, notably China, reduced policy support. Going forward, the global economy is projected to moderate in 2022. The AEs' growth rate for 2022 is forecast to exceed pre-pandemic levels. In contrast, EMDEs are expected to moderate due to slower vaccine rollouts and less policy support than in AEs. Major downside risks to the outlook are the slower-than-anticipated vaccine rollout and the possible tightening of financial conditions, as well as geopolitical tensions. In addition, the possible surge in the Delta and Omicron variants may persist for longer, and that may require booster doses, better testing and therapeutics, and more financing.

The majority of the monitored central banks maintained accommodative monetary policy stances in 2021, while a few central banks hiked rates in response to rising inflation. Most of the monitored central banks kept their policy interest rates unchanged, except for Brazil, Russia, South Africa and United Kingdom that increased their benchmark rates during the year. On the contrary, China was the only monitored central bank that reduced its policy rate to support growth in the slowing economy. Monitored AE central banks continued to implement non-conventional stimulatory monetary measures such as the purchasing of government bonds and agency mortgage-backed securities. Inflation rates increased in both the AEs and EMDEs, mainly reflecting rising commodity prices and input shortages. The rising inflation has in some instances prompted tapering action or the expression of intent to start tapering by the US Federal Reserve.

The stocks and commodity markets ended 2021 on a positive note. The stock market was boosted by positive earnings, economic recovery, slowing COVID-19 cases, vaccination rollouts and low bond yields. Similarly, the prices of commodities recorded gains in 2021, underpinned by supply constraints and recovery in global demand in tandem with sizeable fiscal and monetary policy support and vaccine-led reopening plans.

Namibia's economy recovered in 2021, mainly due to the growth in the primary and tertiary industries. Real GDP rose by 2.4 percent in 2021, following a historically deep contraction of 7.9 percent in 2020. The recovery in 2021 was on account of growth registered in the primary and tertiary industries. This was attributed to a recovery in the production of diamonds and uranium, coupled with positive real value addition in the *wholesale and retail trade, hotels and restaurants, information and communication*, and public administration and defence sectors. The recovery in those sectors in turn can mainly be ascribed to base effects following the severe restrictive measures imposed in 2020 to help prevent the further spread of the COVID-19 virus. However, secondary industry registered a contraction in 2021, which can be ascribed to the decline in the construction sector, as well as the *electricity and water* sector.

Namibia's inflation rate rose during 2021 compared to 2020, largely driven by an increase in inflation for transport, housing and food. Overall inflation averaged 3.6 percent during 2021, higher than the rate of 2.2 percent recorded in 2020. The rise in inflation was largely driven by an increase in the inflation for transport, housing and food during the period under review. This was on account of a rise in international oil prices as well as a return to positive inflation for the rental payments for dwelling subcategory, coupled with supply constraints, particularly for meat.

During 2021, the Bank's Monetary Policy Committee (MPC) kept the Repo rate unchanged at 3.75 percent. The decision to keep the Repo rate unchanged was deemed appropriate to support domestic economic growth, while maintaining the one-to-one peg between the Namibia Dollar and the South African Rand. Growth in broad money supply (M2) slowed in 2021 in comparison with 2020, which was underpinned by a sharp rise in net other liabilities. Similarly, the annual growth in narrow money (M1) slowed, and generally resembled that of M2. Growth in private sector credit extension (PSCE) slowed on average during 2021, due to lower demand for credit by households.

In 2021, the overall liquidity position of the Namibian banking industry declined in contrast to the preceding year. The banking industry average liquidity position was N$1.7 billion in 2021, lower than the average of N$2.1 billion recorded during 2020. The low level of liquidity is mostly attributed to sluggish budget execution, higher domestic borrowing activity and increase in outflows to South Africa. Additionally, the lower economic activity level brought about by the COVID-19 pandemic led banking institutions to reduce their cash holdings that is usually intended for credit extension.

Central Government's budget deficit reached its widest level since independence during FY2021/22, but over the MTEF period it is estimated that it will narrow notably. The Central Government budget deficit for 2021/22 is estimated to have widened to 8.7 percent of GDP, compared to the 8.0 percent of GDP registered during the previous fiscal year. The widening of the deficit was mainly due to lower SACU receipts in the wake of the COVID-19 pandemic, coupled with a fall in company taxes. In 2022/23 SACU receipts are still expected to be weak and the deficit is therefore only expected to decline slightly. A smaller deficit is projected from 2023/24 onward, culminating in a shortfall of only 5.2 percent of GDP in FY2024/25 as SACU receipts and tax revenue normalise while the Government maintains a lid on expenditure levels.

Namibia's current account turned into a deficit during 2021, primarily due to a deterioration of the merchandise trade deficit as well as a decrease in secondary income inflows. The current account recorded a deficit of N$16.5 billion during 2021, compared to a surplus of N$4.9 billion recorded in 2020. This emanated from a worsening merchandise trade deficit that reflected a significant rise in import payments, while export receipts grew at a slower pace. In addition, the surplus in the secondary income account fell, mainly ascribed to lower SACU receipts during 2021. As a result, the current account deficit as a percentage of GDP worsened to 9.1 percent during 2021, from a surplus of 2.8 percent of GDP during the previous year. The stock of international reserves rose during 2021 supported by inflows from the IMF's Special Drawing Rights (SDR) allocation, the IMF Rapid Financing Instrument (RFI) and an African Development Bank (AfDB) loan. In terms of competitiveness, the Real Effective Exchange Rate (REER) rose on an annual basis, signalling a decline in the competitiveness of Namibia's export products in foreign markets.

Going forward, domestic growth is expected to improve further during 2022 mainly on account of better prospects for diamond mining and key sectors in the secondary and tertiary industries. The domestic economy's growth rate is expected to further improve to 3.4 percent in 2022 from 2.4 percent in 2021. The expected growth in the mining sector is partly due to an anticipated increase in diamond production, as a new mining vessel is expected to commence production during the second quarter of 2022. In the secondary industry the growth is mainly supported by projected increased output in the manufacturing as well as electricity and water sectors. In the tertiary industry, growth is expected to be supported by the wholesale and retail trade, tourism, transport and storage, and information and communication sectors. However, downside risk to this outlook may arise due to the emergence of new variants of COVID-19, as well as low prices for some of Namibia's export commodities and climatic swings. Namibia is particularly prone to flooding in some parts of the country.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

TABLE C.1 WORLD ECONOMIC OUTPUT (ANNUAL PERCENTAGE CHANGE)

Percent and percentage points	Real GDP Growth (IMF)		Jan-22 Projections		Difference from Oct-21 World Economic Outlook projections	
	2020	2021 (E)	2022	2023	2022	2023
World	**-3.1**	**5.9**	**4.4**	**3.8**	**-0.5**	**0.2**
AEs	**-4.5**	**5.0**	**3.9**	**2.6**	**-0.6**	**0.4**
US	-3.4	5.6	4.0	2.6	-1.2	0.4
Euro Area	-6.4	5.2	3.9	2.5	-0.4	0.5
Germany	-4.6	2.7	3.8	2.5	-0.8	0.9
France	-8.0	6.7	3.5	1.8	-0.4	0.0
Italy	-8.9	6.2	3.8	2.2	-0.4	0.6
Spain	-10.8	4.9	5.8	3.8	-0.6	1.2
Japan	-4.5	1.6	3.3	1.8	0.1	0.4
UK	-9.4	7.2	4.7	2.3	-0.3	0.4
Canada	-5.2	4.7	4.1	2.8	-0.8	0.2
Other AEs	-1.9	4.7	3.6	2.9	-0.1	0.0
EMDEs	**-2.0**	**6.5**	**4.8**	**4.7**	**-0.3**	**0.1**
China	2.3	8.1	4.8	5.2	-0.8	-0.1
Russia	-2.7	4.5	2.8	2.1	-0.1	0.1
India	-7.3	9.0	9.0	7.1	0.5	0.5
Brazil	-3.9	4.7	0.3	1.6	-1.2	-0.4
Sub-Saharan Africa (SSA)	**-1.7**	**4.0**	**3.7**	**4.0**	**-0.1**	**-0.1**
Angola	-5.4	-0.4	3.1	2.8	-0.1	-0.2
SA	-6.4	4.6	1.9	1.4	-0.3	0.0
Nigeria	-1.8	3.0	2.7	2.7	0.0	0.1

Source: IMF World Economic Outlook Update (WEO) January 2022, World Bank GEP 2022

While the global economy faced uncertainty due to the pandemic, this reduced somewhat in 2021, translating into a recovery in the global economy. The global economy is estimated to have recovered by 5.9 percent in 2021 (Table C.1) compared to a contraction of 3.1 percent in 2020. The recovery was on the back of the easing of lockdown measures in many countries which helped boost demand. AEs have rebounded faster, buoyed by high vaccination rates and sizable fiscal support that have helped cushion some of the adverse economic impacts of the pandemic. In contrast, EMDEs' recovery was dampened by waning policy support and a tightening of financial conditions.

GDP growth in AEs recovered in 2021 from a contraction in 2020, on the back of easing lockdown measures. While 2021 was marred by the resurgence of COVID-19 infections and supply bottlenecks, AE output nevertheless staged a strong recovery. In the US, output is estimated to have expanded by 5.6 percent in 2021 (Table C.1). Similarly, the Euro area bounced back by 5.2 percent in 2021. Furthermore, Japan's economic activity picked up by 1.6 percent in 2021 as high vaccination rates allowed for the relaxation of lockdown measures. The UK economy is estimated to have grown by 7.2 percent in 2021, an improvement from a contraction of 9.4 percent registered in 2020.

Real GDP in the EMDEs expanded in 2021 compared to a contraction in the previous year; however, growth was still short of pre-pandemic levels. The EMDE's real output, as a group, increased by 6.5 percent from a negative growth rate of 2.0 percent in 2020 (Table C.1), supported by a rebound in commodity prices. The Chinese economy is estimated to have expanded by 8.1 percent, compared to a growth rate of 2.3 percent in the previous year. This recovery was sustained by strong exports as trading in key export markets recovered following the easing of lockdown measures earlier in the year. Brazil's GDP is estimated to have increased by 4.7 percent, compared to a contraction of 3.9 percent in 2020, chiefly due to a rebound in export growth. Russia's GDP also increased by 4.5 percent from a contraction of 2.7 percent in 2020, on the back of robust merchandise export growth, thanks to a healthy oil sector. GDP in India is estimated to have increased by 9.0 percent compared to a 7.3 percent contraction in 2020, as the economy reopened fully following a strong vaccination rollout, which boosted consumer confidence.

GDP in Sub-Saharan Africa (SSA) also registered solid growth in 2021, despite lagging behind the AEs. The South African economy is estimated to have rebounded by 4.6 percent in 2021 from a contraction of 6.4 percent in 2020 (Table C.1), reflecting a strong rebound in mining, manufacturing, and the services sectors. Similarly, Nigeria's economy is estimated to have expanded by 3.0 percent in 2021 from a contraction of 1.8 percent in the previous year, driven by higher oil prices. Conversely, Angola contracted by 0.4 percent in 2021 – the only monitored economy to do so – dragged down chiefly by falling investment and recurring technical problems such as electrical fires, pipeline leaks and a collapsed drilling rig in the oil sector.

OUTPUT GROWTH AND OUTLOOK BY MAIN REGION AND ECONOMIC BLOCK

The IMF projects that global GDP growth will moderate in 2022 compared to 2021, as the policy stimulus fades. In its January 2022 World Economic Outlook (WEO), the IMF projected that global GDP growth will slow to 4.4 percent in 2022, lower than the 5.9 percent estimated for 2021 (Table C.1), as the initial post-pandemic rebound wanes in AEs with fiscal and monetary policy stances becoming less expansive, in addition to lingering supply bottlenecks. Growth in many EMDEs is expected to improve further, even though it is not expected to reach pre-pandemic levels in 2022.

AEs' GDP growth is projected to moderate in 2022 compared to 2021 but this growth rate was revised downward from the October 2021 WEO. GDP growth is projected to moderate to 3.9 percent from the estimated 5.0 percent in 2021 (Table C.1), dragged down by the Omicron-driven pandemic resurgence, and the withdrawal of fiscal and monetary support. The US GDP is projected to moderate to 4.0 percent in 2022 and 2.6 percent in 2023, mainly due to reduced fiscal and monetary policy support coupled with supply bottlenecks. The US growth for 2022 was revised downwards by 1.2 percent, triggered by the removal of the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation and continued supply shortages. Similarly, the Euro Area is projected to slow to 3.9 percent growth in 2022 from an estimated 5.2 percent in 2021, which is a downward revision of 0.4 percentage point from previous projections. In the same vein, the UK's GDP growth is projected to decelerate to 4.7 percent in 2022, due to disruptions from the Omicron variant, labour shortages and high energy prices. On a positive note, Japan's growth is set to strengthen to 3.3 percent in 2022 compared to 1.6 percent in 2021, which is a upward revision of 0.1 percentage point from the October 2021 projections. The growth will be driven by the delay in the release of pent-up demand following the 2021 pandemic resurgence and additional fiscal stimulus legislated in December 2021.

GDP growth in EMDEs is projected to decelerate in 2022, mainly due to the withdrawal of policy support and moderation in external demand. The IMF projects that EMDE output growth will slow to 4.8 percent in 2022, while the World Bank projects output growth of 4.6 percent, as macroeconomic policy support continues to be withdrawn and the rebound in China eases (Table C.1). Growth in China is projected to decelerate to 4.8 percent in 2022, dampened by the withdrawal of policy support, elevated inflation and tighter monetary policy that could weigh down private consumption, along with the spread of the Omicron variant. Furthermore, growth in Brazil is projected to slow notably to 0.2 percent in 2022, owing to worsening investor confidence, weaker private consumption due to high inflation, and high unemployment. Russia's growth is projected to moderate to 2.8 percent in 2022, as domestic demand wanes, compounded by a gradual return to fiscal rule[12] and a tighter monetary policy stance. However, the recent war in Ukraine is set to invalidate this projection. Furthermore, India's economy is expected to expand by 9.0 percent (same as 2021), on the back of the resumption of contact-intensive services and ongoing but narrowing monetary and fiscal policy support.

Growth in SSA is projected to improve slightly in 2022 from 2021, supported by a notable recovery in trade and in commodity prices. The IMF projects the SSA region to grow by 3.7 percent in 2022 from 4.0 percent in 2021 (Table C.1), reflecting an expected sharp improvement in global trade, commodity prices and favourable harvests that will improve agricultural production. Growth in South Africa is expected to slow to 1.9 percent in 2022 from 4.6 percent in 2021, on the back of structural challenges and the economy's capacity to sustain the strong growth levels achieved in 2021. Nigeria's economy is expected to inch up by 2.7 percent in 2022 from 3.0 percent in 2021, driven by higher oil prices and the gradual easing of the Organization of the Petroleum Exporting Countries (OPEC) production cuts, and domestic regulatory reforms. Angola is expected to recover and grow by 3.1 percent[13] in 2022 from a contraction of 0.4 percent in 2021, driven by the commerce, agriculture and other non-oil sectors. Major risks facing the SSA forecast are the threat of expected rising inflation in the US and the possibility of COVID-19 persisting for longer, which may result in a permanent restructuring of contact-intensive activities worldwide.

RISKS TO THE OUTLOOK

The baseline forecast is skewed to the downside. Threats include, among others, continued outbreaks of COVID-19 and the spread of new variants of the virus, including the highly transmissible Omicron variant, which has contributed to a spike in new cases in many countries. Due to low vaccination rates and delayed delivery in SSA, the pandemic might be prolonged. The inflation pressures in AEs may result in some AE central banks tightening their monetary policy rates, and this could result in capital outflows from EMDEs, exchange rate depreciation, and inflation pressures in EMDEs, as well as elevated debt levels. In addition, geopolitical tensions and violence could impede growth by dampening consumer and business sentiment, as well as by discouraging investment.

INFLATION AND INTEREST RATE DEVELOPMENTS

TABLE C.2 ANNUAL AVERAGE INFLATION RATES FOR SELECTED ECONOMIES (%)

	2017	2018	2019	2020	2021
AEs					
US	2.1	2.5	1.8	1.2	4.7
UK	2.7	2.5	1.8	0.9	2.6
Euro Area	1.5	1.7	1.2	0.3	2.6
Japan	0.5	1.0	0.5	0.0	-0.2
EMDEs					
Brazil	3.5	3.7	3.7	3.2	8.3
Russia	3.7	2.9	4.5	3.4	6.7
India	3.3	4.0	3.7	6.6	5.2
China	1.6	2.1	2.9	2.5	0.9
SA	5.3	4.6	4.1	3.3	4.6

Annual average inflation rates in the monitored AEs increased in 2021 when compared to 2020, fuelled by high metal and energy prices as well as supply bottlenecks. The inflation rate in the US averaged 4.7 percent in 2021, compared to 1.2 percent in 2020 (Table C.2), on the back of rising energy costs as well as high costs of food and housing. Inflation in the UK rose to an average of 2.6 percent from 0.9 percent

12 The fiscal rule for Russia means that Russia cannot spend more than the revenue from its non-oil and gas sectors.
13 Forecast by World Bank Global Economic Prospects (GEP) January 2022

in the previous year, buoyed by a low base effect from 2020, higher costs for recreation and culture, housing, utilities, and restaurants and hotels. Similarly, the Euro Area's inflation rate rose to 2.6 percent from 0.3 percent due to a recovery in domestic demand and a low base in 2020. Conversely, Japan's consumer prices declined by 0.2 percent, led mainly by the low cost of food and transport, amid weakening consumption due to the ongoing COVID-19 pandemic.

Annual inflation rates of the majority of EMDEs also rose in 2021, mainly due to higher food costs and currency depreciations, although in some countries inflation softened. The inflation rate in Brazil increased to an average of 8.3 percent, compared to 3.2 percent in 2020 (Table C.2), on the back of a weaker currency and a severe drought, alongside global supply issues which continue to exert upward pressure on prices. Similarly, Russia's inflation rate rose to an average of 6.7 percent from 3.4 percent, held up by higher prices of food, non-food products and services. The inflation rate in South Africa has been trending upwards as well, and recorded an average of 4.6 percent in 2021, sustained by higher prices of *transport* and *food and beverages*. Conversely, China's inflation rate declined to 0.9 percent in 2021 compared to 2.5 percent in 2020, mainly ascribed to a steeper decline in the cost of food (notably for pork). Equally, India's inflation rate declined to 5.2 percent from 6.6 percent, led by softer increases in the prices of food, housing and transport.

TABLE C.3 POLICY RATES OF SELECTED ECONOMIES

Country or grouping	Policy rate name	Policy rate at end of 2021 (%)	Month of last meeting in 2021	Policy rate change in 2021 (basis points)	Inflation rate at end of 2021 (%)	Real interest rate at end of 2021 (%)
AEs						
USA	Federal funds rate	0.25	Dec	0	7.0	-6.8
UK	Bank rate	0.25	Dec	15	5.4	-5.2
Euro Area	Refinancing rate	0.00	Dec	0	5.0	-5.0
Japan	Call rate	-0.10	Dec	0	0.8	-0.9
EMDEs						
Brazil	SELIC rate	9.25	Dec	725	10.1	-0.9
Russia	Key rate	8.50	Dec	425	8.4	0.1
India	Repo rate	4.00	Dec	0	5.6	-1.6
China	Lending rate	3.80	Dec	-5	1.5	2.3
SA	Repo rate	3.75	Nov	25	5.9	-2.2

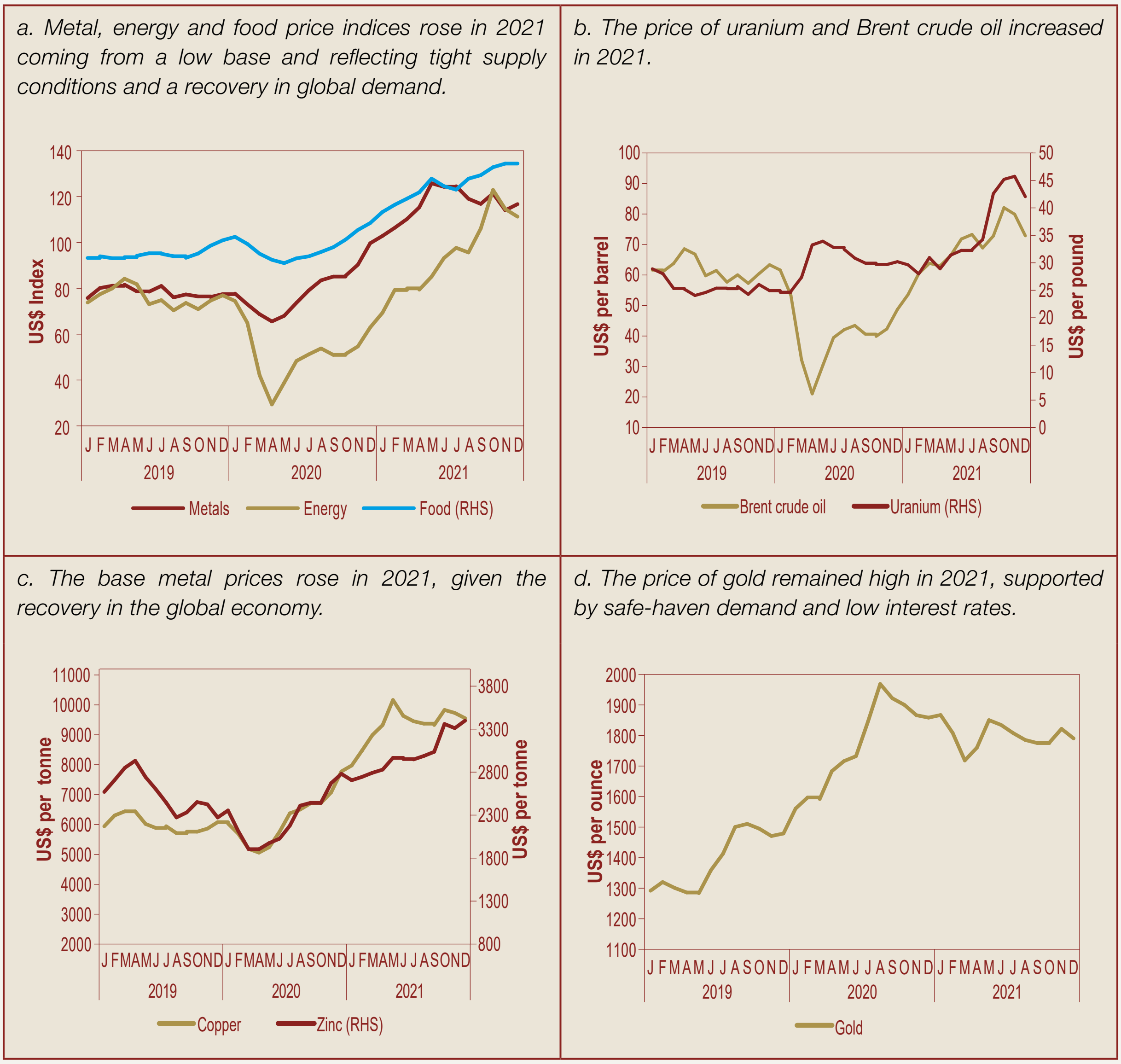
Source: Trading Economics and Respective Central Banks

Central banks of the monitored AEs left their monetary policy rates unchanged in 2021, with the exception of the Bank of England that started to raise the Bank rate. The US Federal Open Market Committee (FOMC) maintained the target range for its federal fund rate at 0-0.25 percent in 2021 (Table C.3). The Fed announced at its December 2021 meeting it would end its pandemic-era bond purchases in March 2022. The Fed policy makers indicated that they will be patient on rate hikes but will not hesitate to act if inflation continues to remain elevated. Likewise, the Bank of Japan left its key short-term interest rate unchanged at -0.10 percent and maintained the target for the 10-year Japanese government bond yield at around 0.00 percent. In the same way, the European Central Bank left its key interest rates at a record-low level of 0.10 percent at all its meetings in 2021 and maintained the pandemic emergency purchase programme envelope at €1.85 trillion until at least the end of March 2022. However, the Bank of England raised its benchmark interest rate by 15 basis points to 0.25 percent but left the stock of UK bond purchases, financed by the issuance of central bank reserves, unchanged at £895 billion.

The central banks of Brazil, Russia and South Africa raised their benchmark interest rates in 2021 to mitigate inflationary pressures while China eased marginally. The central bank of Brazil raised its policy rate by 725 basis points to 9.25 percent in 2021 (Table C.3), to prevent inflation from spilling over into 2022 and to manage its convergence to the target rate of 3.0 percent. Similarly, the central bank of Russia increased its key rate by 425 basis points to 8.50 percent. In addition, the South African Reserve Bank increased its Repo rate by 25 basis points to 3.75 percent, due to increased inflation risks. The People's Bank of China however, lowered its one-year loan prime rate by 5 basis points to 3.80 percent, to support growth in the slowing economy amid property debt distress and persistent COVID-19 outbreaks. The Reserve Bank of India held its benchmark Repo rate at 4.0 percent, deemed appropriate to support economic growth and keep inflation within the target range of 4–6 percent.

COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

FIGURE C.1 SELECTED COMMODITY PRICES AND PRICE INDICES



a. Metal, energy and food price indices rose in 2021 coming from a low base and reflecting tight supply conditions and a recovery in global demand.

b. The price of uranium and Brent crude oil increased in 2021.

c. The base metal prices rose in 2021, given the recovery in the global economy.

d. The price of gold remained high in 2021, supported by safe-haven demand and low interest rates.

Source: IMF

Food, metal, and energy price indices rose notably in 2021 compared to 2020. The World Bank's metals price index rose by 47.1 percent to average 116.44 index points in 2021 (Figure C.1a) due to supply limitations, electricity shortages, and strong global demand. Similarly, the energy price index increased by 82.1 percent to an average of 94.52 index points, which was mainly noted in the natural gas and coal prices, supported by strong demand for fossil fuels for electricity generation amid adverse weather conditions. In the same vein, the FAO food price index increased by 27.9 percent to average 125.34 points in 2021. The increase was largely driven by higher prices of most cereals and vegetable oils, on the back of supply chains and transportation disruptions.

The price of uranium and Brent crude oil increased in 2021 compared to 2020. The uranium spot price increased by 17.7 percent to an average of US$35.28 per pound (Figure C.1b) on the back of large-scale purchases of the nuclear-energy element by an investment fund, Canada's Sprott Physical Uranium Trust. In addition, the demand for nuclear energy as a clean and efficient power source has increased and pushed the price up. Similarly, the price of Brent crude oil increased by 67.4 percent to an average of US$69.07 per barrel in 2021, chiefly due to the continued global economic recovery and strengthened travel demand. In addition, tight global supply and compliance with output cuts among OPEC+ members boosted the oil price, while the ongoing global energy crunch with high prices of natural gas encouraged power generating companies to switch from gas to oil.

Base metal prices rose in 2021 on the back of the strong recovery in the global economy. The average price of zinc increased by 32.5 percent to US$3 003 per metric tonne (Figure C.1c), chiefly due to reduced supply in China, and global supply disruptions, including disruptions in smelting and recovery operations. In addition, the announcement by Belgian producer Nyrstar that it will cut production, citing rising power costs, also contributed to the increase. Similarly, copper prices rose by 50.9 percent to average US$9 317 per metric tonne, sustained by falling supply in China and strong demand for refined copper, and compounded by green initiatives.

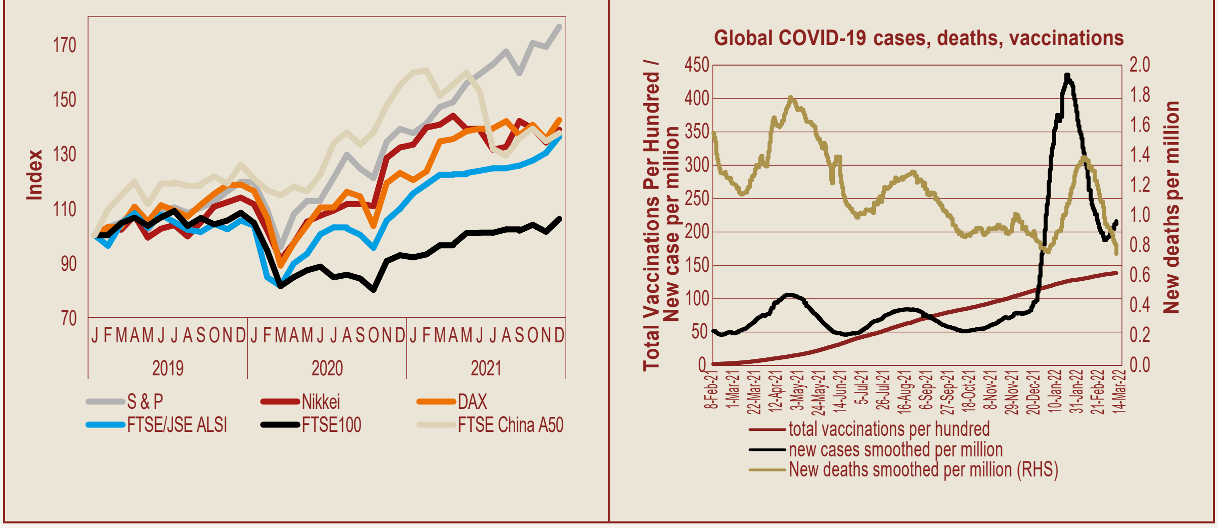
The price of gold rose slightly in 2021 supported by the safe-haven demand. The price of gold recorded an increase of 1.7 percent to average US$1 799.63 per ounce (Figure C.1d), supported by rising inflation. In addition, the uncertainty brought about by COVID-19 and rising demand for jewellery in China and India also pushed the price of gold up. Furthermore, low interest rates, increasing global tensions and general economic concerns have given support to the gold price.

DEVELOPMENTS IN FINANCIAL MARKETS

FIGURE C.2 STOCK PRICE INDICES: END OF MONTH

a. The stock markets ended 2021 on a positive note, supported by strong earnings, positive economic outcomes and sustained monetary and fiscal stimulus.

b. The number of vaccinated people continued to rise, while deaths and infections followed the various pandemic waves but with lately fewer deaths relative to infections.

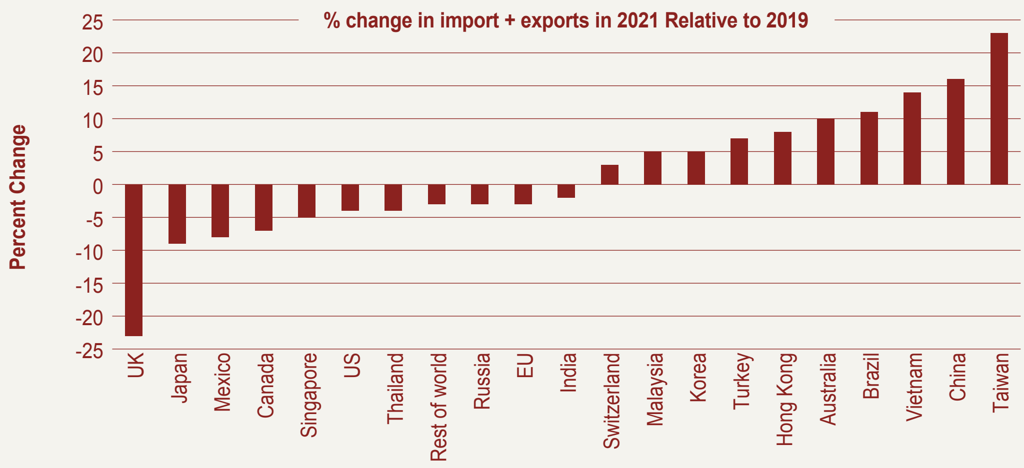


Source: Bloomberg, Our World in data

Global equity markets generally ended 2021 in positive territory, supported by a strong earnings outlook. The rally was noted in most of the developed equity markets and in South Africa. This was an indication that investors looked past negative developments such as the higher uncertainty associated with the Omicron variant, especially in the last quarter of 2021, as it was believed to have a less severe health impact than earlier variants. The positive returns were mostly on the back of impressive earnings growth in the last quarter of 2021, amid sustained monetary policy stimulus, a sharp recovery in consumer and government spending and a low base effect in 2020. In addition, the robust pace of the US recovery and progress in developing a "universal" vaccine to help fight all future COVID-19 variants also boosted the prices of equities. The US S&P 500 delivered a 26.9 percent return, Germany's DAX 15.8 percent, South Africa's JSE ALSI 24.1 percent, and the UK's FTSE100 14.3 percent (Figure C.2a). Japan's Nikkei generated a lower return of 4.9 percent due to its slower pace of recovery from the pandemic when compared to other large economies. Conversely, China's stock market recorded negative returns of 11.0 percent in 2021 compared to 2020, which was chiefly due to the government's regulatory crackdowns and strict COVID-19 measures.

WORLD TRADE DEVELOPMENTS

FIGURE C.3 PERCENTAGE GROWTH IN THE VOLUME OF WORLD TRADE IN GOODS AND SERVICES



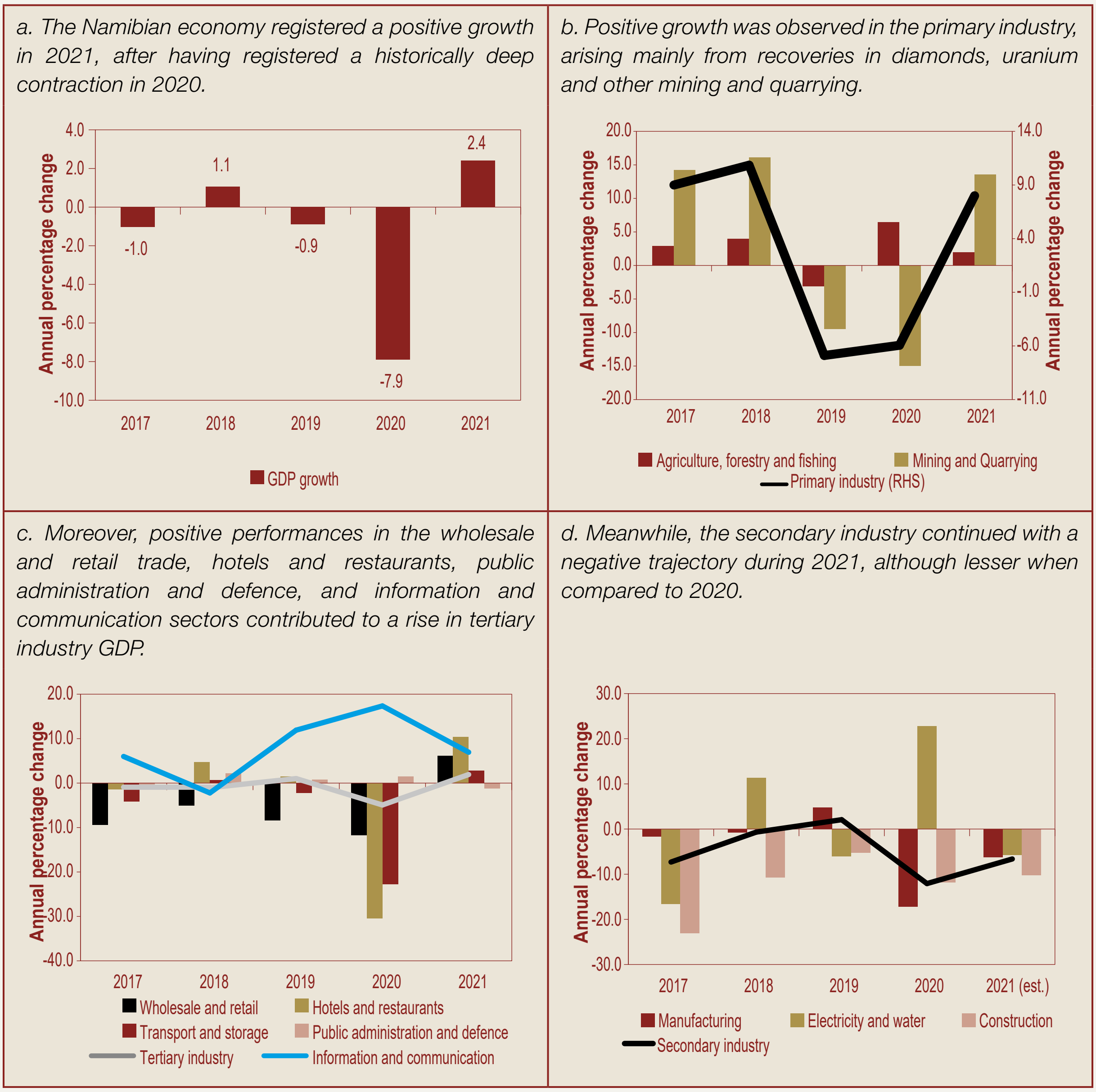
Source: UNCTAD estimates based on national statistics

World trade reached an all-time high in 2021, but the outlook for 2022 is uncertain. The value of global trade in goods and services is estimated to have increased by US$5.2 trillion relative to 2020 and US$2.8 trillion relative to 2019, representing increases of 23.0 percent and 11.0 percent, respectively (Figure C.3). Trade in goods is estimated to have reached a record level of US$22 trillion in 2021, while trade in services was valued at about US$6 trillion in 2021, still slightly below its pre-pandemic level. The World Bank expects growth in global trade to slow to 5.8 percent in 2022 as demand moderates. International travel is likely to remain subdued, but gradually recover, supported by improvements in international mobility as vaccination continues. Downside risks to the global trade outlook are worsening supply bottlenecks due to the Omicron-driven pandemic surge, and rising protectionism in the longer time.

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

REAL SECTOR DEVELOPMENTS

FIGURE C.4 REAL SECTOR DEVELOPMENTS



a. The Namibian economy registered a positive growth in 2021, after having registered a historically deep contraction in 2020.

b. Positive growth was observed in the primary industry, arising mainly from recoveries in diamonds, uranium and other mining and quarrying.

c. Moreover, positive performances in the wholesale and retail trade, hotels and restaurants, public administration and defence, and information and communication sectors contributed to a rise in tertiary industry GDP.

d. Meanwhile, the secondary industry continued with a negative trajectory during 2021, although lesser when compared to 2020.

Sources: NSA for 2017-2021 figures

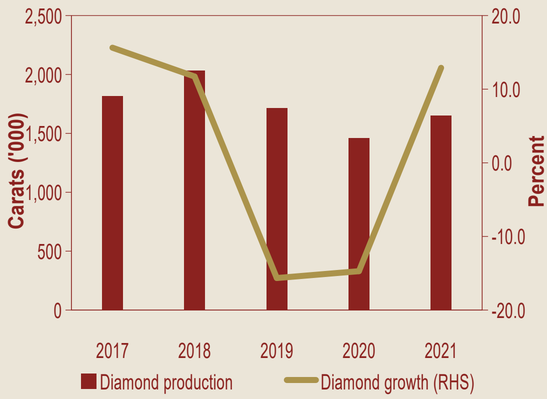
Namibia's economy registered a positive growth in 2021, which is mainly attributed to the recoveries in the primary and tertiary industries. Real GDP rose by 2.4 percent in 2021, following a historically deep contraction of 7.9 percent registered during the previous year (Figure C.4a). The positive growth in 2021 was on account of increased output registered in the primary and tertiary industries. This was attributed to a recovery in the production of *diamonds and uranium*, coupled with positive growth rates registered in the *wholesale and retail trade, hotels and restaurants, information and communication*. This was mainly ascribed to base effects following the severe restrictive measures imposed in 2020 to help prevent the further spread of the COVID-19 virus. Furthermore, the communication subsector continued to sustain the growth in the *information and communication* sector, on the back of strong demand for internet data triggered by the pandemic. Meanwhile, secondary industry registered a contraction of 6.6 percent in 2021, compared to a much steeper contraction of 12.1 percent registered during the previous year. The contraction in activity in the *secondary* sector was attributed to the declines in all subsectors namely the *manufacturing*, *electricity and water* as well as *construction*, which contracted by 6.2 percent, 5.7 percent and 10.2 percent, respectively, during the year under review.

Risks to domestic growth remained concentrated in the impact of the COVID-19 pandemic, the possibility of lower prices for some of Namibia's export commodities, geopolitical tensions and conflicts, and climatic swings. Risks to domestic growth have been dominated by continued or renewed travel restrictions across many countries, exacerbated by new waves of coronavirus infections, vaccine hesitancy, supply chain disruptions and the pace of vaccination in Namibia. The discovery of the latest new variant known as Omicron has led to tighter travel restrictions particularly affecting southern African countries, including Namibia. This could further delay the recovery observed especially in the *tourism* sector. Other risks to domestic growth include lower international prices for some of Namibia's export commodities, geopolotical tensions escalating to military conflicts, climatic swings, high prices for oil, and global supply disruptions due to new waves of COVID-19.

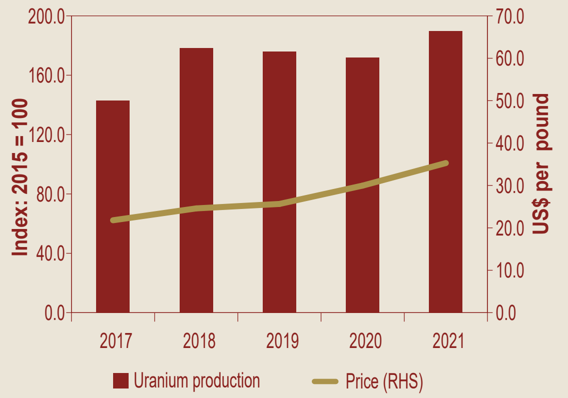
PRIMARY INDUSTRY DEVELOPMENTS

FIGURE C.5 PRIMARY INDUSTRY

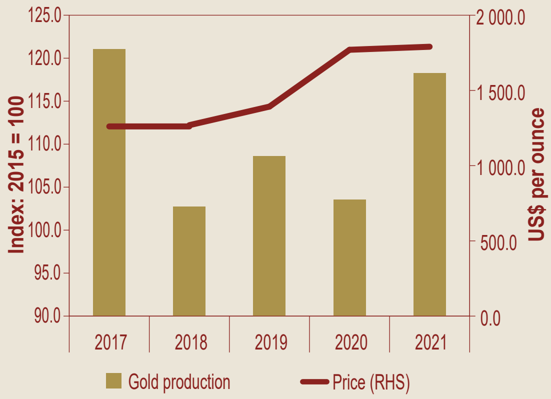
a. Primary industry output rose in 2021, driven by an increase in the production of rough diamonds during the year under review.



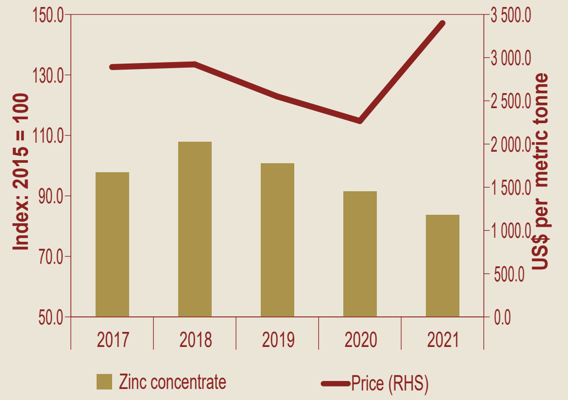
b. Uranium production also rose during 2021 compared to the previous year, aided by base effects and more reliable water supply.



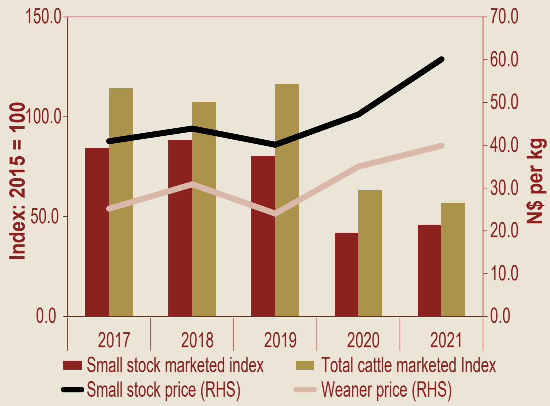
c. Production of gold rose during the period under review, owing to higher grade ore mined compared to the previous year.



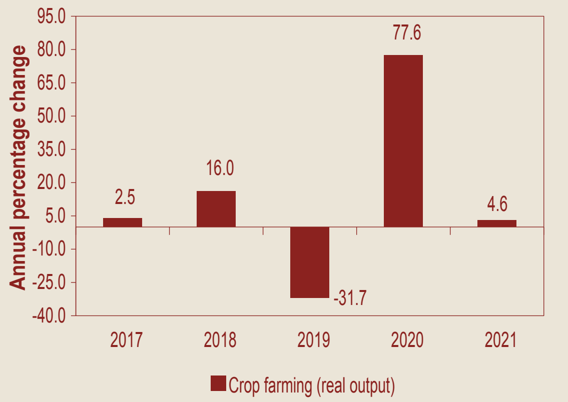
d. Meanwhile, production of zinc concentrate decreased during the year under review despite a notable price increase for zinc.



e. Farmers' marketing activity for cattle declined during 2021, while small stock marketing activity rose over the same period.



f. Crop farming output continued to expand in 2021, although significantly lower compared to the higher growth registered in 2020.



Source: Various companies

MINING

The mining sector registered positive growth in 2021, which is attributed to increased production of diamonds, uranium and gold; however, production of zinc concentrate declined over the same period. Value addition in the mining and quarrying sector grew significantly by 13.6 percent in 2021, compared to a contraction of 15.0 percent registered in 2020. The rise in the mining sector was attributed to a gradual pick-up in the demand for diamonds, following low global demand in 2020. Furthermore, the low base effects for uranium production was due to water supply constraints experienced by the uranium mines during 2020, and the mining of higher-grade ores in the gold subsector, also contributed to the uptick in mining output. In this regard, the production of diamonds rose by 2.7 percent to 1.5 million carats during the period under review, as the land-based mine resumed production (Figure C.5a). Moreover, uranium production rose by 10.5 percent to 7 050 tonnes during the period under review (Figure C.5b). The rise was ascribed to low base effects because of water supply constraints experienced in 2020 emanating from a high sulphur content in the ocean, which slowed down the water purification process at the desalination plant. Gold production rose by 14.2 percent to 7 104 kg, owing to the high grade of ore mined during the period under review once the gold mines had largely concluded their stripping of overburden (Figure C.5c). Meanwhile, production of zinc concentrate declined by 8.5 percent due to a lower grade of zinc ore body mined (Figure C.5d).

Prices of key Namibian export mineral commodities were favourable during the period under review. The spot price of uranium rose by 17.7 percent to an average of US$35.28 per pound during the year under review, mainly owing to improved global demand for nuclear fuel as countries look towards reducing carbon emissions (Figure C.5b). Additionally, the gold spot prices rose by 1.7 percent to an average of US$1 800 per fine ounce (Figure C.5c). Zinc spot prices rose significantly by 32.5 percent to US$3 003 per metric tonne owing to high demand from China (Figure C.5d).

AGRICULTURE, FORESTRY AND FISHING

Agriculture, forestry and fishing sector registered a positive growth during 2021, but lower compared to a higher growth rate registered during 2020. Real value addition in the agriculture, forestry and fishing sector rose by 2.0 percent in 2021, compared to a higher positive growth of 6.5 percent in 2020. This was driven by an increase in the real value addition in the crop farming and forestry subsector which rose by 4.6 percent during the year under review, as well as the fishing and fish processing on board (3.2 percent), ascribed to better rainfall received coupled with the timely allocation of fishing quotas. Meanwhile real value addition in the livestock farming declined over the same period, slightly offsetting the increase in the crop farming as well as fishing subsectors. The decline in livestock farming was attributed to the depleted herd sizes at the beginning of 2020 and to stock rebuilding by farmers during the year under review, following the severe drought conditions experienced during 2019.

Total cattle marketed declined in 2021, as farmers further rebuilt their herds after the devastating drought experienced in 2019. The total number of cattle marketed during the year under review fell by 9.9 percent compared to 2020, to 225 734 head of cattle. The decline was reflected in the numbers of cattle slaughtered for local consumption and weaners exported, which declined by 21.3 percent and 13.8 percent, respectively, to 32 504 head and 136 711 head. Meanwhile, the number of cattle slaughtered for export rose by 12.0 percent to 56 519 head, slightly offsetting the decline in the other catagories of livestock marketed during the period under review (Figure C.5e). The average price of beef rose by 21.2 percent to N$52.51 per kilogramme, while that of weaners rose by 13.9 percent to N$39.89 per kilogramme during the year under review. The increases in beef and weaner prices were a result of the limited supply caused by restocking activities undertaken by farmers.

The total number of small stock marketed rose during 2021 after a deep contraction in 2020. Small stock (sheep and goats) marketed rose by 9.4 percent to 505 222 head during 2021, compared to a deep decline of 47.9 percent registered in 2020 (Figure C.5e). The rise was reflected in the number of goats and sheep exported, which rose by 26.8 percent to 391 512 head during the period under review, compared to the previous year. The rise was ascribed to higher prices in South Africa coupled with better grazing conditions in the southern region of the country, which led to improved production. Meanwhile, the numbers of small stock slaughtered for local consumption and for export declined by 20.4 percent and 50.0 percent, respectively, to 100 456 head and 13 254 head during the year under review, partly offsetting the rise in the number of small stock marketed live. The average price of small stock rose by 15.5 percent to N$55.85 per kilogramme.

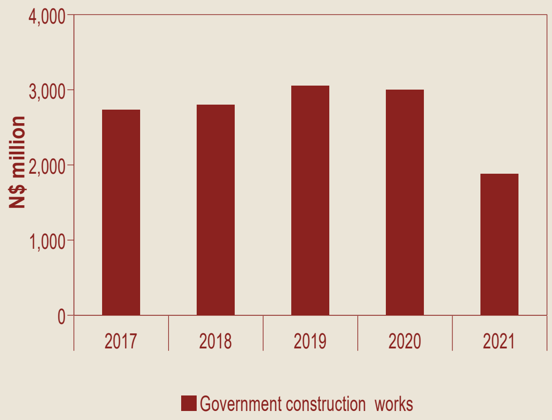
Production of milk declined during 2021 compared to the previous year, largely due to a rise in the cost of animal feed combined with competition from foreign producers. Milk production declined by 12.9 percent to 15.0 million litres during the year under review. The decline was mainly a result of high input costs caused by a rise in the price of animal feed, coupled with milk from foreign producers.

The fishing subsector output rose during 2021 compared to the previous year, driven in part by the timely allocation of fishing quotas, coupled with the auctioning of additional government objective quota. Real value addition in the *fishing* sector rose by 3.2 percent during the year under review, compared to a deep contraction of 9.0 percent in 2020. The rise was ascribed to the timely allocation of the fishing quota and the auctioning of additional government objective quota, as well as the low base effect caused by the imposition during April 2020 (even if only for a short period) of the stage one lockdown as per emergency regulations imposed by the Government to prevent the spread of the corona virus.

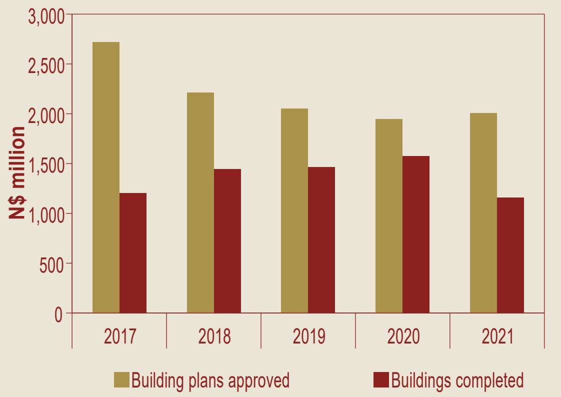
SECONDARY INDUSTRY DEVELOPMENTS

FIGURE C.6 SECONDARY INDUSTRY

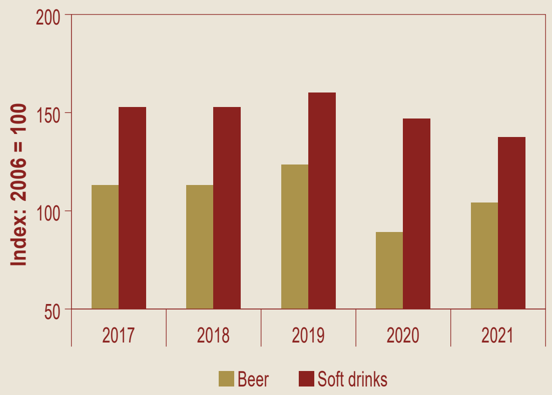
a. The real value earmarked for Government construction works decreased in 2021, compared to the previous year's level.



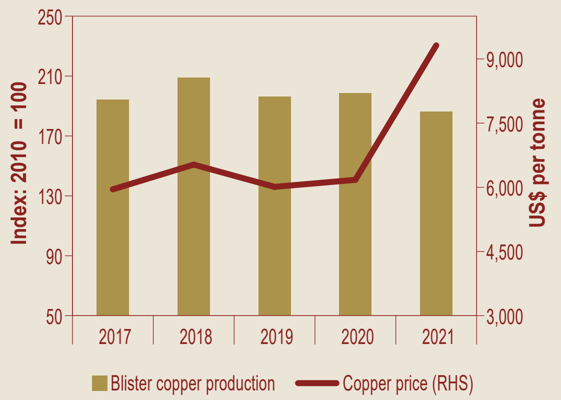
b. Similarly, the real value of buildings completed decreased, whereas that of building plans approved rose during the year under review.



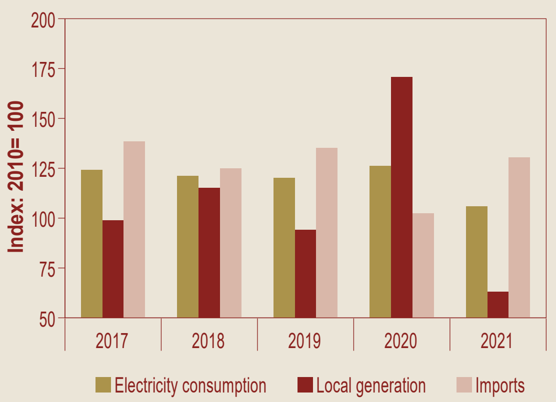
c. The production of beer rose owing to low base effects that emanated from COVID-19 restrictions, while that of soft drinks decreased during 2021.



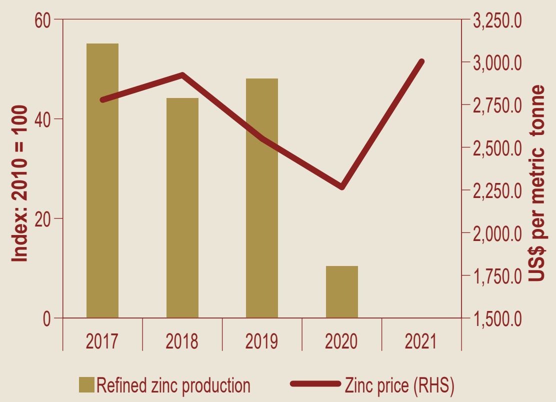
d. The production of blister copper decreased during 2021 due to scheduled maintenance taking longer than expected.



e. Similarly, electricity generation registered a decrease during 2021, mainly owing to the inadequate water inflow at the Ruacana hydroelectric power plant.



f. Refined zinc production declined significantly, with plant operations having been suspended since May 2020, when the plant was placed under care and maintenance.



Source: Municipalities, Ministry of Finance (MoF) and various companies

Construction

During 2021, the construction sector contracted markedly as payments towards Government construction programmes and the real value of the private sector construction works decreased. Real value added in the construction sector contracted by 10.2 percent in 2021, compared to a severe fall of 11.8 percent in 2020. The contraction in the sector was attributed to a decline in both Government construction activities and private sector construction works by 37.3 percent and 26.5 percent, respectively, in 2021, compared to a decrease of 1.6 percent and an increase of 7.5 percent, respectively, in 2020 (Figure C.6a and b). The decline in the private sector construction works also reflects lower budgetary provisions for construction projects in the 2021/22 fiscal year, as a large share of private sector construction work originated from demand created by Government projects. The decline in the real value of buildings completed was mirrored in new residential buildings (additions and alterations) in Windhoek, Ongwediva, Walvis Bay and Swakopmund. This was further aggravated by a decline in the value of new commercial buildings completed (additions and alterations) in Windhoek, Walvis Bay and Swakopmund. However, the real value of building plans approved, which is a leading indicator for construction activity, recorded an increase of 3.2 percent over the same period. This was reflected in a rise in the real value of new building plans approved for both residential and commercial properties in Windhoek, Swakopmund, Walvis Bay and Ongwediva.

Manufacturing

Output in the manufacturing sector decreased in 2021, dragged mainly by low production of basic non-ferrous metals and diamond processing. Output in the manufacturing sector recorded a decline of 6.2 percent, compared with a substantial decline of 17.1 percent registered in 2020. This was largely attributed to the decline in the production of basic non-ferrous metals and diamond processing. The decline in the basic non-ferrous metals was primarily ascribed to the decreased in throughput for refined zinc has been suspended since May 2020, when the plant was placed under care and maintenance (Figure C.6f). Moreover, production of blister copper also fell, largely, due to scheduled maintenance that took longer than expected, (Figure C.6d). Additionally, the production of soft drinks decreased during the period under review, compared to the preceding year (Figure C.6c). The decrease was attributed to the anticipated reduction in the consumption, due to, among other factors, partial lockdowns and restrictions on social gatherings. These decreases were, however, offset by the rise in throughput for products, including beer production and cement output that increased by 52.5 percent, 20.5 percent and 7.8 percent, respectively. These increases were, for the most part, attributed to COVID-19 pandemic-induced low base effects and the gradual picking up in demand when the pandemic restrictions were relaxed, alongside rising vaccine rollouts locally and globally.

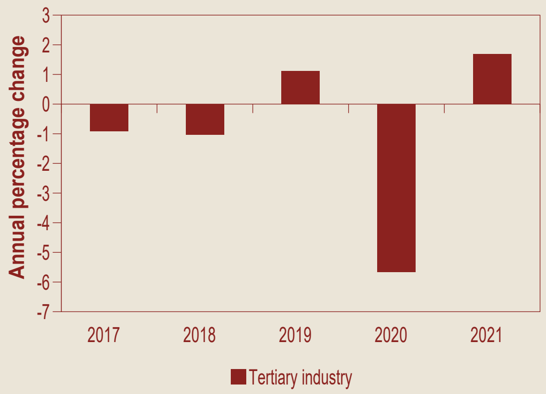
Electricity and water

Owing to inadequate inflow of water at the Ruacana hydroelectric power plant, the *electricity and water* sector recorded a decrease in production in 2021 compared to 2020. The sector's real value added registered a decline of 5.7 percent in 2021, compared to an increase of 22.8 percent in 2020. The contraction was largely driven by the electricity subsector, mainly as result of inadequate inflow of water at the Ruacana hydroelectric power plant during the 2020/2021 rain season, compared to the same period in 2019/2020. This followed poor rainfall received in southern Angola during the 2020/2021 rain season. As a result, imports of electricity increased, year-on-year, by 27.4 percent (Figure C.6e).

TERTIARY SECTOR DEVELOPMENTS

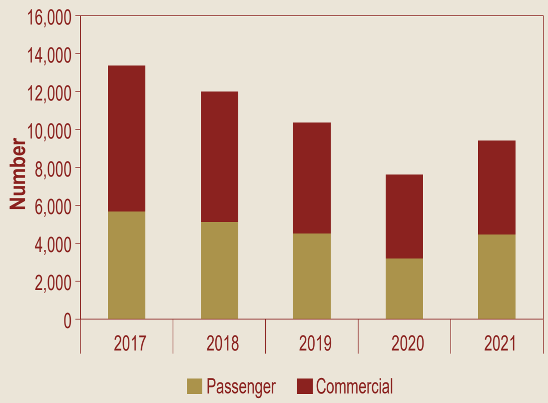
FIGURE C.7 TERTIARY INDUSTRY

a. Tertiary industry output registered a positive growth rate in 2021, recovering from a contraction in 2020 …

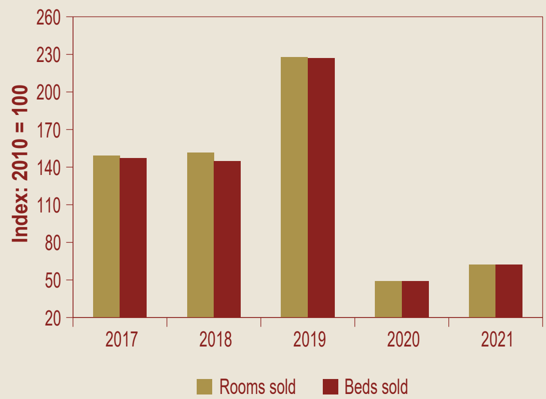


b. … as the wholesale and retail trade sector's real sales displayed an increase in 2021.

c. The number of new vehicles sold also increased, supporting activity in the wholesale and retail trade sector.

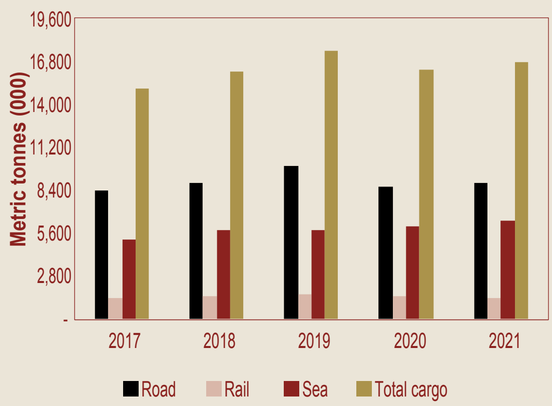


d. Tourism activity gained ground lost during 2020 in 2021 as reflected in the increased number of rooms and beds sold, but it remained generally weak and still far below the pre-COVID-19 levels …



e. … as visitor arrivals at Namibian airports rose steadily across both international and regional arrivals but remained far below 2019 levels.

f. Cargo volumes transported increased in 2021, driven mainly by the increase in sea cargo during the period under review.



Sources: NSA, NAAMSA, Namport, TransNamib, Road Authority and other transport operators, Namibia Airports Company and Hospitality Association of Namibia

Wholesale and retail trade

***Wholesale and retail* trade activity increased in 2021, partly due to low base effects that followed the hard lockdown and other restrictions that were introduced in 2020 to slow the spread of the pandemic.** Real value addition in the *wholesale and retail* trade sector increased by 6.1 percent in 2021, compared to a substantial contraction of 11.7 percent registered in 2020 (Figure C.7b). The increase was partly due to low base effects and improved demand, largely emanating from a gradual reduction in restrictions induced by the pandemic, which led to the uptick in local economic activity. As a result, the real turnover of the wholesale and retail trade sector rose, year-on-year, by 2.8 percent to N$22.8 billion in 2021. The increase was reflected in virtually all subsectors but was more pronounced in the vehicles and wholesale subsectors. The total number of new vehicles sold rose substantially by 23.8 percent in 2021, with commercial and passenger vehicle sales increasing by 12.3 percent and 39.6 percent, respectively.

Tourism

Activity in the *tourism* sector remained generally weak under the influence of the COVID-19-induced travel restrictions and social distancing regulations, although tourism did register a slight recovery during 2021 compared to 2020. The sector's real output increased markedly, by 10.4 percent in 2021, after recording a devastating negative growth rate of 30.4 percent in 2020. The rise in 2021 was manifested in increases in the number of bed and room nights sold by the hospitality industry, as well as in regional and international passenger arrivals at Namibian airports (Figure C.7d and C.7e). The increase was largely due to the easing in travel restrictions, as the economy gradually opened up, supported by the local and global vaccine rollout. Total passenger arrivals remained well below the 2019 levels (i.e., the pre-COVID 19 levels), however, which implies that the sector's activity remains generally weak. COVID-19 waves hit Namibia severely, especially at the beginning of 2021, then in June/July, and again in November/December 2021, when the discovery of the Omicron variant resulted in tighter travel restrictions being imposed, especially on travellers to and from the southern African countries, including Namibia. The tourism sector's pace of recovery continues to depend on the emergence of new COVID-19 variants and the pace of vaccination rollout in Namibia and globally. These will in part determine the extent of the opening of the economy and the normalisation of travel globally.

Transport and storage

Activity in the transport and storage sector increased in 2021, driven mainly by the sea cargo, amid persistent challenges posed by COVID-19 restrictions. The real value added in the transport and storage sector increased by 2.8 percent in 2021, compared to a deeper contraction of 22.7 percent recorded during 2020. Within this setting, total cargo volumes improved by 2.5 percent during the period under review, compared to a substantial decline of 6.7 percent recorded during the previous year (Figure C.7f). The increase was largely due to the rise in the shipment of manganese from South Africa via Lüderitz Harbour and Namibia's recent first-ever consignment of iron ore from Lodestone Namibia Proprietary Limited, near Windhoek. Positive spill-over effects of the recent civil unrest in South Africa were also felt during the period under review, as a number of vessels temporarily shifted to Walvis Bay for transhipment services. Road and rail cargo volumes, however, remained generally weak in 2021 amid subdued bulk cargo activity, particularly for blister copper, zinc and live animals. During the year, rail traffic suffered some setbacks arising from technical factors.

Information and communication

Activity in the *information and communication* sector continued to increase in 2021, as it had in 2020, due to increased demand for internet and data services. The value addition in the *information and communication* sector registered growth of 6.9 percent in 2021, after it surged substantially by 17.4 percent in 2020. The lower growth in 2021 suggests a degree of normalisation of activity, following the hasty adoption of remote working and e-learning induced by the COVID-19 pandemic that had boosted the demand for telecom services to unprecedented levels.

Public administration and defence

Real value added in the *public administration and defence* sector increased during 2021, partly due to an increase in staff numbers. The sector grew by 0.5 percent in 2021, after it dropped by 1.2 percent during the previous year. A moderate rise suggests that the fiscal consolidation programme continued to weigh on this sector, amid mounting challenges posed by the pandemic, which compelled the Government to fiscally intervene to minimise the impact of COVID-19 on economic activity and other socio economic fronts.

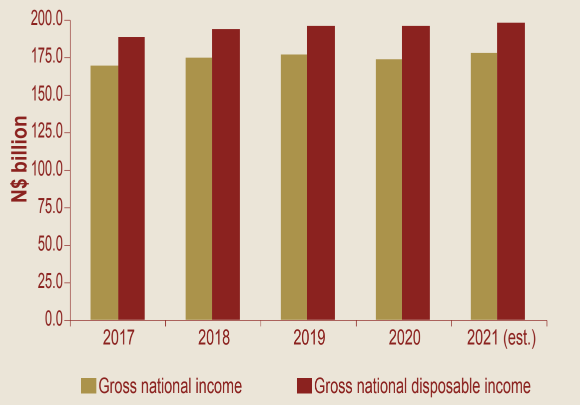
Gross national income and gross national disposable income

Namibia's gross national income (GNI) and gross national disposable income (GNDI)[14] are estimated to have increased during 2021. GNI at current prices is estimated to have risen to N$177.1 billion in 2021 from N$172.7 billion in 2020, representing an increase of 2.6 percent (Figure C.8a). The estimated increase in GNI during 2021 was largely in line with a 4.0 percent growth in nominal GDP during the year. Similarly, GNDI is estimated to have increased by 1.1 percent to N$197.1 billion in 2021, from N$195.0 billion in the preceding year. Furthermore, GNDI remained higher than GNI in 2021, indicating that Namibians continued to receive more income transfers from the rest of the world than they sent abroad. During the period from 2013 to 2021, GNDI has been higher than the GNI because of net inflows of current transfers, which are largely made up of SACU receipts.

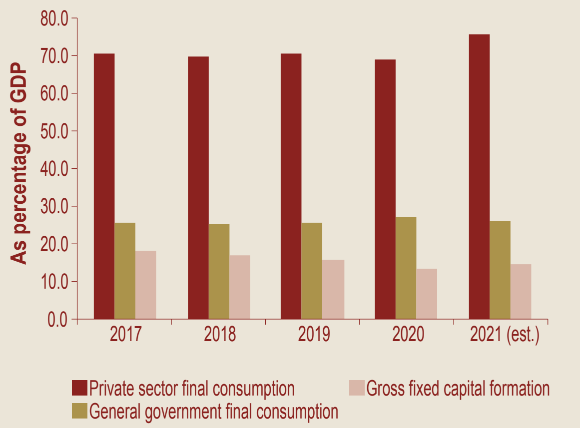
14 GNI and GNDI measure total income received by residents. GNI measures total income earned by the factors of production owned by residents, both inside and outside of Namibia, while GNDI measures disposable income of residents plus net income transfers from abroad.

FIGURE C.8 GNI, GNDI AND SAVINGS

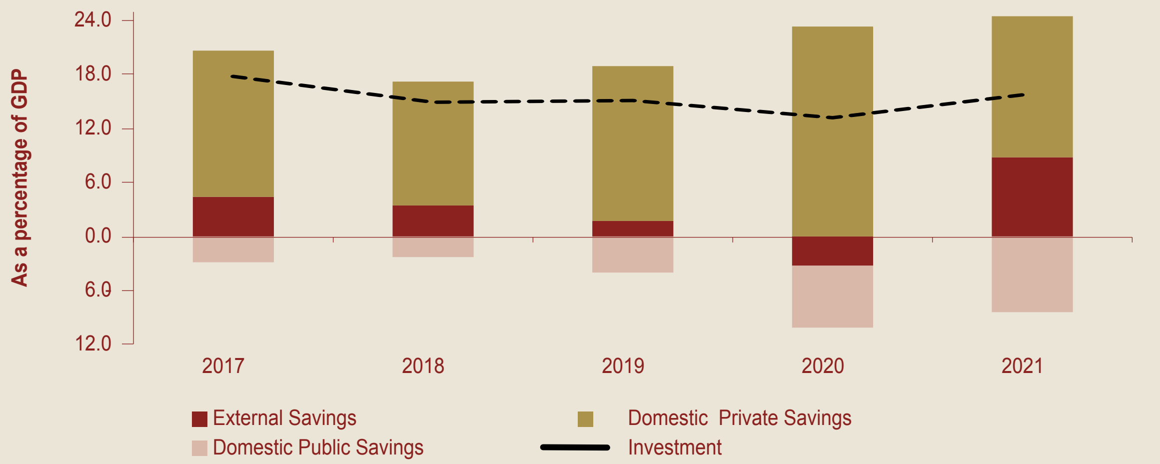
a. GNDI continued to be higher than GNI, indicating that Namibia is a net recipient of current transfers.



b. Gross domestic expenditure as a ratio of GDP rose in 2021, due to increase in both consumption and investment.



c. As ratios of GDP, domestic private saving is estimated to have decreased substantially, while Namibia's use of external savings is estimated to have increased during 2021.



Source: NSA for 2017–2021, Bank of Namibia estimates for 2021 in Figure C.8a.

Gross domestic expenditure

Gross domestic expenditure as a ratio of GDP increased in 2021, in line with higher final consumption and investment. Gross domestic expenditure at current prices increased to N$212.3 billion in 2021 from N$189.9 billion in the previous year, representing an 11.8 percent rise. As a ratio of GDP, gross domestic expenditure rose to 117.4 percent in 2021, from 109.2 percent in 2020. This increase was largely attributed to improvements in household final consumption expenditure and in gross fixed capital formation, which increased by 13.8 percent and 11.4 percent, respectively, in 2021. In contrast, Government final consumption expenditure decreased marginally, as the Treasury continued to limit growth in public spending. Gross fixed capital formation by the Government also decreased by 4.9 percent in 2021, reflecting lower investment by the public sector (Figure C.8b).

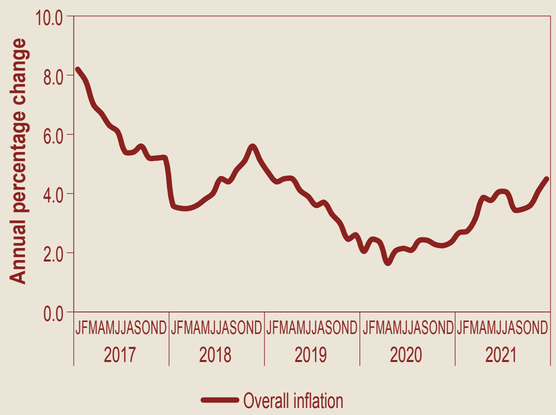
Savings and investment balance

Namibia's total domestic savings as a percentage of GDP fell substantially during 2021. Total domestic savings as a ratio of GDP is estimated to have decreased to 7.2 percent in 2021, from 16.4 percent in the preceding year. The decline was reflected in lower savings for both the private and public sectors (Figure C.8c). As a ratio of GDP, domestic private savings are estimated to have fallen to 15.6 percent in 2021, from 23.3 percent in 2020. At the same time, the domestic dissaving rate by the public sector increased to 8.5 percent of GDP in 2021, from a slightly lower dissaving rate of 6.9 percent of GDP in 2020. National savings are important in any economy as they contribute to investment funding, which in turn stimulates economic growth. Namibia's savings decreased significantly over the last six years, from a high of 34.8 percent of GDP in 2014. During 2021, Namibia's investment (gross fixed capital formation plus changes in inventories) was equivalent to 15.9 percent of GDP, while total domestic saving was 7.2 percent of GDP, leaving a negative savings-investment gap equivalent to 8.8 percent of GDP. This gap was filled by savings from the external sector. In other words, domestic savings were lower than investment, and the shortfall was funded by non-residents. The counterpart to this was that Namibia ran a deficit on the current account in 2021.

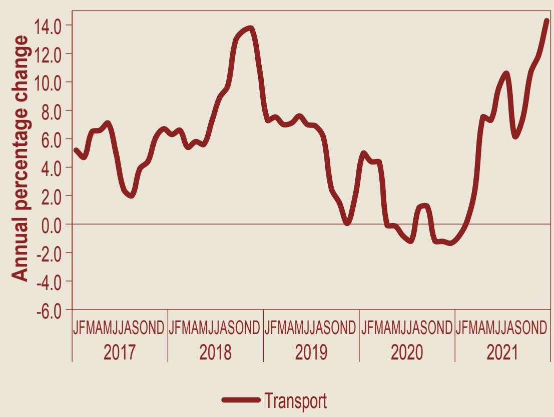
PRICE DEVELOPMENTS[15]

FIGURE C.9 PRICE DEVELOPMENTS

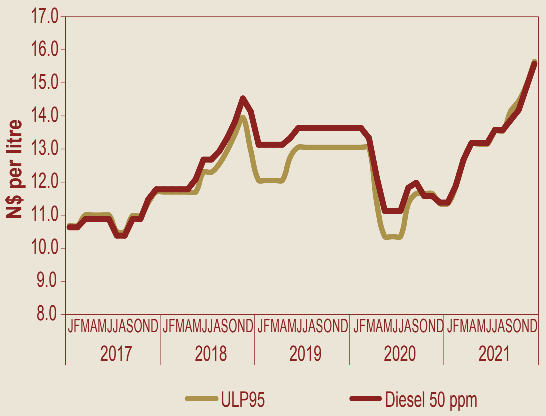
a. Namibia's overall inflation rose during 2021, compared to the previous year.



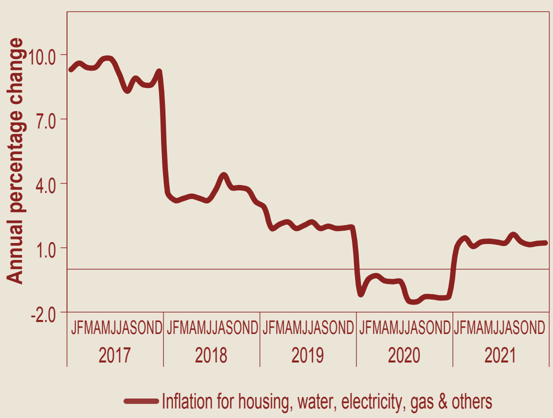
b. The rise in the overall inflation was mainly driven by an acceleration in the inflation for transport…



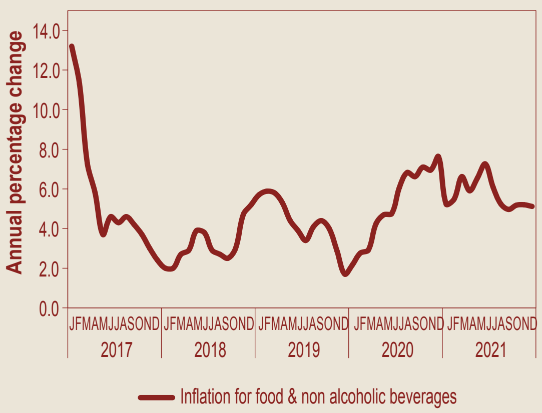
c. … as reflected in pump prices for petrol and diesel, owing to an increase in the international price of oil.



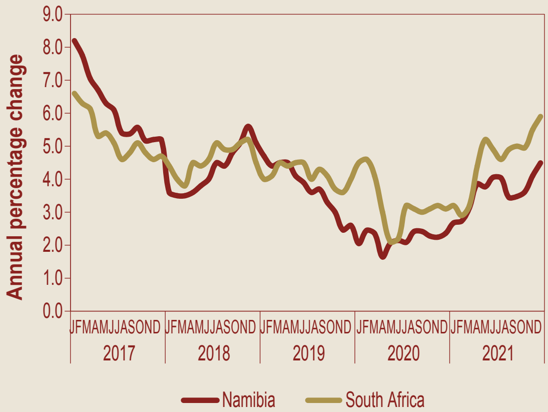
d. Moreover, inflation for housing rose during 2021, driven by a rise in rental payments for dwellings.



e. Furthermore, inflation for food increased during the year, driven in part by a rise in the price of oils and fats, as well as meat.



f. Namibia's inflation has generally remained below that of South Africa since early 2019.



Source: NSA and Stats SA

15 The analyses in this section are based on the National Consumer Price Index (NCPI) series based on the 2015/2016 Namibia Household Income and Expenditure Survey.

Namibia's overall inflation rate rose during 2021 compared to the previous year. Inflation rose by 1.4 percentage points to an average of 3.6 percent during the year under review (Figure C.9a). The rise in inflation was largely driven by an increase in inflation for transport, housing and food during the period under review. This was on account of a rise in international oil prices, as well as a return to positive inflation for the *rental payment for dwelling subcategory*, coupled with supply constraints, particularly for meat.

Transport inflation increased during the year under review, as reflected by an increase in inflation for the subcategory *purchases of vehicles* as well as *operation of personal transport equipment*. Transport inflation increased on average by 6.4 percentage points to 7.3 percent during 2021, compared to the previous year (Figure C.9b). This was driven by a rise in inflation for the subcategories *purchase of vehicles* and *operation of personal transport equipment*, which increased by 4.1 percentage points and 11.6 percentage points, respectively, to 8.8 percent and 9.4 percent. The rise was partly due to a reduction in the production of vehicles, owing to a shortage in the supply of semiconductors, which added to imported inflation. Furthermore, an upward movement in the international oil price during the period under review also contributed to the increase in inflation for this subcategory. Meanwhile, inflation for the *public transport* subcategory declined by 6.7 percentage points to -0.7 percent, partially weighting down the increase in transport inflation. The decline was due to high base effects owing to an upward adjustment in taxi fares during the corresponding period in 2020 due to the imposition of severe COVID-19 restrictions that reduced taxi passenger numbers; this was reversed in 2021.

Pump prices for petrol and diesel rose during 2021, largely due to a rise in international oil prices. Pump prices for petrol and diesel 50 ppm rose on average to N$13.47 per litre and N$13.43 per litre during the year under review, from N$11.60 per litre and N$12.04 per litre registered during the previous year, respectively (Figure C.9c). This was mainly due to a rise in the international oil price during the period under review, as demand recovered from the negative effects of the pandemic. Furthermore, a shortage of natural gas and coal for power generation in Europe and Asia contributed to the higher demand for oil.

Annual inflation for housing, water, electricity, gas and other fuels rose during the year under review, driven mainly by an increase in the inflation for rental payments for dwellings. Inflation for this category rose by 2.2 percentage points to an average inflation rate of 1.3 percent during 2021 (Figure C.9d). The increase in inflation for this category was reflected in *rental payments for dwellings* and *regular maintenance and repair of dwellings*, which rose by 3.5 percentage points and 5.8 percentage points, respectively, to 1.3 percent and 7.6 percent. This was mainly ascribed to base effects following the deflationary pressure in the rental market during the previous year, as demand worsened due to job losses and reduced income even before the onset of the COVID-19 pandemic. The situation has since improved slightly as some firms that were temporarily closed in the tourism sector have re-opened. Meanwhile, the charges for *water supply, sewerage service and refuse collection* as well as the *electricity, gas and other fuels* subcategories declined over the same period, slightly offsetting the increase in the inflation for housing.

Inflation for food and non-alcoholic beverages rose on average during the year under review, owing partly to supply constraints, particularly for meat, coupled with poor sunflower crops, which led to high prices for oils and fats. Inflation for this category rose by 0.5 percentage point to 5.7 percent during 2021 (Figure C.9e). The increase was mainly reflected in subcategories such as *meat* and *oils and fats*. These subcategories rose by 6.2 percentage points and 7.1 percentage points, respectively, to 13.3 percent and 13.8 percent. The increase was attributed to supply constraints, particularly for meat, due to less marketing activity by farmers owing to restocking, coupled with a rise in the price of cooking oil owing to poor sunflower crops globally as a result of adverse climatic conditions. Furthermore, the exchange rate depreciation also contributed to the rise in the price of cooking oil.

TABLE C.4 INFLATION FOR FOOD AND NON-ALCOHOLIC BEVERAGES

Percent	2017	2018	2019	2020	2021
ALL ITEMS	**6.2**	**4.3**	**3.7**	**2.2**	**3.6**
FOOD AND NON-ALCOHOLIC BEVERAGES	**5.7**	**3.2**	**4.3**	**5.2**	**5.7**
Food	**5.3**	**3.3**	**4.5**	**5.0**	**6.1**
Bread and cereals	0.5	1.6	6.4	1.5	3.2
Meat	8.9	6.3	0.8	6.3	13.3
Fish	15.4	2.8	2.0	6.4	1.5
Milk, cheese and eggs	4.4	0.7	3.8	4.3	2.7
Oils and fats	2.6	2.6	0.5	5.7	13.8
Fruit	5.2	9.5	10.6	16.2	11.6
Vegetables including potatoes and other tubers	1.3	5.7	13.1	10.5	3.8
Sugar, jam, honey, syrups, chocolate and confectionery	11.8	1.2	4.2	4.2	1.1
Food products n.e.c.	8.6	2.5	1.6	4.3	1.9
Non-alcoholic beverages	**9.3**	**2.4**	**2.5**	**3.2**	**2.6**
Coffee, tea and cocoa	15.0	3.1	4.0	6.3	2.9
Mineral waters, soft drinks and juices	7.8	2.2	2.0	2.3	2.5

Source: NSA

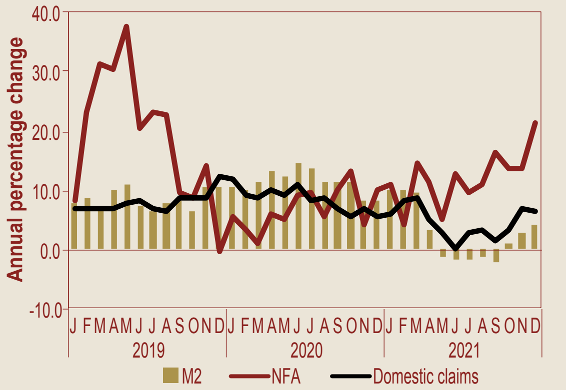
Inflation for South Africa rose during 2021 and continued trending above that of Namibia, due to higher transport inflation in that country. South Africa's inflation rate rose by 1.3 percentage points to 4.6 percent during the year under review, 0.9 percentage point above that of Namibia. This was mainly owing to higher transport inflation in South Africa, which amounted to an average of 9.1 percent during the period under review (Figure C.9f), compared to Namibia's transport inflation of 4.8 percent registered over the same period. The higher inflation in South Africa compared to that in Namibia was mainly attributed to a higher adjustment in pump prices in the former.

MONETARY AND FINANCIAL MARKET DEVELOPMENTS

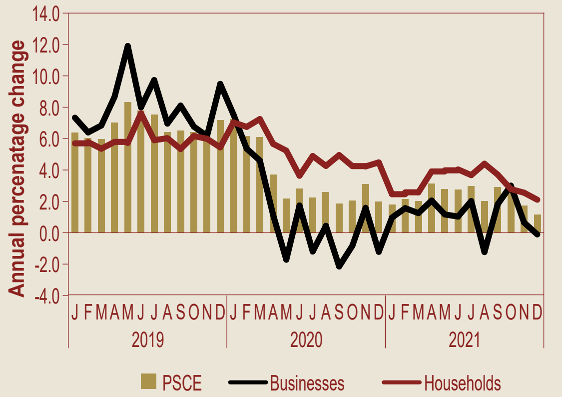
During 2021, the Bank's Monetary Policy Committee (MPC) kept the Repo rate unchanged. The MPC kept the Repo rate unchanged at 3.75 percent over the course of 2021. The decision to keep the Repo rate unchanged was deemed appropriate to support domestic economic growth, while maintaining the one-to-one peg between the Namibia Dollar and the South African Rand. Growth in broad money supply (M2) slowed in 2021 in comparison with 2020, which was underpinned by sharply more negative net other assets. Similarly, the annual growth in narrow money (M1) slowed, and generally resembled that of M2. Growth in private sector credit extension (PSCE) slowed on average during 2021, due to lower demand for credit by households.

FIGURE C.10 MONETARY AND FINANCIAL MARKET DEVELOPMENTS

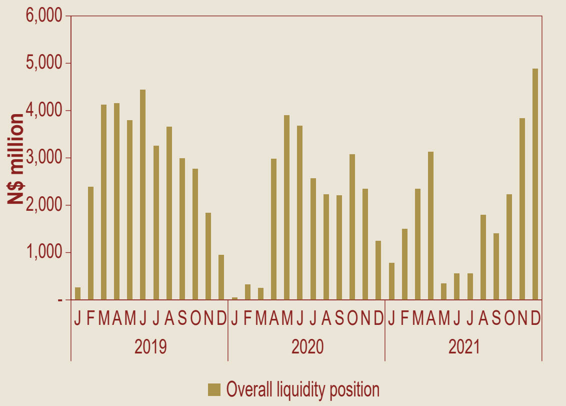
a. The annual growth in broad money supply (M2) slowed on average in 2021, as precautionary and speculative motives for holding money waned.



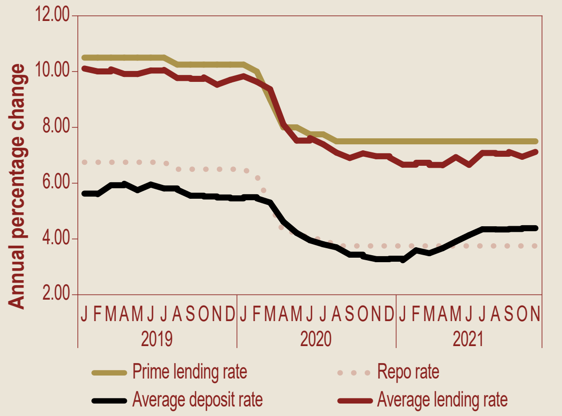
b. Growth in private sector credit extended (PSCE) slowed in 2021, due to lower demand for credit especially from the household sector.



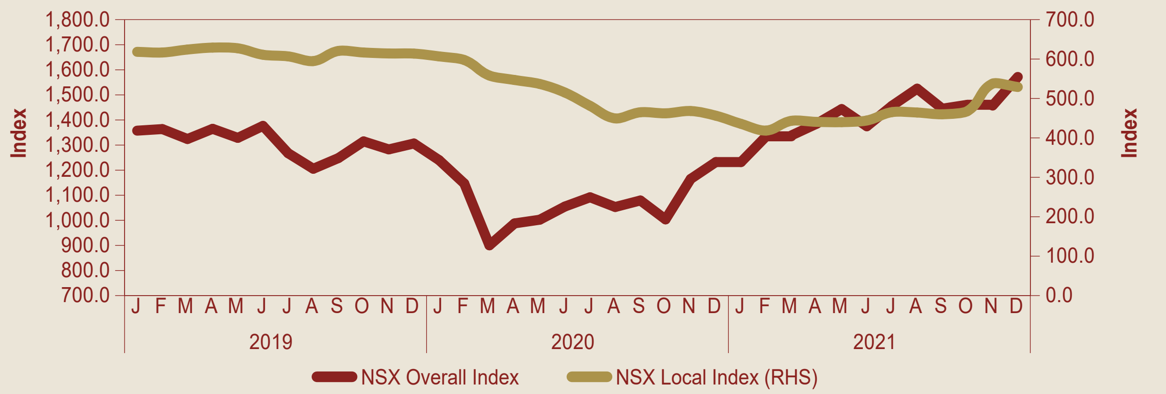
c. The overall liquidity position of the Namibian banking industry was fairly tight in 2021 although easing towards year end.



d. The banks' prime lending rate remained low during 2021 in line with the Repo rate.



e. The Overall and Local share price indices of the Namibian Stock Exchange ended 2021 at higher levels than 2020.



Monetary aggregates

During 2021, the monetary aggregates were characterised by slower growth arising from softening precautionary and speculative demand for money. Whereas the initial uncertainty arising from the onset of the pandemic had boosted the demand for money in 2020, this was reversed in 2021 as uncertainty waned and a sense of normality returned to the financial markets. The main counterpart to the slower growth in the broad money supply (M2) during the period under review was the net other assets[16] of the depository corporations, which became significantly more negative in 2021.

TABLE C.5 MONETARY AND CREDIT AGGREGATES, ANNUAL AVERAGES

(N$ million)	2017	2018	2019	2020	2021
Net foreign assets	34,451	35,202	41,728	44,633	49,998
Net domestic assets	99,389	110,769	119,628	129,758	135,718
Claims on other sectors	93,823	100,515	107,075	109,971	110,897
of which : claims on households	49,579	53,291	56,460	59,514	61,333
: claims on businesses	37,960	39,869	43,291	44,102	44,481
Net claims on central Govt	5,565	10,254	12,553	19,786	24,821
claims on central Govt	13,379	18,031	21,742	28,054	34,244
less government deposits	7,814	7,777	9,189	8,268	9,424
Other items, net*	-41,147	-44,870	-51,659	-52,247	-61,424
Broad money	92,692	101,100	109,697	122,144	125,291
(Change during period, N$ million)					
Net foreign assets	3,783	750	6,527	2,904	5,365
Net domestic assets	9,089	11,380	8,859	10,130	5,960
Claims on other sectors	5,860	6,691	6,560	2,897	926
of which : claims on households	3,567	3,712	3,168	3,054	1,819
: claims on businesses	1,705	1,909	3,422	812	378
Net claims on central Govt	3,229	4,689	2,299	7,233	5,034
Claims on central Govt	2,062	4,652	3,711	6,313	6,190
less government deposits	-1,167	-37	1,412	-921	1,156
Other items, net*	-5,099	-3,723	-6,789	-587	-8,178
Broad money	7,773	8,408	8,597	12,447	3,148
(Annual percentage growth rates)					
Net foreign assets	12.3	2.2	18.5	7.0	12.0
Claims on other sectors	6.7	7.1	6.5	2.7	0.8
of which : claims on households	7.8	7.5	5.9	5.4	3.1
: claims on businesses	4.7	5.0	8.6	1.9	0.9
Broad money	9.2	9.1	8.5	11.3	2.6

Money supply

The average annual growth in M2 slowed in 2021 compared to 2020, due to lower demand for money as precautionary and speculative sentiment started to fade. Average M2 growth slowed to 2.6 percent year on year during 2021 compared to 11.3 percent in 2020 (Figure C.10a). The slower growth in M2 during the period under review was underpinned by reduced uncertainty as the world started to come to terms with the pandemic. Similarly, the less volatile non-transferable deposits, the largest component of M2, registered a contraction of 1.7 percent on average in 2021, from an average growth of 10.4 percent in 2020,

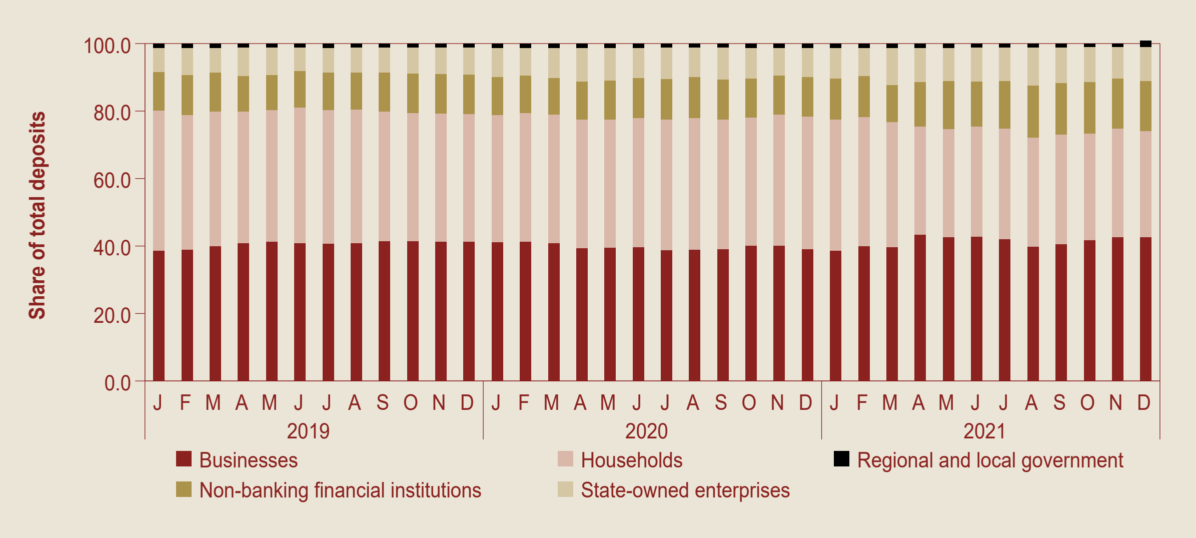
16 Net other assets are also known as other items net.

as reflected in the lower growth of the deposit holdings of other financial corporations and other resident sectors. Growth in transferable (demand) deposits slowed by 7.5 percent on average during 2021 from 13.1 percent registered in 2020 to end the year at N$65.9 billion. Conversely, growth in currency in circulation, the most liquid form of money, was 3.7 percent during 2021, an improvement from the 1.7 percent registered in 2020. The average annual net foreign assets of depository corporations rose by 15.5 percent to N$51.5 billion, from an average annual growth rate of 6.9 percent in 2020 (Table C.5).

Sources of funds of Other Depository Corporations

Total deposits[17] rose in 2021, mostly held by businesses and households. At the end of 2021, total deposit holdings of businesses and households accounted for 41.4 percent and 33.7 percent of total deposits, respectively. The remaining 24.9 percent stemmed from other financial corporations, regional and local governments and public non-financial corporations. These patterns changed due to a reduction in deposit holdings of households, since in the previous year, deposits of businesses and households accounted for 39.1 percent and 39.2 percent, respectively (Figure C.11). The reduction in deposit holdings placed by households is partly an indication of reduced income as a result of the COVID-19 pandemic.

FIGURE C.11 SOURCES OF FUNDS OF OTHER DEPOSITORY CORPORATIONS



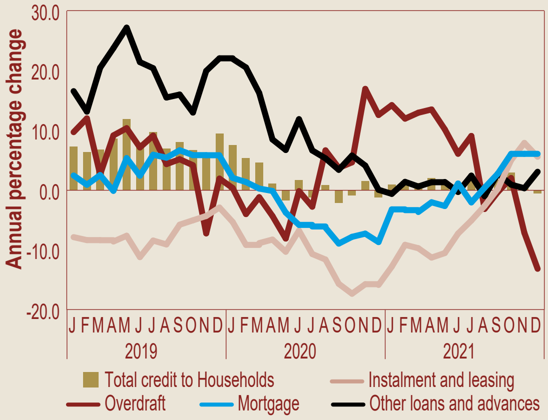
Extension of bank credit to the private sector

Growth in credit extended to the private sector slowed in 2021 compared to 2020, due to lower demand, predominantly because of persistently subdued domestic economic activity. On an annual basis, growth in PSCE moderated to an average annual rate of 2.4 percent in 2021, from an annual average of 3.5 percent recorded during 2020. The annual growth in PSCE slowed during 2021, due to lower demand for credit by individuals as a result of the sluggish domestic economic environment. Borrowers' appetite for credit consequently remained low. The subdued growth in total credit extended was reflected in lower growth rates for mortgage credit and other loans and advances during the period under review.

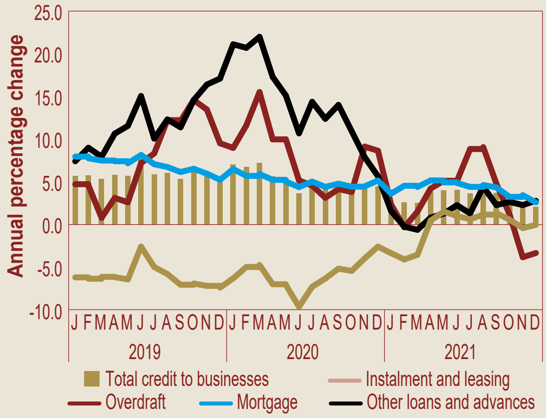
17 Total deposits for Other Depository Corporations includes all the seven commercial banks, Money Market Unit Trust funds and other deposit takers, i.e. Nampost Savings Bank, Agribank and National Housing Enterprise. Hence, total deposits in this section differ from total deposits reported in the Banking Supervision section (Part D), which only reports deposits with the commercial banks.

FIGURE C.12 CREDIT DEVELOPMENTS

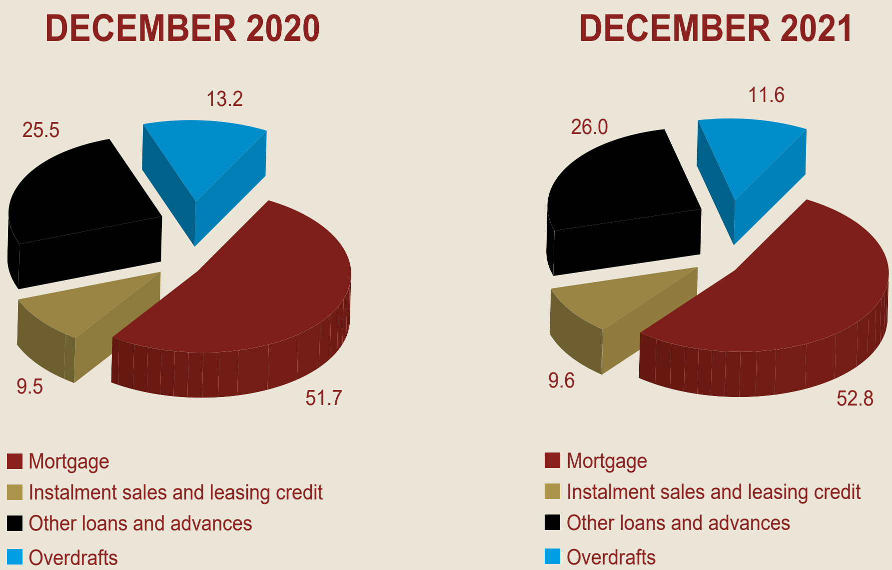
a. Growth in credit extended to individuals slowed notably in 2021.



b. Similarly, growth in total credit extended to corporations inched lower on average in 2021 in comparison to the preceding year.



c. Mortgage loans continued to be the main contributor to total PSCE in 2021, followed by other loans and advances, and overdraft credit.



Credit extended to households slowed on average during 2021, partly due to the pandemic, as household incomes dwindled. The average annual growth in total credit extended to households slowed to 3.2 percent in 2021, from 5.2 percent in 2020 (Figure C.12a). The decline in credit extended to the household sector was reflected in mortgage credit, other loans and advances, and overdraft credit, which recorded average annual growth rates of 4.2 percent, 1.7 percent and 2.9 percent in 2021, compared with 5.1 percent, 14.3 percent and 7.9 percent, respectively, registered in 2020. The decline in the uptake of credit by households probably points to poor domestic economic conditions, which resulted in weak income, also evidenced by high job losses, forcing households to cut down on their uptake of new credit.

Growth in total credit extended to businesses remained low in 2021 in comparison with 2020. The average annual growth in total credit extended to businesses inched lower to 1.2 percent in 2021 from 1.3 percent a year earlier. The category in other loans and advances, declined on an annual basis. Conversely, the category instalment sale and leasing finance entered positive territory during September 2021 for the first time since mid-2017, partly due to the low interest rate environment coupled with the extension of the maximum repayment period on vehicle finance which was introduced late in 2020. During 2021, growth in overdraft credit also rose as the economy opened up and the need for working capital increased, resulting in increased demand for and usage of overdraft credit facilities.

In 2021, mortgage credit continued to account for more than half of the total credit extended to the private sector due to Namibian banks' high exposure to mortgages. Mortgage credit remained the largest contributor to total PSCE, accounting for 52.5 percent of the total, followed by other loans and advances, and overdraft credit in the second and third place, with contributions of 26.0 percent and 11.0 percent, respectively. Instalment sale and leasing credit contributed 9.6 percent over the same period (Figure C.12c). The growth in the share of instalment and leasing credit largely reflects the recent improvement in the demand for vehicles, partly as a result of the low interest environment and the extension of the maximum repayment period which was introduced late in 2020.

Other/non-bank financial corporations

In 2021 the total assets of Other/Non-Bank Financial Corporations (OFCs) rose due to a slightly stronger market performance. The total asset value of OFCs stood at N$217.7 billion at the end of 2021, an increase of 16.0 percent compared to 2020. The increase primarily stemmed from an increase in the market value of investments during the period under review. In terms of absolute size, pension funds continued to dominate the OFC sector, with N$124.2 billion of net equity of households, while N$24.0 billion was net equity of households in life assurance at the end of 2021 (Table C.6).

TABLE C.6 KEY FINANCIAL AGGREGATES

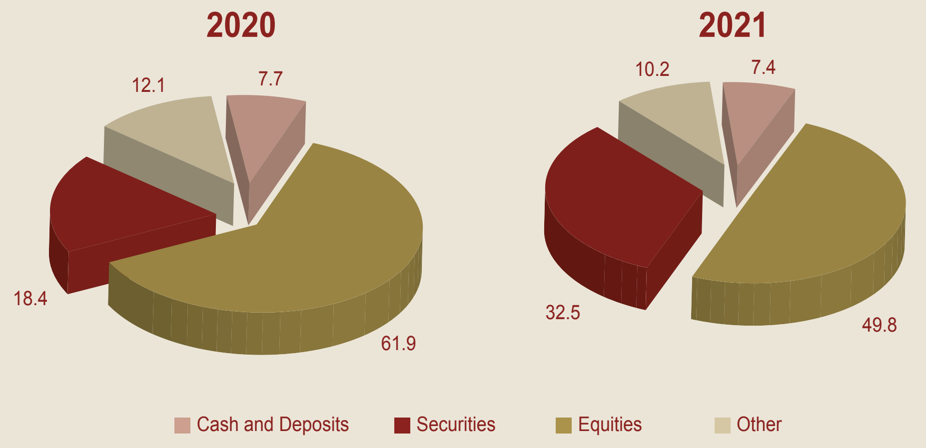
(N$ million, end of period) [18]	2019	2020	2021
1. Central Bank survey			
Central Bank total asset value	37,133	38,656	53,114
Net foreign assets	26,223	28,772	37,060
Claims on other sectors	87	100	114
2. Other depository corporations			
Other depository corporations total asset value	189,149	196,641	200,947
Net foreign assets	11,695	13,035	13,640
Claims on other sectors	110,191	111,140	112,257
of which: households	57,993	60,628	61,827
businesses	45,132	44,941	44,832
3. Depository corporations survey (1+2=3)			
Depository corporations total asset value	226,282	235,297	254,061
Net foreign assets	37,918	41,807	50,700
Net domestic assets	127,622	134,933	143,425
of which: claims on households	58,079	60,728	61,942
claims on businesses	45,132	44,941	44,832
Broad money supply	115,336	124,652	129,944
4. Other financial corporations survey			
Other financial corporations total asset value	188,670	187,763	216,881
Net foreign assets	81,404	79,792	83,888
Claims on other sectors	26,135	23,756	28,263
Insurance technical reserves	137,422	144,022	161,479
5. Financial corporations survey (3+4=5)			
Financial corporations total asset value	414,952	423,060	470,942
Net foreign assets	119,322	121,602	134,587
Net domestic assets	164,183	170,083	191,720
Insurance technical reserves	137,422	144,022	161,479
Net equity of households in life insurance	22,241	21,670	23,957
Net equity of households in pension funds	103,017	109,758	124,218
Prepayments of premiums	12,164	12,594	13,304

The net foreign assets of OFCs rose over the year to the end of 2021. Net foreign assets of OFCs stood at N$83.9 billion at the end 2021, higher than the N$79.8 billion of the depository corporations (Table C.6). This brought the total net foreign assets for the Financial Corporations Survey to N$134.6 billion at the end of 2021, a further indication of the significance of the non-banking financial institutions and of foreign asset holdings in the Namibian financial sector.

18 The values in Table C.6 are as at the end of the period and not year averages, and thus are not comparable to those reflected in Table C.5. This is to ensure comparability with the OFC variables, which are compiled on a quarterly basis.

FIGURE C.13 ASSET HOLDINGS OF NON-BANK FINANCIAL INSTITUTIONS AT 31 DECEMBER

With regards to asset allocation, equities remained the most preferred asset class in which OFC funds were channeled during 2021.



With regard to asset allocation, equities remained the most preferred asset class into which OFC funds were channelled during 2021. Figure C.13 shows that almost two-thirds of OFC funds were placed in equities, which is commensurate with the long-term nature of pension funds. Equities normally provide higher long-term growth despite being highly volatile at times and are therefore a preferred investment instrument for OFCs. Equities were followed by securities with a share of 32.5 percent. This asset class was followed by cash and deposits with a share of 7.4 percent, while the remaining 10.2 percent was classified as other assets.

Banking system liquidity[19]

The cash balances of the Namibian banking industry declined during 2021 in contrast to the preceding year. This measure of liquidity focuses on cash available for settlement, which includes funds on the settlement account at the Bank of Namibia as well as cash on the individual call accounts with the respective banks in South Africa. As such the level of cash holdings of the domestic banking sector averaged N$1.7 billion during 2021, 20.1 percent lower than the average balance of N$2.1 billion recorded in 2020 (Figure C.10c). The lower liquidity levels were mostly observed as from May 2021 throughout to July 2021. As such, the lowest average monthly liquidity position was N$341 million in May 2021, while the highest was N$3.8 billion during the month of November 2021. The low level of liquidity is mostly attributed to sluggish budget execution, higher domestic borrowing activity and increase in outflows to South Africa. Additionally, the lower economic activity level brought about by the COVID-19 pandemic led banking institutions to reduce their cash holdings that is usually intended for credit extension. Banking institutions instead increased their holdings of higher yielding liquid assets such as Treasury bills rather than keeping cash on settlement account where it would yield lower returns. As such, the overall banking industry maintained an average of 18.4 percent liquid assets as a proportion of their outstanding liabilities, significantly higher than the prudential requirement of 10.0 percent.

MONEY MARKET DEVELOPMENTS

The Bank of Namibia kept its policy rate unchanged at its six meetings during 2021, which had the effect of anchoring money market rates in general. The Monetary Policy Committee (MPC) of the Bank of Namibia kept its key policy interest rate unchanged at 3.75 percent over the course of 2021. These decisions to keep the Repo rate unchanged were deemed appropriate to support domestic economic growth, while maintaining the one-to-one peg between the Namibia Dollar and the South African Rand. As a result, the prime lending rate of the commercial banks remained at 7.50 percent throughout 2021. In line with

19 The liquidity position of the Namibian banking system is influenced mainly by Government spending, the level of required reserves, currency in circulation, corporate tax payments, inflows and outflows of funds to South Africa, as well as mineral sale proceeds.

the historically low policy rate and the banks' prime lending rate, the average lending rate remained low, at 6.62 percent at the end of 2021, declining slightly from 6.92 percent at the end of 2020. However, the average deposit rate rose to 4.39 percent at the end of 2021 from 3.29 percent at the end of 2020 (Figure C.10d). Subsequently, the MPC raised the Repo rate by 25 basis points to 4.0 percent during its first meeting in 2022. This was to safeguard the one-to-one link between the Namibia Dollar and the South African Rand, while meeting the country's international financial obligations.

INTERBANK MARKET ACTIVITIES

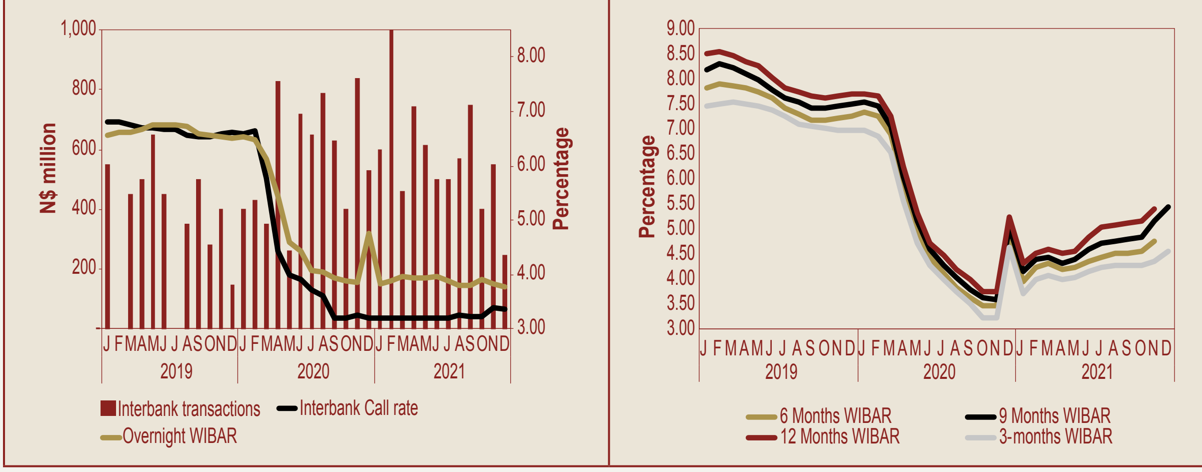
The value of transactions in the interbank market increased marginally during 2021 in contrast to the preceding year. As indicated in Figure C.14, the value of transactions in the local interbank market amounted to N$6.9 billion during 2021, slightly higher than the total of N$6.8 billion observed during 2020. The highest amounts traded in the interbank market during 2021 were N$1.1 billion and N$750 million in February and September, respectively. On the other hand, the least traded month was October with N$400 million worth of transactions.

Money market interest rates declined during 2021, as they had in 2020. In this regard, the average interbank market call rate declined from 4.29 percent in 2020 (when it was propped up by higher interest rate levels in the early months of 2020) to an average of 3.24 percent in 2021. Meanwhile, the average overnight Windhoek Interbank Agreed Rate (WIBAR) declined by 97 basis points to 3.88 percent in 2021, while the average 3-month, 6-month, 9-month, and 12-month WIBAR dipped by 62 basis points, 61 basis points, 52 basis points and 46 basis points to 4.14 percent, 4.39 percent, 4.64 percent and 4.88 percent, respectively.

FIGURE C.14 INTERBANK TRADING ACTIVITIES AND THE WIBAR

a. Interbank transactions on balance edged slightly lower during 2021 relative to 2020.

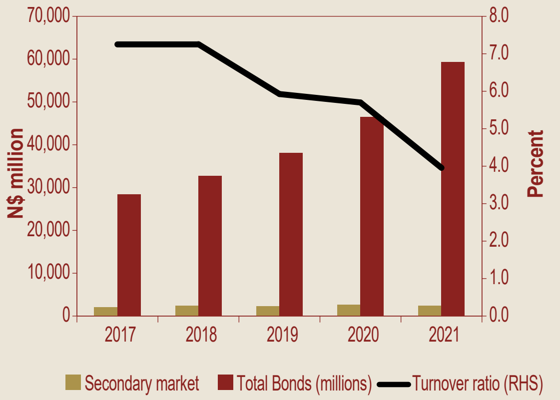
b. Money market rates on average were lower in 2021 than in 2020, but on a monthly basis reached record lows around November 2020 and thereafter ticked higher during 2021.



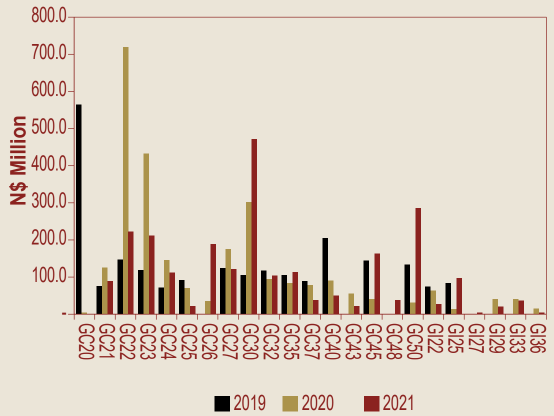
BOND MARKET DEVELOPMENTS

FIGURE C.15 BOND MARKET DEVELOPMENTS

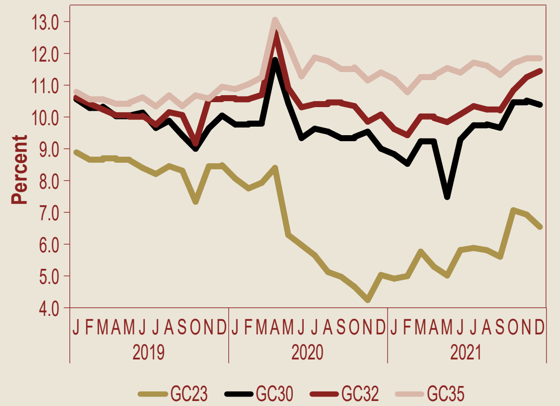
a. The trading of Government bonds in the secondary market remained subdued during 2021.



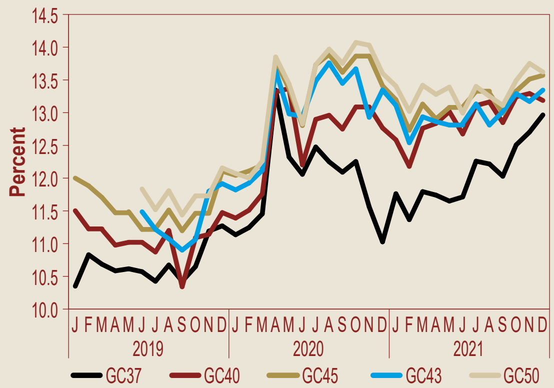
b. The GC30, GC50 and the GC22 were the most traded bonds in 2021.



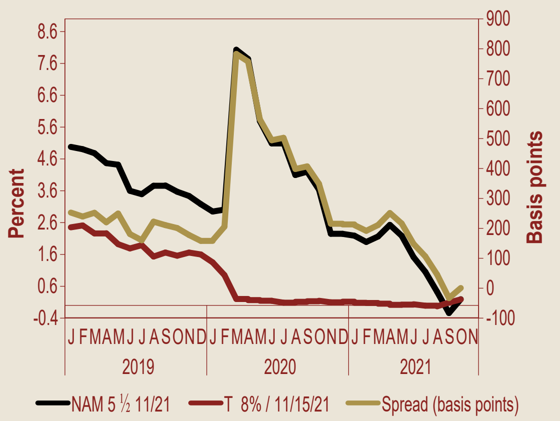
c. Yields on shorter- and medium-term Government bonds ticked higher during the course of 2021.



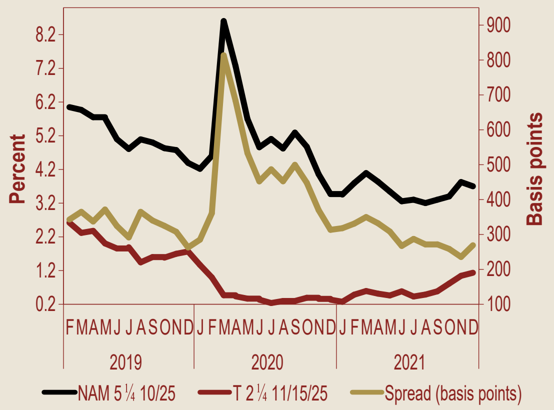
d. On average, yields on the longer-dated Government bonds increased in 2021 relative to 2020.



e. On the other hand, the spread between the Namibian 2021 Eurobond and the US benchmark (T 8% / 11/15/21)[20] declined during 2021.



f. Similarly, the spread between the Namibian 2025 Eurobond and the US benchmark (T 2 ¼ 11/15/25)[21] declined during 2021.



Source: NSX, Bloomberg and JSE

20 US fixed rate (8%) Treasury bond, maturing on 15 November 2021.

21 US fixed rate (2.25%) Treasury bond, maturing on 15 November 2025.

Domestic government bonds

In line with the increased 2021/22 fiscal year financing requirements, the value of outstanding domestic Government bonds increased during 2021. The outstanding amount of domestic Government bonds increased from N$42.1 billion at the end of 2020 to N$60.1 billion by the end of December 2021 (Table C.7). Of this amount, 87 percent were fixed-rate bonds, while the remaining 13 percent were inflation-linked bonds.

TABLE C.7 DOMESTIC GRN BONDS

Bond	Coupon rate (percent)	Coupon Dates	Maturity Date	Outstanding Amount (N$) on 31 December 2021
Fixed Rate Bonds				**52 161 700 000**
GC22	8.75	15 January, 15 July	15-Jan-22	929 620 000
GC23	8.85	15 April, 15 October	15-Oct-23	4 818 990 000
GC24	10.50	15 April, 15 October	15-Oct-24	4 136 960 000
GC25	8.50	15 April, 15 October	15-Apr-25	3 972 990 000
GC26	8.50	15 April, 15 October	15-Apr-26	3 813 790 000
GC27	8.00	15 January, 15 July	15-Jan-27	4 553 290 000
GC30	8.00	15 January, 15 July	15-Jan-30	6 169 720 000
GC32	9.00	15 April, 15 October	15-Apr-32	4 606 850 000
GC35	9.50	15 January, 15 July	15-Jul-35	4 168 420 000
GC37	9.50	15 January, 15 July	15-Jul-37	3 401 400 000
GC40	9.80	15 April, 15 October	15-Oct-40	3 738 560 000
GC43	10.00	15 January, 15 July	15-Jul-43	1 956 910 000
GC45	9.85	15 January, 15 July	15-Jul-45	3 342 880 000
GC48	10.00	15 April, 15 October	15-Oct-48	448 390 000
GC50	10.25	15 January, 15 July	15-Jul-50	2 102 930 000
Inflation Linked Bonds				**7 917 190 000**
GI22	3.55	15 April, 15 October	15-Oct-22	1 970 330 000
GI25	3.80	15 April, 15 October	15-Jul-25	1 962 710 000
GI27	4.00	15 April, 15 October	15-Oct-27	585 860 000
GI29	3.80	15 January, 15 July	15-Jan-29	1 431 850 000
GI33	4.50	15 April, 15 October	15-Apr-33	1 209 430 000
GI36	4.80	15 January, 15 July	15-Jul-36	757 010 000
Total Domestic Bonds				**60 078 890 000**

Secondary market activities

The trading of Government bonds in the secondary market decreased slightly during 2021, in comparison to the previous year. As depicted in Figure C.15a, Government bonds worth N$2.3 billion were traded on the secondary market during the year under review, compared to N$2.6 billion recorded in 2020. The turnover ratio declined to 4.0 percent from the ratio of 5.7 percent in 2020, partly because of accelerated borrowing through the primary auctions, which increased the total value of government bonds in the market. Moreover, the GC30 was the highest traded bond during the year, accounting for 20.0 percent of total trades, followed by the GC50 and GC22 with 12.2 percent and 9.5 percent of the total trades, respectively (Figure C.15b).

Government bond yields

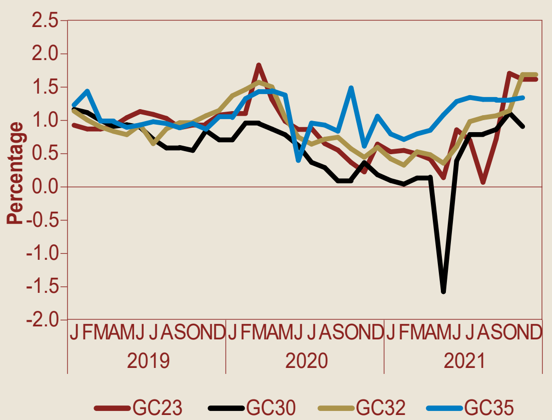
Yields on Government bonds gradually increased during the course of 2021 but dipped temporarily mid-way through the year as fears about a further wave of COVID-19 became rampant. Such fears centred on further lockdowns, renewed stimulus to support economies, and a lengthening of the period before monetary policy would be tightened. The GC30 recorded the biggest yield loss dropping by 172 basis points, followed by the GC23, which recorded a decrease of 28 basis points during May 2021. Conversely, yields on the longer-dated bonds increased during the year under review. In this context, the GC50 and GC45 peaked at yields of 13.8 percent and 13.5 percent, respectively. The yields on the GC35 and GC37 decreased by 17.6 basis points and 4.1 basis points, respectively, whereas the GC40 yield increased on average by 30.7 basis points (Figure C.16). Bond yield movements, especially for longer-dated bonds, reflect the high level of market uncertainty experienced in 2021, which was largely a result of the outbreak of new COVID-19 variants.

Yield spreads

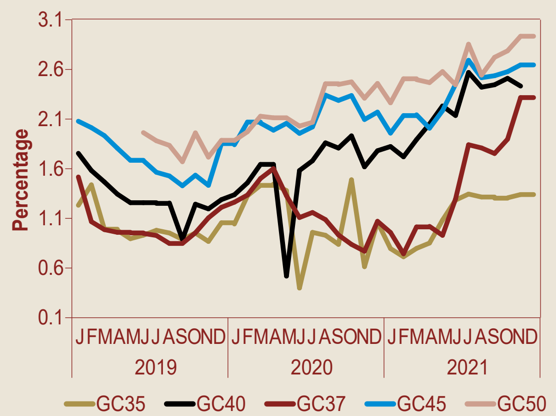
The yield spreads between the Namibian government bonds and the South African bonds widened during the course of 2021. The spread on the GC23, the GC30 and the GC32 against their respective benchmarks declined by 10 basis points, 5 basis points and 31 basis points, respectively, comparing the average yield in 2021 with that in 2020. Meanwhile, spreads on the GC35 and GC37 increased minimally, each by less than 10 basis points. On the longer end of the curve, the GC50 spread increased by about 40 basis points, while the GC45, GC43 and GC40 spreads rose by 59 basis points, 26 basis points and 14 basis points, respectively. Yield spreads on the shorter end of the curve narrowed because of increased demand for the bonds, whereas movements on the longer end of the curve were driven by elevated levels of market uncertainty. However, the trend in yield spreads within the year 2021 was generally upward, reflecting investor views of relative risks.

FIGURE C.16 SPREADS BETWEEN NAMIBIAN GOVERNMENT BONDS AND SOUTH AFRICAN BENCHMARK BONDS

a. On average, yield spreads between the short-to-medium term Namibian Government bonds and their respective South African (SA) benchmarks widened somewhat during the course of 2021.



b. Longer term bonds also recorded increases in the yield spreads against their corresponding SA benchmarks.



Corporate bonds

The value of corporate bonds outstanding dropped at the end of 2021. In this regard, the stock of bonds issued by Namibian corporates listed on both the Namibian Stock Exchange (NSX) and the Johannesburg Stock Exchange (JSE) declined to N$6.2 billion from a total of N$6.7 billion seen in 2020. Of the N$6.2 billion, N$4.3 billion was listed on the NSX, while about N$1.9 billion was listed through issuance on the JSE. The value of corporate bonds declined due to several bonds' maturities and fewer new bond issuances during 2021. Of the total outstanding corporate bonds at the end of 2021, N$5.4 billion were issued by commercial banks and N$606 million by SOEs. Nonetheless, corporate bonds represented only 9.4 percent of the total bonds outstanding in the market at the end of 2021, as the domestic bond market continues to be highly dominated by Government bond issuances.

Namibian Eurobonds

The average yield on the Namibian 2021 Eurobond decreased during 2021 and was successfully redeemed on 3 November 2021. In this context, a total of USD500 million was paid back to investors at maturity, after the Government had successfully raised enough funds to replenish the sinking fund and enable full redemption. The yield on Namibia's 2021 Eurobond averaged 1.4 percent in 2021, plunging from an average of 4.5 percent in 2020, as it moved closer to maturity. Consequently, the spread between the said Eurobond and its US benchmarks also narrowed to 120 basis points during the period under review, from the average of 421 basis points observed in 2020 (Table C.8).

The average yield on the Namibian 2025 Eurobond declined during the period under review. The average yield on the remaining 2025 Eurobond declined by 167 basis points in 2021 from an average yield of 5.2 percent in 2020. The average spread to its US benchmark bond similarly decreased by 180 basis points to 294 basis points from 475 basis points observed in 2020. The narrowing of spreads was partly a normalisation from the extremely wide spreads observed in 2020 when pandemic-induced uncertainty and flight to familiarity dominated bond pricing.

TABLE C.8 EUROBONDS

Bonds	Coupon rate	Coupon Dates	Maturity Date	Outstanding Amount (USD) - 31 December 2021
Eurobond1	5.5	03 May, 03 November	03-Nov-21	500 000 000 (Redeemed in Nov)
Eurobond2	5.25	29 April, 29 October	29-Oct-25	750 000 000
Total				**750 000 000**

Namibia's JSE-listed bonds

Yields on the Namibian JSE-listed bonds declined, mainly influenced by the COVID-19 pandemic and the public unrest during July in South Africa. The changes in the yields were, therefore, in line with those of their respective South African benchmark bonds. In this regard, the yield on the NAM01 and NAM03 declined by 20.0 and 17.8 basis points, to 6.2 percent and 6.7 percent, respectively. The average yield on the NAM04 dropped by 27.1 basis points to an average of 9.2 percent.

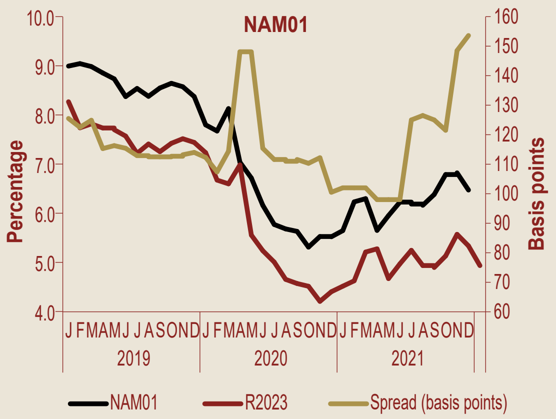
The spreads between the JSE-listed bonds and their respective benchmarks varied during 2021. In this regard, the average spread on the NAM01 remained around 117 basis points, barely changing from 2020 levels. On the NAM03 the spread averaged 159 basis points, slightly up from the average spread of 158 basis points seen in 2020, while the spread on the NAM04 moved slightly down by 1.25 basis points from the average of 176 basis points seen in 2021. The spreads changed marginally as yield on the Namibian bonds and their respective benchmarks moved in tandem, in response to market uncertainty.

TABLE C.9 JSE (ZAR) BONDS

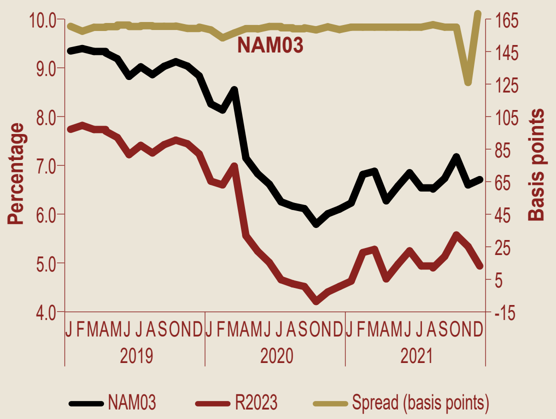
Bonds	Coupon rate	Coupon Dates	Maturity Date	Outstanding Amount (ZAR) - 31 December 2021
JSE (NAM01)	8.26	19 May, 19 November	19-Nov-22	1 560 000 000
JSE (NAM03)	10.06	01 February, 01 August	01-Aug-23	157 000 000
JSE (NAM04)	10.51	01 February, 01 August	01-Aug-26	335 000 000
Total				**2 052 000 000**

FIGURE C.17 JSE BONDS PERFORMANCE

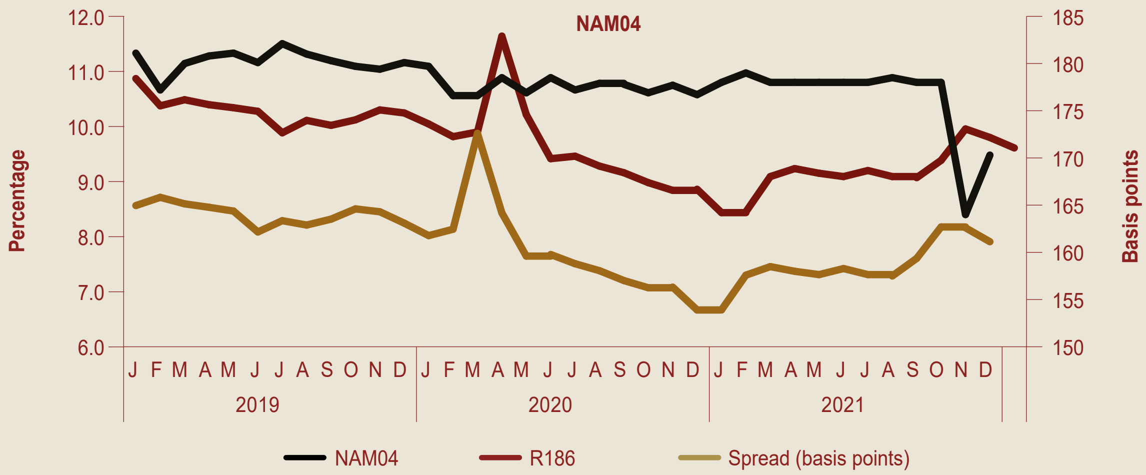
a. The spread between the NAM01 and the R2023 JSE-listed bond spiked in Q3 of 2021 but despite large intra-year movements, recorded an average decrease of only 4 basis points for the year.



b. The average spread between the NAM03 and the R2023 remained flat for most of the year, decreasing marginally by 1 basis point to 157 basis points.



c. The NAM04 recorded a spread decline of 1 basis point against the R186 from 2020 to 2021 based on annual averages.



Source: Bloomberg

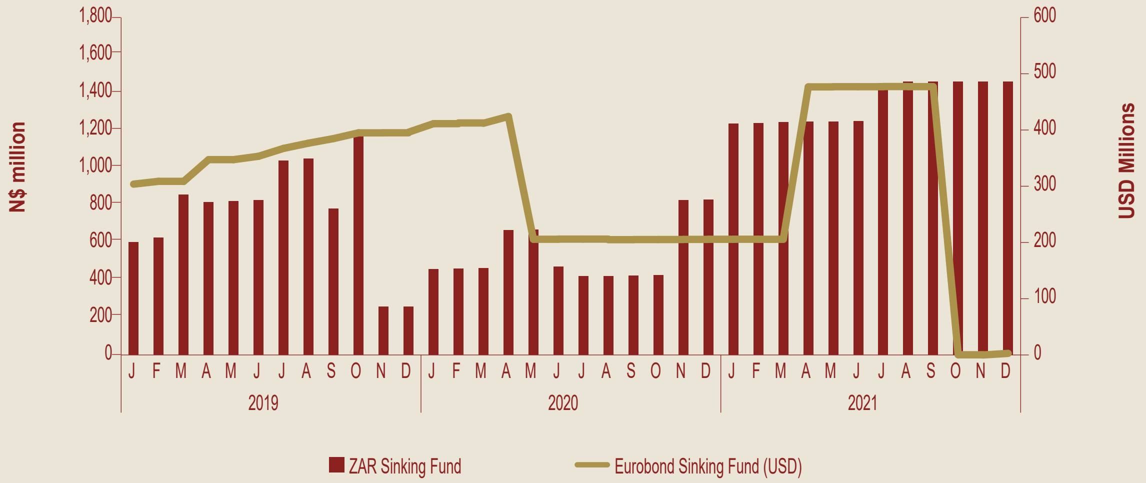
Government sinking funds

The balance on the Internal Registered Stock Account (IRS) improved during 2021. The IRS balance increased as Government was committed to replenish the account as per redemption the strategy put in place the previous fiscal year (Figure C.18). During the period in under review, no withdrawals were made, and the account remained relatively stable. The Government had accumulated a total of N$1.6 billion on the IRS Account by the end of 2021, higher than the balance of N$826 million held on the same account at the end of 2020. Notwithstanding this, the Government was committed to employ sound fiscal strategies, including a sustainable redemption structure of both local and international bonds and ensuring a smooth redemption of maturing bonds.

The balance on the Eurobond sinking fund was used to effect the redemption of the first Eurobond in November 2021. During 2020, the Eurobond sinking fund account declined after the partial liquidation to co-finance the Government's increased budget deficit caused by the COVID-19 stimulus package announced in April 2020. The Eurobond sinking fund balance was restored from April 2021 upon receipt of an IMF loan, in preparation for the 2021 Eurobond redemption. The balance on the account stood at USD500 million by the end of October before dropping to zero on 3 November 2021 when the Eurobond was redeemed. The Government is set to continue with the strategy to build up the fund in preparation for the 2025 Eurobond maturity.

FIGURE C.18 GOVERNMENT SINKING FUNDS

The balance on the IRS Redemption Account increased towards the end of 2021, while the Eurobond sinking fund balanc was used to redem the first Eurobond.



EQUITY MARKET DEVELOPMENTS

TABLE C.10 NSX SUMMARY STATISTICS

Category	2020	2021	Percentage change
Overall			
Index (end of year)	1 232	1 572	27.5
Market capitalisation (N$ million) (end of year)	1 738 143	2 167 587	24.7
Free-float market capitalisation (N$ million) (end of year)	1 052 684	1 813 654	72.3
Volume traded (‘000)	205 732	215 318	4.7
Value traded (N$ million)	9 269	10 278	10.9
Number of deals	5 073	5 701	12.4
Number of new listings (DevX)	0	1	-
Local			
Index (end of year)	456	529	16.0
Market capitalisation (N$ million) (end of year)	27 440	38 040	38.6
Volume traded (‘000)	29 405	31 799	8.1
Value traded (N$’000)	536 099	448 136	-16.4
Number of deals	1 046	1 244	18.9
Number of new listings	0	1	-

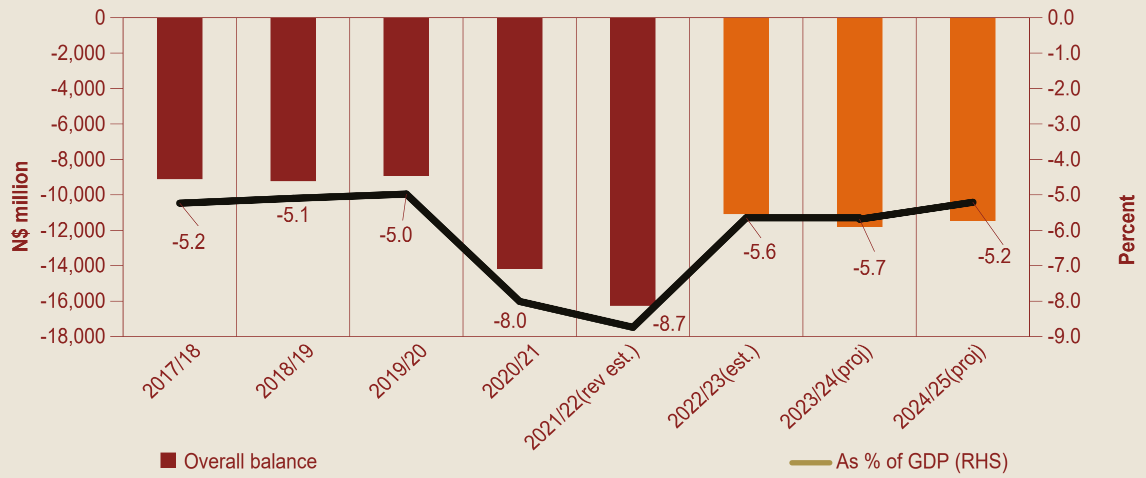
Source: NSX and JSE

The NSX Overall index and the Local index rose notably during 2021 as stock markets globally recovered. The Overall index rose by 27.5 percent to 1 571.65 index points at the end of 2021 (Figure C.10e). The annual increase in the Overall index was driven by increases in all the indices in line with the strong performance of the dual listed shares, coupled with the gradual return to normalcy in the developed world as countries lifted lockdown restrictions and supported financial markets during the period under review. The increase in the Overall index was driven by increases in share prices for most industries, with the exception of basic materials, consumer goods and consumer services. The Local index also increased to close at 529 index points at the end of 2021. This represents an increase 16.0 percent, compared to a year earlier as the local stocks recovered after being hit hard by the COVID-19 pandemic (Table C.10). The market capitalisation of the Overall Index increased over the year to N$2.2 trillion at the end of 2021, compared to N$1.7 trillion at the end of 2020.

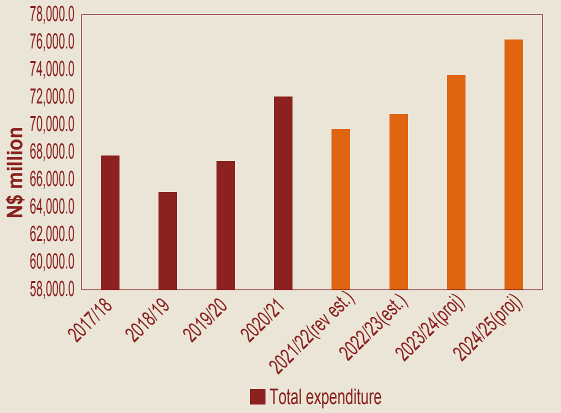
PUBLIC FINANCE

FIGURE C.19 PUBLIC FINANCE

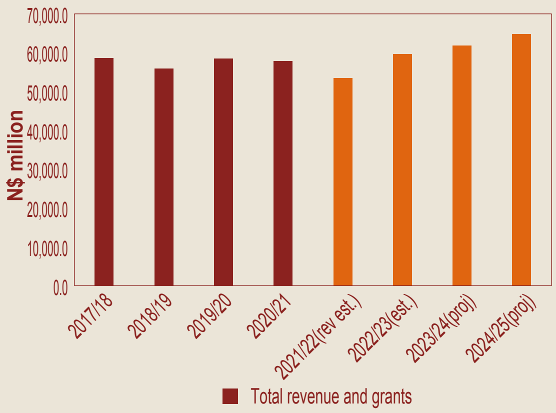
a. The Central Government budget deficit for FY2021/22 widened to 8.7 percent of GDP, compared to the previous fiscal year, largely owing to a decline in SACU receipts.



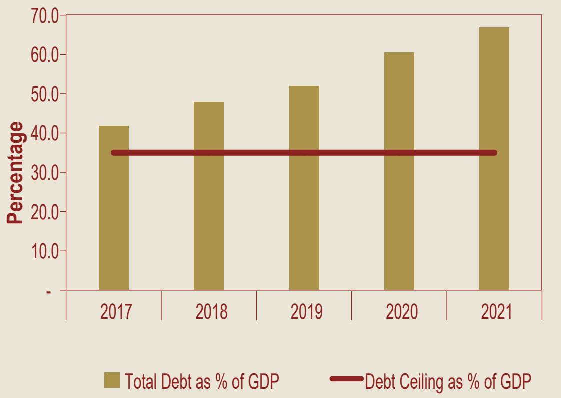
b. Central Government expenditure declined in FY2021/22, but it is projected to rise moderately thereafter over the MTEF period.



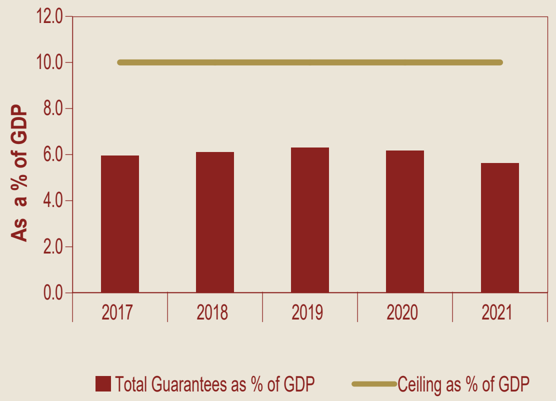
c. Revenue collection declined during FY2021/22 but is projected to recover partly in FY2022/23, despite lower SACU receipts, while it is projected to rise further in the outer years of the MTEF.



d. Total Central Government debt as a ratio of GDP rose further over the year to the end of December 2021, owing to the issuance of Treasury Bills (TBs) and Internal Registered Stock (IRS) as well as the utilisation of loans from the IMF and the AfDB.



e. Central Government loan guarantees declined during the year under review, remaining well below the benchmark.



Source: MoF

Budget balance

TABLE C.11 CENTRAL GOVERNMENT REVENUE AND EXPENDITURE (N$ MILLION)

	2017/18 Actual	2018/19 Actual	2019-20 Actual	2020/21 Actual	2021/22 Mid-year Estimate	2021/22 Revised Estimate	2022/23 Estimate	2023/24 Projection	2024/25 Projection
Revenue	**58,659**	**55,882**	**58,425**	**57,838**	**53,601**	**53,434**	**59,678**	**61,802**	**64,721**
% of GDP	33.7	30.9	32.6	32.5	28.8	28.6	30.2	29.6	29.4
Expenditure	**67,766**	**65,108**	**67,343**	**72,035**	**69,676**	**69,676**	**70,766**	**73,597**	**76,173**
% of GDP	39.0	36.0	37.6	40.4	37.5	37.3	35.8	35.3	34.6
Budget Balance	**-9,107**	**-9,226**	**-8,918**	**-14,197**	**-16,075**	**-16,242**	**-11,088**	**-11,795**	**-11,452**
% of GDP	-5.2	-5.1	-5.0	-8.0	-8.6	-8.7	-5.6	-5.7	-5.2
Debt*	**74,468**	**87,533**	**100,400**	**110,608**	**128,863**	**125,825**	**140,185**	**153,013**	**165,481**
% of GDP	42.8	48.4	56.0	62.1	69.3	67.3	71.0	73.4	75.2
Interest payments	**5,430**	**6,308**	**6,951**	**7,420**	**8,500**	**8,300**	**9,210**	**10,230**	**10,500**
% of Revenue	9.3	11.3	11.9	12.8	15.9	15.5	15.4	16.6	16.2
Guarantees	**11,036**	**10,889**	**11,107**	**11,107**	**10,986**	**11,507**	**12,053**	**12,053**	**17,400**
% of GDP	6.3	6.0	6.2	6.2	5.9	6.2	6.1	5.8	7.9

Source: MoF

Central Government's budget deficit is estimated to have reached its widest level during FY2021/22, but over the MTEF period it is estimated to narrow notably. During the 2022/23 budget statement in February 2022, the Central Government budget deficit for 2021/22 was revised upward slightly to 8.7 percent of GDP, from the 8.6 percent earlier estimate during the November 2021 mid-year budget review. This was mainly owing to a slight downward revision of 0.3 percent in Central Government revenue in the 2022/23 budget, compared to what was estimated in the 2021/22 mid-year budget. When compared to the previous year, the Central Government deficit widened, rising from 8.0 percent of GDP in 2020/21 (Figure C.19a). The widening of the deficit was mainly due to lower SACU receipts in the wake of the COVID-19 pandemic, coupled with a fall in company taxes. In 2022/23, SACU receipts are still expected to be weak but non-tax revenue wll reduce the deficit significantly to 5.6 percent of GDP. From 2023/24 onward deficits are projected, to remain will contained culminating in a shortfall of only 5.2 percent of GDP in FY2024/25 as SACU receipts and tax revenue normalise while the Government maintains disciplined expenditure levels.

Revenue

The Central Government revenue is estimated to have declined during the FY2021/22, compared to the previous fiscal year. Central Government revenue was revised downwards by 0.3 percent to N$53.4 billion for the FY2021/22, during the February 2022 budget statement. When compared to the previous fiscal year, however, Central Government revenue declined by 7.6 percent (Figure C.19c). This is mainly owing to slower economic activity worsened by the COVID-19 pandemic, coupled with lower SACU receipts. In FY2022/23 Central Government revenue is projected to recover notably, boosted by high non-tax revenue. Over the MTEF period, revenue is projected to rise further to reach N$64.7 billion in FY2024/25 (Table C.11), mainly due to normalisation of SACU revenue and improved tax collections, as economic growth gradually picks up momentum.

Expenditure

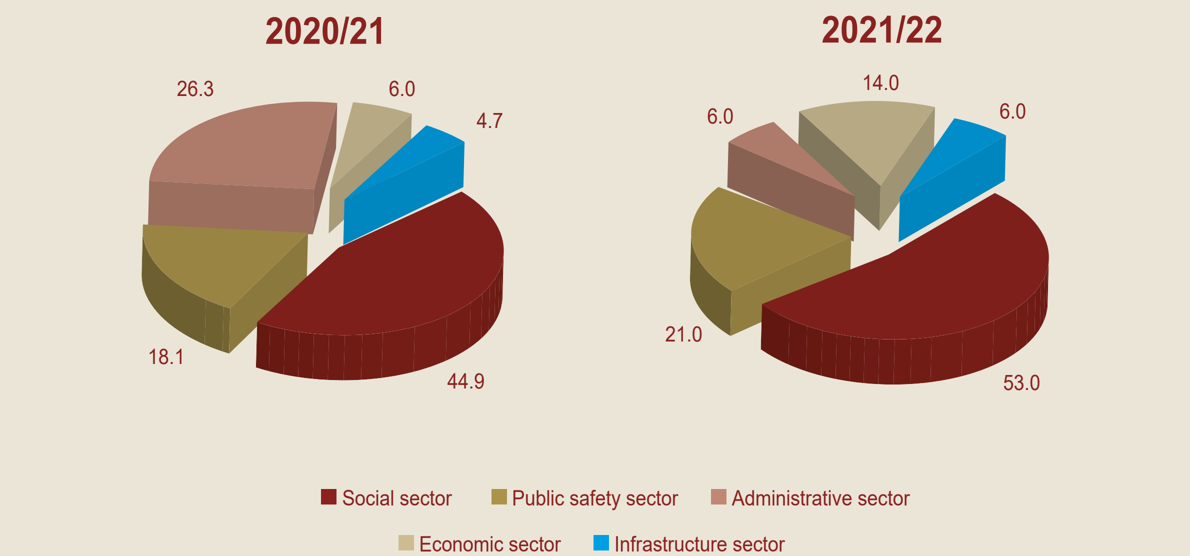
TABLE C.12 CURRENT AND CAPITAL EXPENDITURE (N$ MILLION)

	2017/18	2018/19	2019/20	2020/21	2021/22
Current Expenditure					
Personnel expenditure	29,171	28,927	29,570	29,592	29,630
Expenditure on goods and other services	8,421	6,389	6,653	9,055	8,213
Interest and borrowing related charges	5,430	7,143	6,886	7,291	8,300
Subsidies and other current transfers	18,838	16,774	16,775	19,080	17,984
Total Current Expenditure	**61,860**	**59,233**	**59,883**	**65,018**	**64,126**
Capital Expenditure	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Acquisition of capital goods	4,556	4,142	4,656	4,964	4,193
Capital Transfers	1,025	673	612	2,053	1,356
Total Capital Expenditure	**5,810**	**4,815**	**5,268**	**7,017**	**5,549**

Central Government expenditure is estimated to have declined during FY2021/22 as government resumed its fiscal consolidation program. During the February 2022 budget statement, Central Government expenditure was estimated at N$69.7 billion for the FY2021/22, similar to the estimate in the November 2021 Mid-year budget review. However, when compared to the previous fiscal year, central Government expenditure declined by 3.3 percent, compared to a pandemic-induced record high of N$72.0 billion registered during FY2020/21 (Table C.11). The decline was visible in both current and capital expenditure which contracted by 1.4 percent and 20.9 percent, respectively, to N$64.1 billion and N$5.5 billion during the period under review, compared to the previous fiscal year. This was ascribed to a decline in sub-categories such as expenditure on goods and other services, subsidies and other current transfers, as well as acquisitions of capital goods and services (Table C.12). Meanwhile, personnel expenditure, which is the biggest Government expenditure category, rose slightly by 0.1 percent, amounting to N$29.6 billion during the period under review. The Central Government wage bill continues to be the biggest expenditure item, accounting for 42.5 percent of total expenditure during FY2021/22, compared to 41.1 percent registered during the preceding fiscal year. Central Government expenditure was estimated to rise by 1.6 percent to N$70.8 billion for the FY2022/23, and further to N$76.1 billion in FY2024/25.

FIGURE C.20 BUDGET ALLOCATION BY SECTOR EXCLUDING INTEREST EXPENDITURE (PERCENTAGE)

The social sector continued to take up the highest share of the budgetary allocation during FY2021/22.



The social sector continued to take up the biggest share of the total budget allocation during the period under review. The portion of the total budget allocated to the social sector, which comprises health, education, and poverty eradication and social welfare, accounted for 53.0 percent, during the FY2021/22 (Figure C.20). This was 8.2 percentage points higher than what was allocated during the preceding fiscal year. The increase was mainly to provide extra funds to the health sector to enable the procurements and deployment of the needed health infrastructure, pharmaceuticals, and COVID-19 vaccines. Furthermore, provision was made to cater for sanitation facilities at various government schools across the country, to help improve learners' accommodation, and to address shortfalls of personnel.

The public safety sector, the combined economic and infrastructure sectors, and the administrative sector took up the remaining budget allocation during the period under review. The *public safety* sector received the second highest allocation of the total budget, accounting for a total of 21.0 percent during the year under review (Figure C.20). The allocation was made for investment in the maintenance of law and order, peace and stability, as well as for individual veterans' projects. The combined *economic* and *infrastructure* sectors took up the third largest share of the total budget allocation, accounting for 20.0 percent of the total allocation. This was mainly to cater for the completion of the on-going phase of capital projects with contractual obligations, in the *transport, energy* and *water* sectors as well as to cater for COVID-19 claims on the PSEMAS medical aid schemes. The remaining share was allocated to the *administrative* sector, for land servicing and for the provision of sewage service, electricity, and bulk water supply.

Central government debt

The debt stock of the Central Government rose over the year to the end of December 2021. The total Government debt stock stood at N$123.5 billion at the end of December 2021, representing an increase of 15.6 percent during the year under review (Figure C.19d and Table C.13). The increase was reflected in the issuance of both Treasury Bills (TBs) and Internal Registered Stock (IRS), coupled with the disbursement of an IMF loan and supplemental financing from the African Development Bank (AfDB) to finance the budget deficit. Total debt as a percentage of GDP stood at 67.0 percent at the end of December 2021, representing an increase of 6.3 percentage points. Going forward, it is anticipated that the total debt stock will rise to a high level of 75.2 percent of GDP in 2024/25, in the final year of the MTEF period (Table C.11). While the relentless upward trend in the debt-to-GDP ratio is set to be stemmed at that time, both the present and projected future values of the ratio breach the SADC benchmark of 60 percent of GDP.

TABLE C.13 CENTRAL GOVERNMENT DEBT AS AT 31 DECEMBER

Value (N$ million) / %	2017	2018	2019	2020	2021
Fiscal year GDP	**173,944**	**181,108**	**179,369**	**175,631**	**184,380**
Foreign debt stock	**26,426**	**32,156**	**30,852**	**33,065**	**32,502**
Bilateral	2,879	3,027	2,723	2,804	2,792
As % of total	10.9	9.4	8.8	8.5	8.6
Multilateral	5,164	8,198	7,583	9,942	15,738
As % of total	19.5	25.5	24.6	30.1	48.4
Eurobond	15,491	18,039	17,654	18,277	11,930
As % of total	58.6	56.1	57.2	55.3	36.7
JSE Listed bond	2,892	2,892	2,892	2,042	2,042
As % of total	10.9	9.0	9.4	6.2	6.3
Total debt service	**4,876**	**6,350**	**7,227**	**8,401**	**15,321**
Domestic debt service	3,665	4,156	4,448	4,665	4,435
Foreign debt service	1,952	2,194	2,779	3,736	10,886
Domestic debt stock	**46,337**	**54,492**	**62,300**	**73,773**	**91,037**
Treasury bills	17,937	21,789	24,247	27,330	31,704
As % of total	39	40.0	38.9	37.0	34.8
Internal registered stock	28,400	32,703	38,053	46,443	59,333
As % of total	61.3	60.0	61.1	63.0	65.2
Total Central Government debt	**72,763**	**86,647**	**93,151**	**106,838**	**123,539**
End of Period Exchange rate in terms of N$					
US Dollar	12.3930	14.4309	14.1235	14.6218	15.9065
EUR	14.8063	16.4917	15.8247	17.9716	17.9917
RMB	1.9013	2.0982	2.0247	2.2391	2.4963
CHF	12.6743	14.6520	14.5985	16.5838	17.5747
JPY	0.1100	0.1308	0.1300	0.1418	0.1382
SDR	17.6056	20.0803	19.5313	21.0526	21.7392
KWD	41.0204	47.4078	46.0937	48.1454	50.5194
Proportion of total debt					
Foreign debt stock	36.3	37.1	33.1	30.9	26.3
Domestic debt stock	63.7	62.9	66.9	69.1	73.7
As % of GDP					
Foreign debt stock	15.2	17.8	17.2	18.8	17.6
Domestic debt stock	26.6	30.1	34.7	42.0	49.4
Total debt	**41.8**	**47.9**	**51.9**	**60.8**	**67.0**

Sources: MoF, BoN and NSA

Domestic debt

Total domestic debt rose during the year under review to meet the Government's financing requirements. The Central Government's total domestic debt rose by 23.4 percent to N$91.0 billion at the end of December 2021 (Table C.13). The increase was reflected in both TBs and IRS, mainly on account of increased borrowing to meet the Government's financing requirements. Most of the TBs were allotted to the *banking* sector, while the IRS were mainly allotted to non-banking financial institutions. As a percentage of GDP, domestic debt rose by 7.4 percentage points to 49.4 percent during the year under review.

Foreign debt

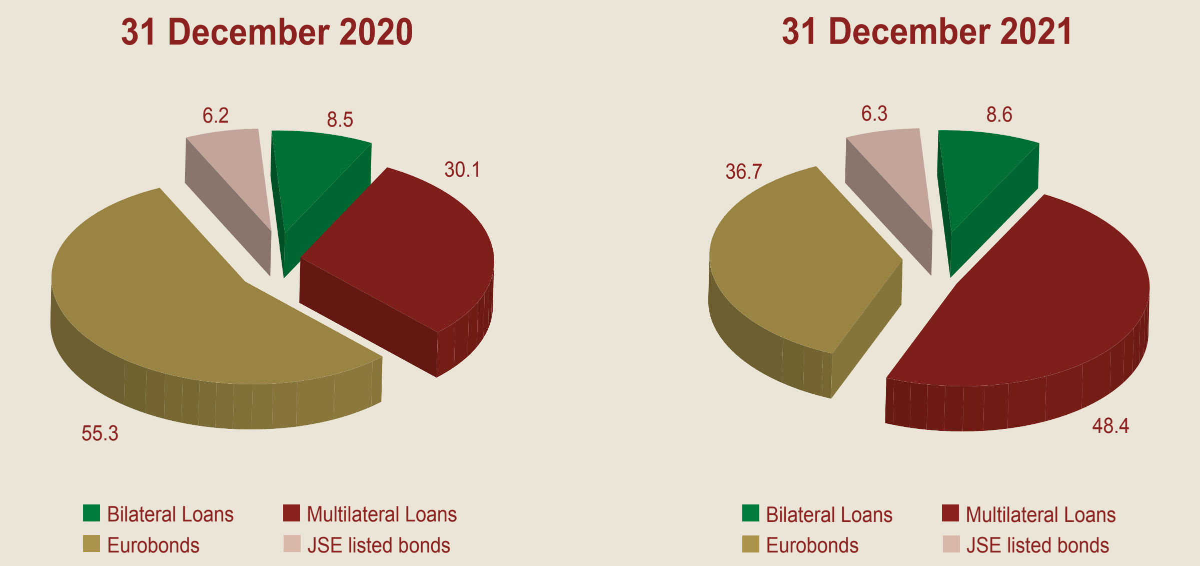
The stock of external debt moved essentially sideways over the year to the end of December 2021, as multilateral loans offset the redemption of one of the Eurobonds. The Central Government's external debt stock remained broadly unchanged at N$32.5 billion at the end December 2021, relative to 2020 (Table C.13). The redemption of one of the Eurobonds on 3 November 2021 was countered by the disbursement of the IMF's RFI loan and the supplementary financing from the AfDB contributed to this development. As a ratio of GDP, external debt declined marginally by 1.1 percentage points to 17.6 percent at the end of December 2021.

Debt Service

Central Government debt service rose during the year under review, compared to the previous year. Total Central Government debt service rose significantly by 82.4 percent, to N$15.3 billion during 2021. This was mainly owing to the redemption of one of the Eurobonds at the value of N$8.0 billion during the year under review, compared to the previous year. Total debt service as a percentage of revenue rose by 14.1 percentage points to 28.7 percent during the year 2021, compared to the previous year.

FIGURE C.21 EXTERNAL DEBT BY TYPE (PERCENT)

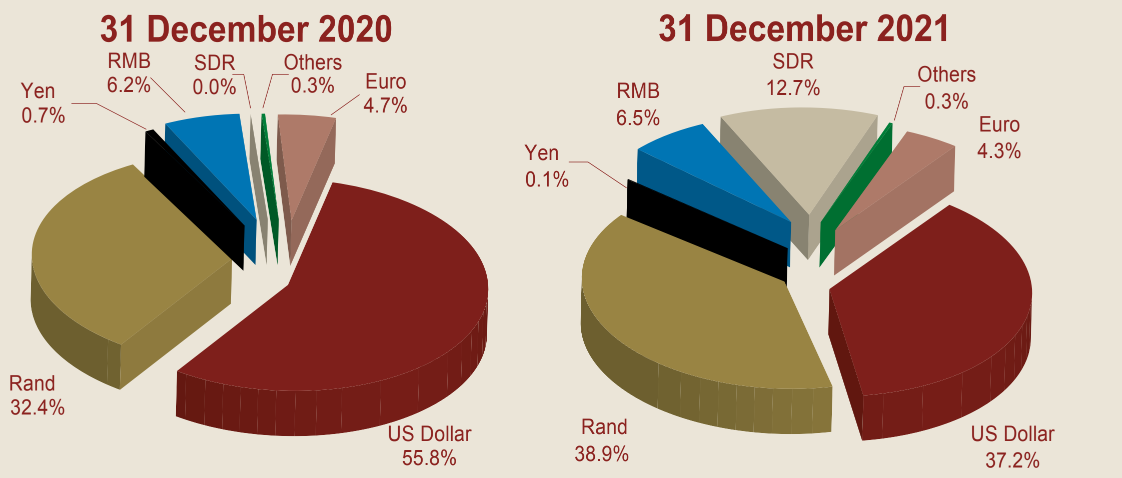
Multilateral loans were the main contributor to the Government's external debt portfolio.



Multilateral loans were the major component of the Government's external debt stock during the period under review, surpassing the Eurobond after the redemption of one of the Eurobonds. At the end of December 2021, the multilateral loans accounted for 48.4 percent of the Government's external debt stock, which is 18.4 percentage points higher than in the previous year. This was mainly due to the disbursement of the supplemental financing from the AfDB during the year under review, as well as the loan from the IMF. In addition, the redemption of one of the Eurobonds on 3 November 2021 led to a reduction in the percentage share of the Eurobonds in the Government's external debt stock portfolio. In that regard, the Eurobond[22] accounted for 36.7 percent of the Government's external debt stock, which was 18.6 percentage points lower than at the same point in 2020 (Figure C.21). Meanwhile, the share of bilateral loans and JSE-listed bonds both declined by 0.1 percentage point to 8.6 percent and 6.3 percent, respectively. This was owing to principal repayments of some bilateral loans, coupled with the redemption of one of the JSE-listed bonds.

FIGURE C.22 EXTERNAL DEBT CURRENCY COMPOSITION (PERCENTAGE SHARE)

At the end of December 2021, the Rand was the major currency in the Government's external debt portfolio, followed by the US Dollar.



Source: MoF

Currency composition

The Rand dominated the Government's total external debt portfolio, surpassing the US Dollar, which used to be the dominant currency in the Government's external debt portfolio. The highest share of the Government's external debt stock was denominated in Rand, with this currency accounting for 38.9 percent of the total external debt at the end of December 2021 (Figure C.22). This represents an increase of 6.5 percentage points compared to the corresponding date in the previous year. Meanwhile, the share of the US Dollar in the Government's total external debt portfolio declined by 18.5 percentage points to 37.2 percent over 2021, mainly owing to the redemption of one of the Eurobonds on 3 November 2021. The SDR, Renminbi (RMB) and Euro constituted the third, fourth and fifth largest share in the Government's external debt portfolio during the year under review, accounting for 12.7 percent, 6.5 percent, and 4.3 percent, respectively.

Central Government loan guarantees

Total Central Government loan guarantees decreased during 2021, compared to 2020, due to repayments made on foreign loans. The Central Government's total loan guarantees declined by 4.2 percent to N$10.4 billion during the year under review (Table C.14). This was mainly due to repayments of foreign loans which were guaranteed by the Government for the *energy, transport* and *communication* sectors, coupled with the repayment of domestic loans for the transport sector. As a percentage of GDP, total Central Government loan guarantees declined by 0.5 percentage point to 5.7 percent during the year under review. At this ratio, total loan guarantees remained below the Government's set ceiling of 10.0 percent of GDP.

22 The Eurobonds are denominated in US Dollars.

TABLE C.14 CENTRAL GOVERNMENT LOAN GUARANTEES

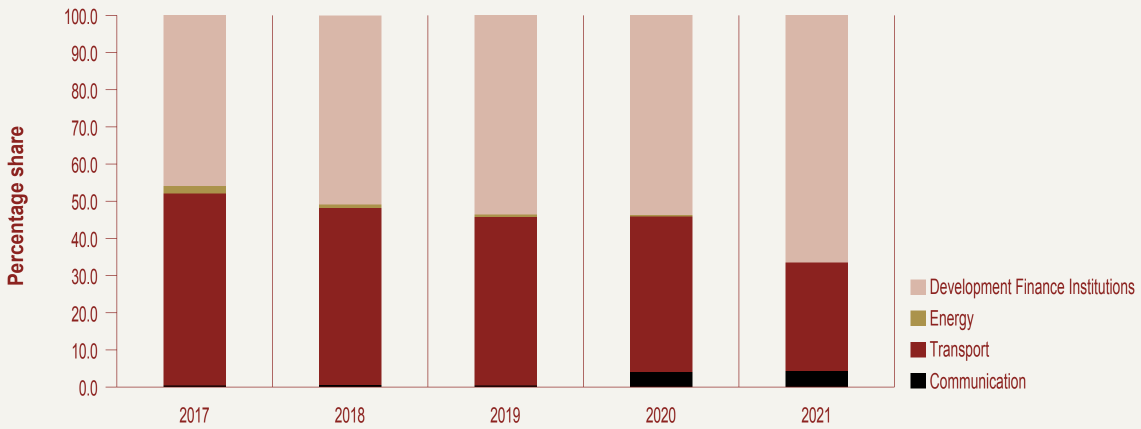
As on 31 December	2017	2018	2019	2020	2021
GDP	**173,944**	**181,108**	**179,396**	**175,631**	**184,380**
Domestic Guarantees (N$ million)	**1,745**	**1,912**	**2,070**	**1,572**	**1,641**
As % of GDP	1.0	1.1	1.2	0.9	0.9
As % of Total Guarantees	16.9	17.3	18.3	14.5	15.7
Foreign Guarantees (N$ million)	**8,595**	**9,129**	**9,237**	**9,303**	**8,780**
As % of GDP	4.9	5.0	5.1	5.3	4.8
As % of Total Guarantees	83.1	82.7	81.7	85.5	84.3
Total Guarantees (N$ million)	**10,340**	**11,040**	**11,307**	**10,876**	**10,421**
As % of GDP	5.9	6.1	6.3	6.2	5.7

Sources: MoF, BoN and NSA

Foreign loan guarantees

Total foreign loan guarantees declined during 2021, compared to the previous year. Total foreign loan guarantees declined by 5.6 percent to N$8.8 billion during the year under review. The decline was mainly ascribed to repayments of some foreign loans that were guaranteed by Government in favour of the *energy* and *transport* sectors. As a percentage of GDP, total foreign loan guarantees declined by 0.5 percentage point to 4.8 percent (Table C.14).

FIGURE C.23 FOREIGN LOAN GUARANTEES BY SECTOR

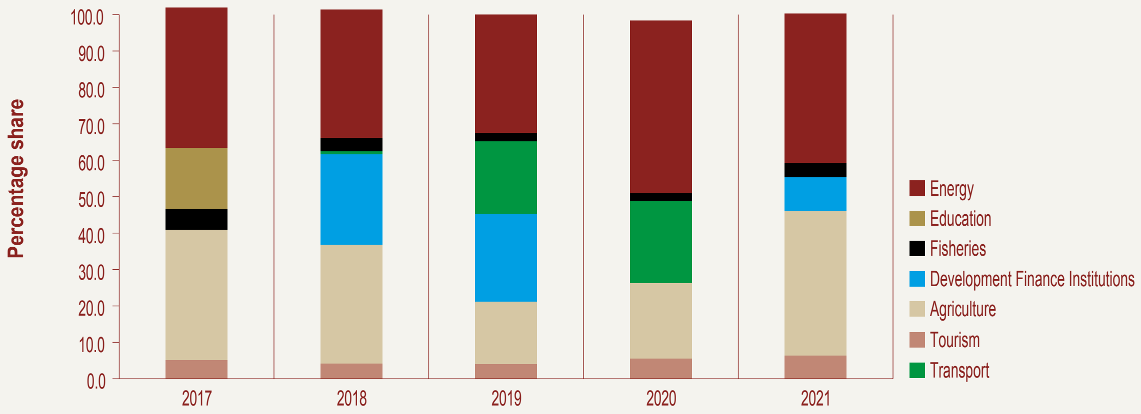


The development finance institutions and the *transport* sector remained the largest contributors to the foreign loan guarantees portfolio during the period under review. The development finance institutions accounted for 66.5 percent of total foreign loan guarantees during the year under review. This represents an increase of 12.8 percentage points relative to the previous year. Meanwhile, foreign loan guarantees in favour of the *transport* sector, which is the second largest with a percentage share of 29.2 percent, declined by 12.7 percentage points compared to the previous year (Figure C.23). This was attributed to more foreign loan guarantees issued to development finance institutions. The *communication* sector took up the remaining 4.3 percent share of total foreign loan guarantees during the period under review.

Domestic loan guarantees

Domestic loan guarantees rose during 2021 compared to the previous year, due to more loans guarantees issued in favour of sectors such as *tourism* and *agriculture*. Total domestic loan guarantees rose by 4.4 percent to N$1.6 billion during 2021 (Table C.14). The rise was primarily driven by more loan guarantees issued to the tourism and agricultural sectors during the year under review. As a percentage of GDP, domestic loan guarantees remained unchanged at 0.9 percent during the period under review.

FIGURE C.24 DOMESTIC LOAN GUARANTEES BY SECTOR



In terms of sectoral distribution, the *energy* sector continued to dominate total domestic loan guarantees during the year under review. Although declining by 6.4 percentage points compared to the previous year, the share of total domestic loan guarantees issued to the energy sector in 2021 stood at 4.9 percent, (Figure C.24). The *agricultural* sector took up the second largest share with 39.8 percent, compared to 20.8 percent registered during the previous year. The rise was due to more loan guarantees issued to this sector, coupled with the repayment of loans that were guaranteed by Government to the *transport* sector. In this regard, the share of the *transport* sector, which previously accounted for the second highest percentage share at about 22.5 percent, declined by 22.4 percentage points to only 0.1 percent. Development finance institutions took up the fourth largest share with 9.1 percent, while the remaining portion of the domestic loan guarantees were issued to the *tourism* and *fishing* sectors, with 6.4 percent and 3.7 percent, respectively.

FOREIGN TRADE AND PAYMENTS[23]

BALANCE OF PAYMENTS OVERVIEW

Financial account inflows enabled the Bank to accumulate foreign reserves during 2021. Namibia's balance of payments on the current account registered a deficit during 2021 amounting to 9.1 percent of GDP compared to a current account surplus of 2.8 percent registered in 2020. On the financial account excluding reserves, net inflows were high but fell short of the current account deficit. Capital transfer receipts bridged the shortfall, while unidentified transaction flows further contributed to Namibia's receipts. As a result, the overall balance of payments before reserve action registered a moderate surplus amounting to N$2.2 billion in 2021 which the Bank of Namibia absorbed from the market and added to its reserves. The reserves were further boosted by N$8.0 billion through liabilities related to the reserves as the authorities incurred an IMF Rapid Financing Instrument (RFI) loan and received a Special Drawing Rights allocation from the IMF. As a result, during 2021 a total of N$10.2 billion was added to Namibia's gross foreign reserves. Adding up all financial flows including those related to reserves, Namibia was a net borrower from the rest of the world to the tune of N$13.8 billion in 2021 (Table C.15).

TABLE C.15 BALANCE OF PAYMENTS OVERVIEW[24] N$ MILLION

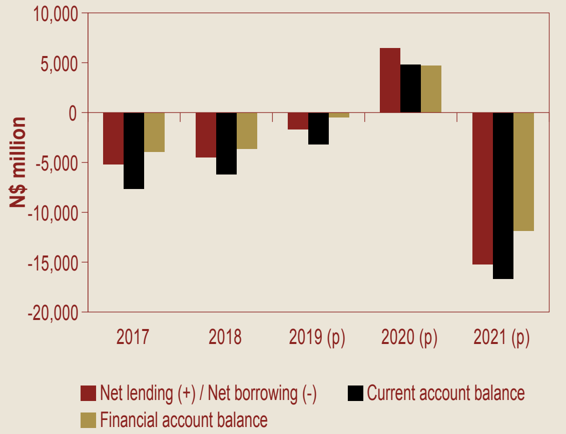
(Inflows +, outflows -) unless otherwise indicated	2020	2021
1. Current account (deficit -, surplus +)	4 893	-16 503
2. Capital transfers (inflow +)	1 658	1 449
3. Financial account excluding reserve action (outflow-, inflow +)	-4 165	15 963
4. Unidentified transactions (outflow-, inflow +)	-1 864	1 275
5= (1+2+3+4) Balance of Payments before reserve action	521	2 185
6. Reserve action: IMF loan and SDR allocation	0	7 973
7= (5+6) Gross reserves (increase +)	521	10 158
8= (3+6-7) Memo: Net Lending (-)/ borrowing (+) incl reserve action	-4 686	13 778

23 p in this section stands for *provisional*.

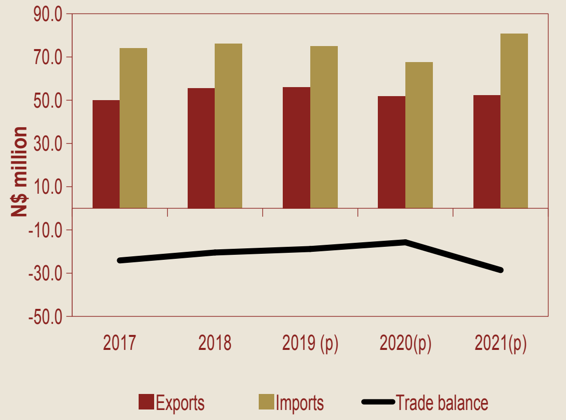
24 The sign convention in this "additive flow" overview table differs from the sign convention in the statistical tables at the back of the Annual Report. Reserve action refers to flows involving liabilities related to reserves, consisting of IMF loans, IMF SDR allocations and other foreign borrowing by the Bank of Namibia.

FIGURE C.25 EXTERNAL DEVELOPMENTS

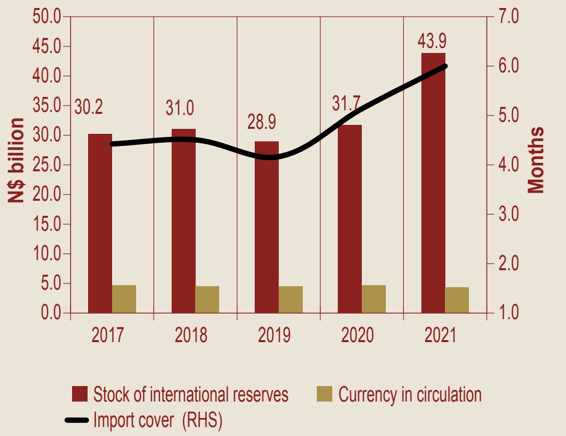
a. During 2021, Namibia recorded net borrowing[25] *from the rest of the world, largely reflecting the deficit recorded on the current account.*



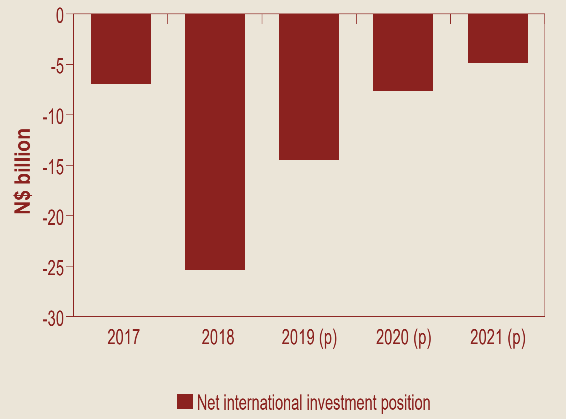
b. Namibia's merchandise trade deficit worsened during 2021, largely due to a significant rise in import payments, while export earnings increased at a slower pace.



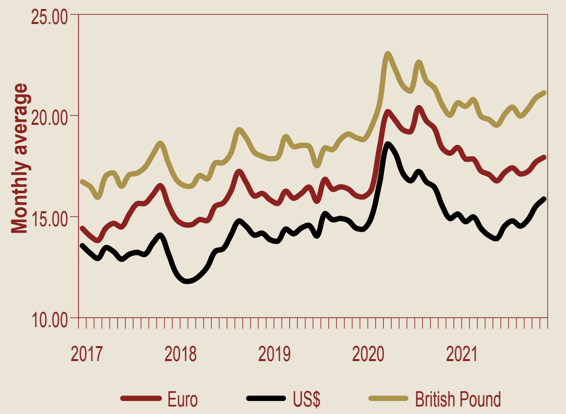
c. At the end of 2021, the stock of foreign reserves rose notably, supported by the IMF SDR allocation, the IMF RFI inflow, and the AfDB loan.



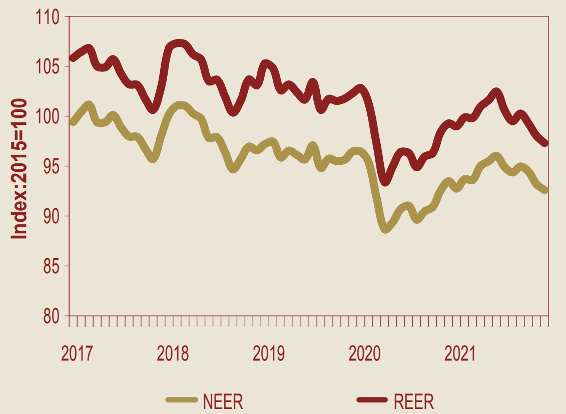
d. Namibia's International Investment Position recorded a lower net liability position in 2021 in comparison to 2020 due to an increase in foreign reserves.



e. On average, the Namibia Dollar appreciated against the major trading currencies during 2021 compared to 2020.



f. Both the Nominal Effective Exchange Rate (NEER) and the Real Effective Exchange Rate (REER) indices of the Namibia Dollar appreciated during 2021, supported by stronger commodity prices and low global interest rates.



25 The sum of the balances on the current and capital accounts represents the net lending (surplus) or net borrowing (deficit) by the Namibian economy with the rest of the world.

TABLE C.16 EXTERNAL VULNERABILITY INDICATORS

N$ million	2017	2018	2019	2020	2021
i. Solvency (percentage)					
Gross external debt/GDP	59.9	66.9	64.3	68.9	71.5
Gross external debt/Exports of Goods and services	172.3	185.3	177.0	206.0	225.9
External debt service/Exports of goods and services	30.7	30.9	39.5	37.2	47.2
Current account/GDP	-4.4	-3.4	-1.7	2.8	-9.1
ii. Reserves Adequacy					
Reserves/Imports of goods and services (months)	4.4	4.5	4.1	5.1	6.4
Reserves/Broad money liabilities (percent)	30.8	29.7	25.1	25.3	33.8
Reserves/Short-term external debt (ratio)	2.4	2.1	2.1	2.5	4.3

Current account

Namibia's current account turned into a deficit during 2021, primarily due to a deterioration of the merchandise trade deficit, as well as a decrease in secondary income inflows. The current account recorded a deficit of N$16.5 billion during 2021, compared to a surplus of N$4.9 billion recorded in 2020 (Figure C.25a). This emanated from a widening merchandise trade deficit that reflected a significant rise in import payments, while export receipts grew at a slower pace. In addition, the surplus on the secondary income account fell, mainly ascribed to lower SACU receipts during 2021. As a result, the current account deficit as a percentage of GDP was 9.1 percent during 2021, from a surplus of 2.8 percent of GDP during the previous year.

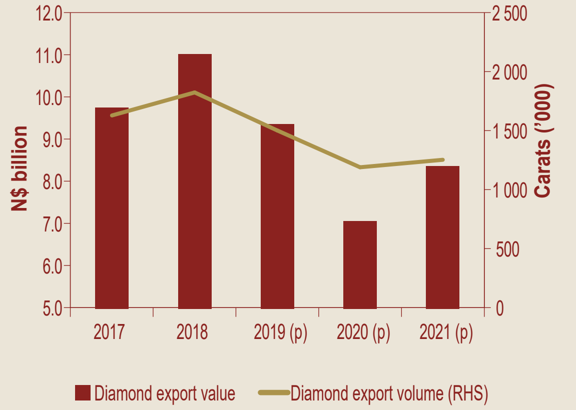
Merchandise trade balance

The merchandise trade deficit worsened during 2021 in comparison with 2020 driven by a significant rise in import payments coupled with slow growth in export receipts. Namibia's trade deficit deteriorated by N$12.7 billion to N$28.4 billion during 2021 (Figure C.25b). The higher merchandise trade deficit resulted from a significant rise in the value of merchandise imports, which rose by 19.9 percent to N$80.9 billion during 2021, reflecting the improved domestic demand, following weak economic activity re-enforced by the COVID-19 pandemic lockdowns and restrictions during 2020. Additionally, the value of merchandise exports rose by only 1.4 percent to N$52.5 billion during 2021 ascribed to higher export earnings from diamonds and food and live animals.

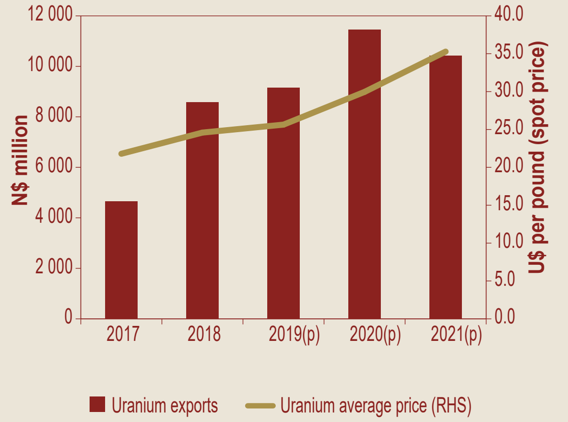
EXPORTS

FIGURE C.26 EXPORT COMMODITIES

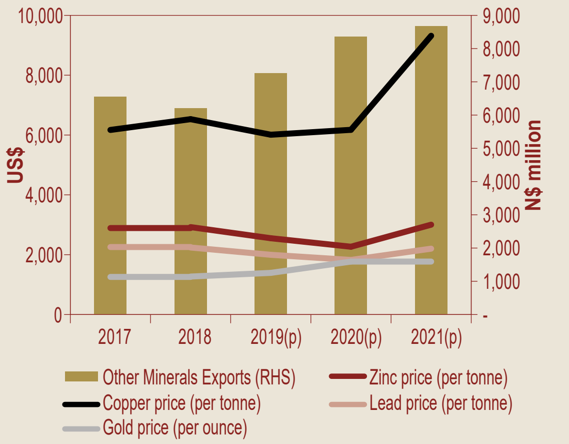
a. Export earnings from rough diamonds rose during 2021, largely due to improved global demand.



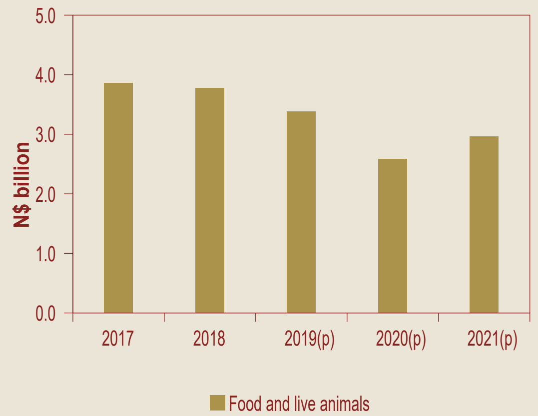
b. Export earnings from uranium fell during 2021, largely attributable to the appreciation of the local currency relative to the US dollar.



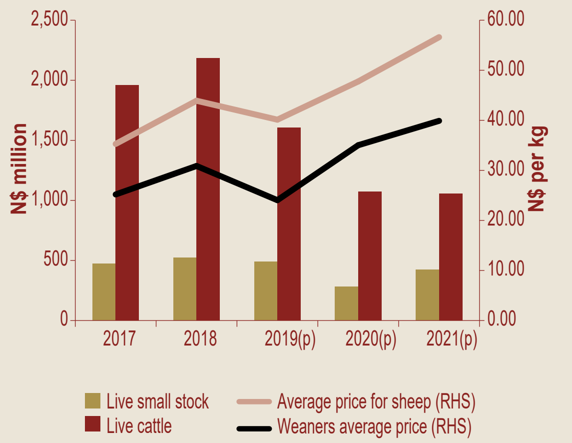
c. Export receipts from other minerals[26] rose slightly, primarily due to higher earnings from zinc concentrate.



d. Export earnings from food and live animals rose on account of higher earnings from unprocessed fish, small stock as well as grapes.



e. The average prices of weaners and sheep rose during 2021, on the back of herd rebuilding.



f. The value of manufactured exports declined in 2021, mainly on account of further reduced earnings from refined zinc and copper cathodes.

Source: BoN surveys

26 This category includes gold, zinc concentrate, copper concentrates, lead, salt, manganese and dimensional stones.

Mineral exports

Rough diamonds

Export earnings from *rough diamonds* rose during 2021, largely due to improved global demand. During 2021, export earnings from rough diamonds rose by 18.4 percent to N$8.4 billion on the back of higher volumes exported (Figure C.26a). The increase in the volumes exported was due to improved global demand for rough diamonds during 2021, particularly from key markets such as China and the United States. Furthermore, the higher average rough diamond prices realised during 2021 also contributed to the rise in rough diamond earnings.

Uranium

Foreign earnings from *uranium* fell during 2021, largely due to the appreciation of the local currency relative to the US dollar. Export earnings from uranium fell by 9.0 percent to N$10.4 billion during 2021 (Figure C.26b). This was mainly attributable to the appreciation of the local currency relative to the US dollar during 2021 compared to 2020. On the spot market, the average international price of uranium increased by 17.7 percent to US$35.28 per pound. The higher prices of uranium were primarily due to uranium supply constraints, underpinned by the pandemic-related production disruptions. In addition, the Canadian-based Sprott Physical Uranium Trust[27] contributed to the increase in international uranium prices as it embarked on a uranium buying binge in the spot market during 2021.

Other mineral exports

Export earnings from the *other minerals* category rose, primarily due to higher earnings from zinc concentrate. Export earnings from *other minerals* rose by 3.8 percent to N$8.7 billion during 2021 (Figure C.26c). The increase was mainly reflected in higher earnings from zinc concentrates, which rose by 33.1 percent to N$1.0 billion during 2021, largely supported by higher international zinc prices recorded during 2021 relative to 2020. In this regard, international zinc prices rose by 32.5 percent to U$3 003 per metric ton. The rise in the international prices of zinc was primarily attributed to the global recovery in 2021. On the contrary, gold export earnings fell slightly by 0.6 percent during 2021, on the back of the appreciation of the local currency.

Non-mineral exports

Food and live animals

During 2021, export earnings from *food* and *live animals* rose on account of higher earnings from unprocessed fish, small stock as well as grapes. Foreign earnings from food and live animals rose by 14.7 percent to N$3.0 billion in 2021 when compared to the previous year (Figure C.26d). This was mainly reflected in higher receipts from unprocessed fish which rose by N$105 million to N$250 million during 2021. In addition, exports earnings from live small stock exported to South Africa rose by N$142 million to N$423 million during 2021, which was mainly attributed to higher sheep prices during the period under review. Similarly, export earnings from grapes rose by 11.3 percent to N$930 million during 2021, on the back of higher volumes exported during the review period.

The average prices of weaners and sheep increased during 2021. During 2021, average prices of weaners and sheep increased by 13.9 percent and 18.5 percent to N$39.89 per kilogram and N$56.61 per kilogram, respectively, when compared to 2020 (Figure C.26e). The increases in weaner and sheep prices were largely due to limited supply as farmers continued to rebuild their herds following the devastating in drought 2019.

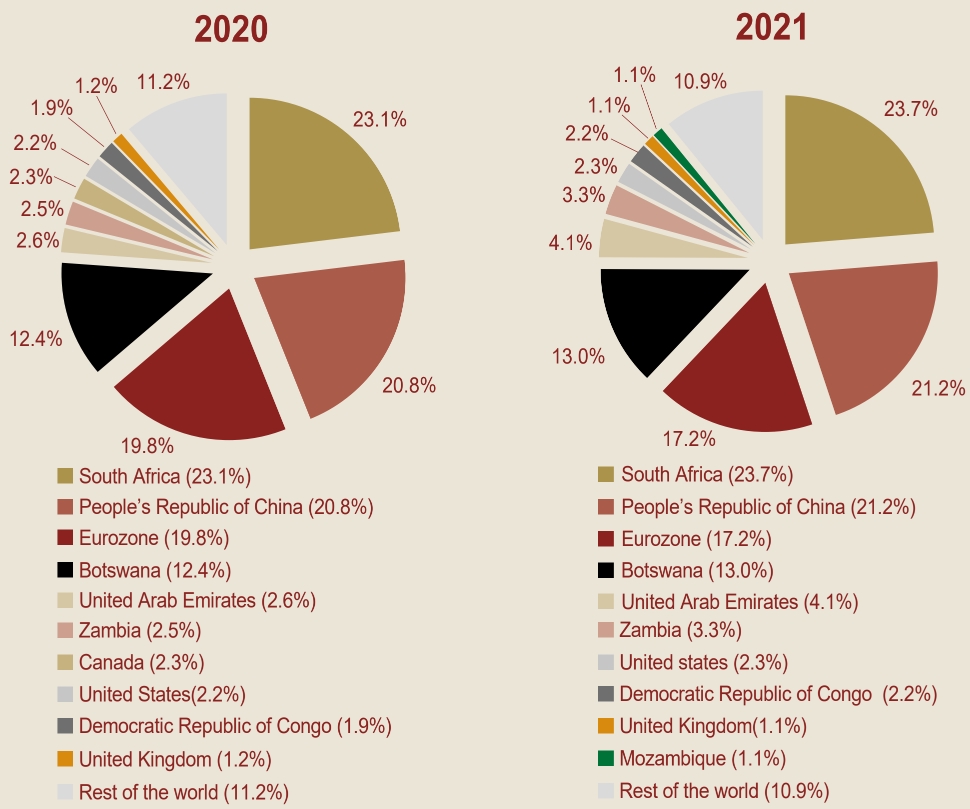
27 Sprott Physical Uranium Trust is the only fund that holds the physical commodity rather than futures contracts.

Manufactured exports

The value of manufactured exports declined in 2021, mainly on account of reduced earnings from refined zinc and copper cathodes. During 2021, the value of manufactured exports decreased by 2.7 percent to N$19.0 billion (Figure C.26f). The decline was mainly underpinned by decreases in receipts from refined zinc and copper cathodes. The fall in export earnings from both *refined zinc and copper cathodes* was due to a halt in production, as the mines remained under care and maintenance during 2021.

FIGURE C.27A EXPORTS BY DESTINATION

In 2021, South Africa was the leading destination for Namibia's merchandise exports, followed by China and Eurozone.



Source: NSA

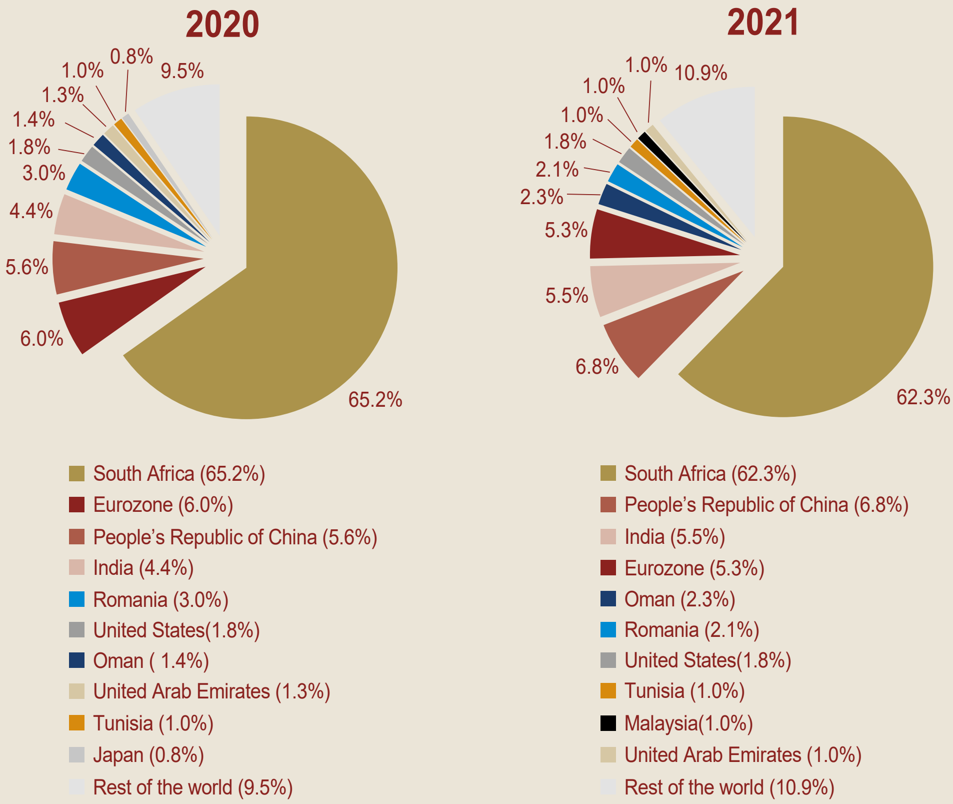
During 2021, South Africa remained the leading destination for Namibia's merchandise exports, followed by China and Eurozone. South Africa absorbed 23.7 percent of Namibia's total exports, mainly consisting of live animals and beverages. Relative to 2020, China's share increased to 21.2 percent, mainly due to higher export values for zinc concentrate. The Eurozone absorbed 17.2 percent of Namibia's total exports, mainly consisting of fish. Other major export destinations were Botswana, with a share of 13.0 percent, mainly in the form of rough diamonds, and the United Arab Emirates, with a share of 4.1 percent. Zambia accounted for 3.3 percent, while the Democratic Republic of Congo, United States and Mozambique absorbed 2.2 percent, 2.3 percent 1.1 percent and 1.1 percent of Namibia's exports, respectively (Figure C.27A).

IMPORT OF GOODS

The value of merchandise imports rose during 2021, as reflected in increases across all major categories of merchandise imports. Expenditure on merchandise imports rose by 19.9 percent to N$80.9 billion in 2021, when compared to 2020. The increase in the value of imports reflected increments in major import categories such as *mineral fuels, consumer goods, machinery and mechanical appliances, vehicles* *and vessels* as well as *base metals*. The higher import payments reflect an improved domestic demand for foreign goods, following eased restrictions on COVID-19 pandemic during 2021 relative to 2020. The progress payments made on the new diamond recovery vessel also contributed to the higher import bill during 2021.

FIGURE C.27B IMPORTS BY ORIGIN

Namibia's imports were largely sourced from South Africa, China, India and the Eurozone during 2021.



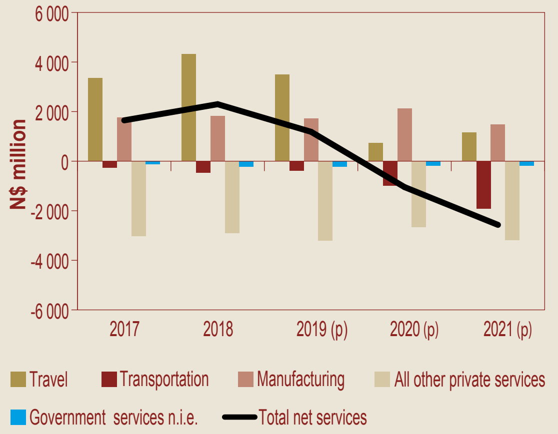
Source: NSA

South Africa continued to be Namibia's main source of merchandise imports during 2021, followed by China, India and the Eurozone. The bulk of Namibia's merchandise imports were sourced from South Africa, with the share decreasing to 62.3 percent of total imports, in the form of consumer goods and *mineral fuels* (Figure C.27B). The decline in South Africa's share from 65.2 percent in 2020 was mainly supported by increases in the shares of China and India on the back of increased imports of pharmaceutical products during 2021. China ranked second with a 6.8 percent share of the merchandise imports, consisting mainly of *mineral fuels and machinery* and *pharmaceutical* products. India ranked third and accounted for 5.5 percent of the merchandise imports largely comprising of *mineral fuels* and *pharmaceutical* products. A reduction was recorded in the Eurozone's share, which fell to fourth position with 5.3 percent of total imports, in the form of machinery. Other major sources of imports were Oman (2.3 percent), the United States (1.8 percent), Tunisia, Malaysia and the United Arab Emirates each with a share of 1.0 percent.

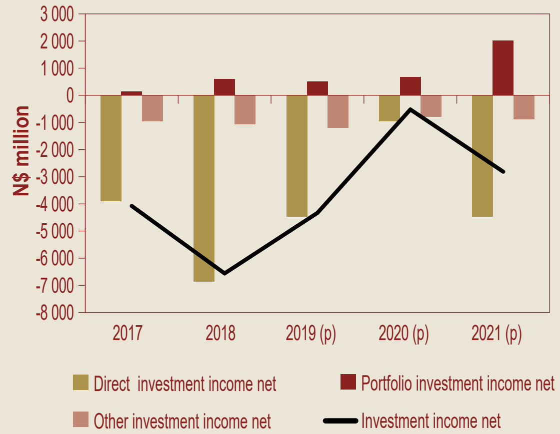
SERVICES, INVESTMENT INCOME AND CURRENT TRANSFERS

FIGURE C.28 SERVICES, PRIMARY AND SECONDARY INCOME

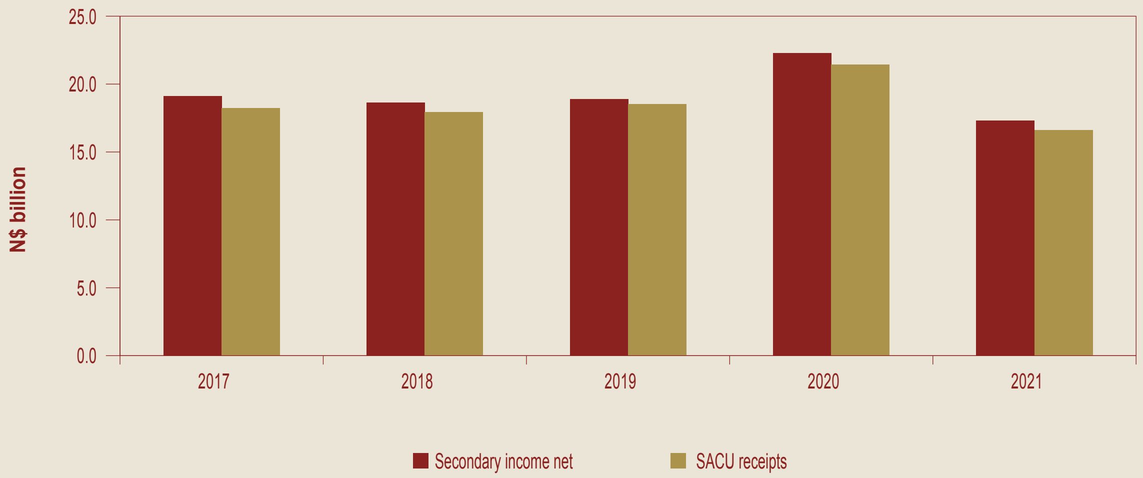
a. The services account registered higher net outflows during 2021, mainly due to higher payments for transportation and other private services.



b. Net outflows on the primary income account increased, mainly supported by higher net investment income outflows.



c. Namibia's net secondary income receipts decreased during 2021 compared to 2020, largely as a result of lower SACU receipts.



Source: Various companies and BoN surveys

Services balance

The services account registered a higher net outflow during 2021, mainly due to higher payments for transportation and other private services. The net services balance recorded a higher net outflow of N$2.6 billion in 2021, compared to an inflow of N$1.0 billion in 2020 (Figure C.28a). The increased outflows were largely attributed to higher payments for transportation services, particularly freight payments which rose in line with merchandise imports. Moreover, increased payments by the government to settle the outstanding amounts and to terminate the lease agreements for Air Namibia aircraft also contributed to higher payments for other private services. On a positive note, inflows from travel services rose by 57.2 percent to N$1.2 billion, reflecting an increase in travel by non-residents resulting from eased restrictions in 2021 relative to 2020.

Net primary income

Net outflows on the primary income account rose during 2021, mainly supported by increased net investment income outflows. Net outflows on the primary income account rose by N$2.2 billion to N$3.0 billion during 2021 (Figure C.28b). The higher outflows were mainly underpinned by an increase in investment income payments to foreign direct investors, particularly in the form of dividend payments as foreign-owned companies declared relatively higher dividends than they had in 2020.

Net secondary income

Namibia's net secondary income receipts decreased during 2021 compared to 2020, largely due to lower SACU receipts. Inflows on the secondary income account fell by 22.2 percent to N$17.4 billion during 2021 (Figure C.28c). This was mainly due to lower SACU receipts which decreased by 22.4 percent to N$16.6 billion during the year under review.

CAPITAL ACCOUNT

Namibia's capital account surplus decreased during 2021, largely due to lower capital transfers from non-residents. The capital account surplus narrowed from the 2020 level by 12.6 percent to N$1.4 billion. The lower inflows reflected the decrease in capital transfers from foreign governments and private institutions.

Net lending and net borrowing

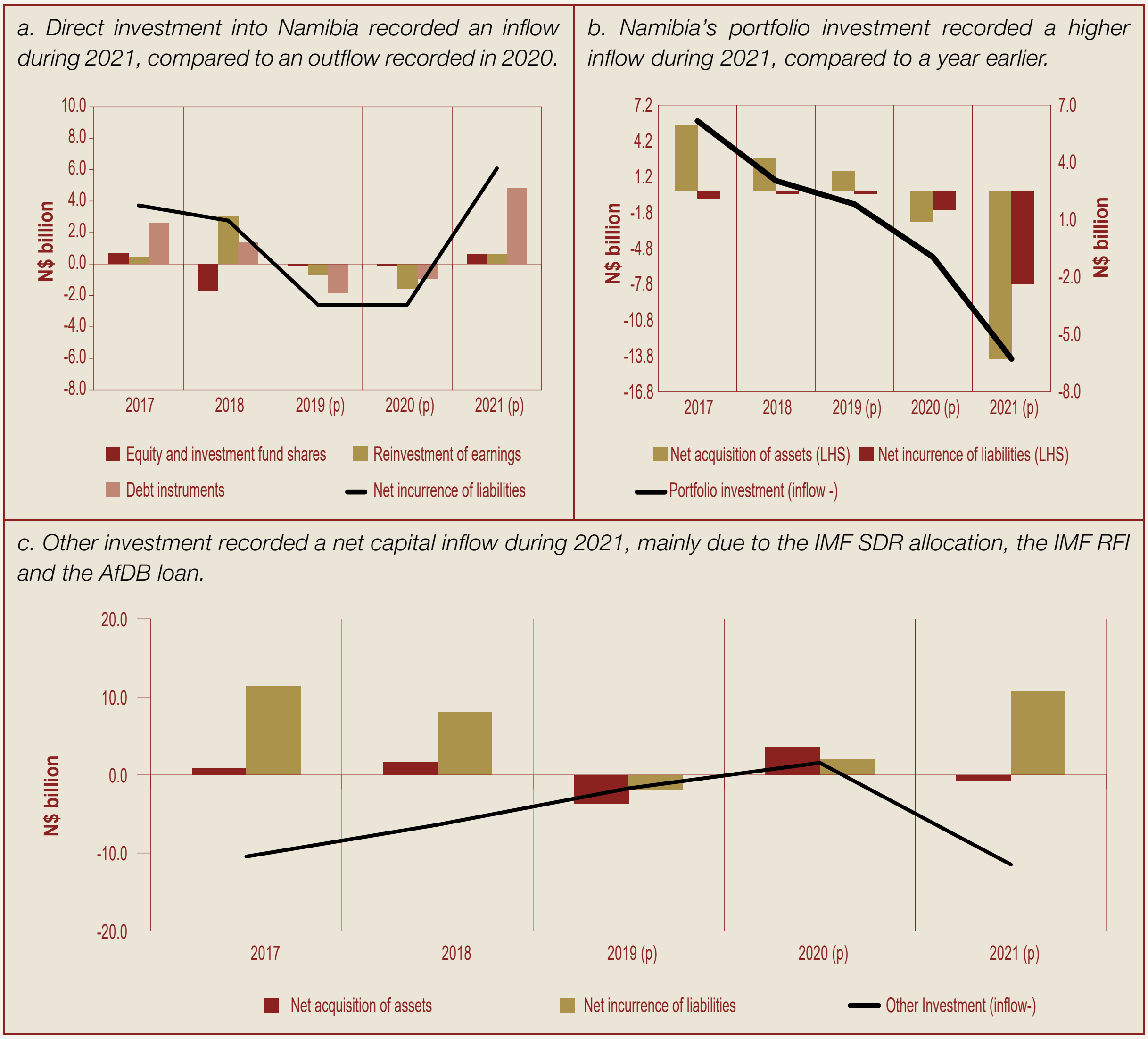
Given the developments on the current account during 2021, Namibia registered net borrowing from the rest of the world. The country recorded net borrowing from the rest of the world of N$15.1 billion during 2021, compared to net lending to the rest of the world of N$6.6 billion recorded in the previous year. The rise in the economy's net lending mainly resulted from the deficit recorded on the current account.

FINANCIAL ACCOUNT

The financial account balance[28] recorded net borrowing from the rest of the world during 2021 when compared to net lending registered during 2020. Namibia's financial account balance registered net borrowing of N$13.8 billion from the rest of the world during 2021 compared to net lending of N$4.7 billion recorded during 2020. This was mainly on account of inflows observed in all functional categories. As a percentage of GDP, the net financial account inflow for 2021 was 7.6 percent, from a net outflow of 2.7 percent reported a year earlier in line with the current account developments.

28 In BPM6, the interpretation of the financial account particularly on the assets, denotes an increase as positive and a decrease as negative. The interpretation on the liabilities remains unchanged from BPM5 where an increase or decrease implies just that. Furthermore, the net balances are interpreted in terms of net lending (if positive (denoting outflows)) or net borrowing (if negative (inflows)). The Financial account balance is now presented inclusive of reserve assets according to BPM6, which implies that the financing of the net lending/ borrowing position (current account) is fully accounted for above the line (i.e. above the financial account balance).

FIGURE C.29 FINANCIAL ACCOUNT COMPONENTS



a. Direct investment into Namibia recorded an inflow during 2021, compared to an outflow recorded in 2020.

b. Namibia's portfolio investment recorded a higher inflow during 2021, compared to a year earlier.

c. Other investment recorded a net capital inflow during 2021, mainly due to the IMF SDR allocation, the IMF RFI and the AfDB loan.

Source: BON surveys

Direct investment

Namibia's direct investment liabilities recorded an inflow during 2021 compared to 2020, mainly due to an uptake of debt by corporates in the mining sector. Direct investment into Namibia was N$6.1 billion during 2021 compared to an outflow of N$2.6 billion registered a year earlier (Figure C.29a). The capital inflows were supported by the uptake of debt by corporates in the mining sector. Moreover, profits retained by foreign direct investment enterprises in the mining and financial services sectors also contributed to capital inflows observed in direct investment liabilities.

Portfolio investment

Namibia's portfolio investment registered a higher net capital inflow during 2021 compared to 2020 due to higher net sales of foreign equity and debt securities. During 2021, Namibia's portfolio investment registered a net inflow of N$6.3 billion compared to an inflow of N$954 million recorded during the previous year (Figure C.29b). The net inflow registered during the review period was mainly driven by resident institutional investors' net selling of foreign equity and debt securities, in line with the domestic asset requirement. During the review period, a Eurobond worth N$7.7 billion (USD 500 million) was redeemed, which in turn partly offset the higher net capital inflow.

Other investment

On a net basis, other investment registered a higher capital inflow during 2021, chiefly due to the IMF's RFI loan, the IMF SDR allocation, and the AfDB loan. During 2021, other investment recorded a net capital inflow of N$11.5 billion compared to a net capital outflow of N$1.6 billion recorded during the previous year (Figure C.29c). The capital inflow was supported by the IMFs SDR allocation, the AfDB loan and the IMF's RFI loan that were aimed at mitigating the impact of the COVID-19 pandemic on the domestic economy as well as the uptake of foreign loans by corporates in the mining sector from non affiliated creditors.

INTERNATIONAL RESERVES

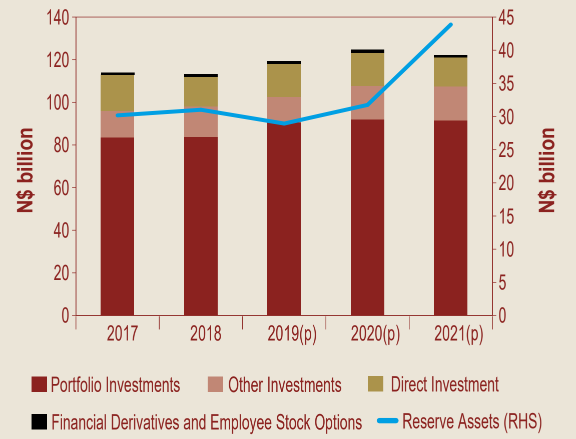
At the end of 2021, the stock of international reserves held by the Bank of Namibia increased on an annual basis, supported by the IMF's SDR allocation, the IMF RFI, and AfDB loan. The stock of international reserves rose on an annual basis by 38.2 percent to N$43.9 billion at the end of 2021, despite the redemption of the Eurobond on 3 November 2021. The annual rise was mainly due to foreign borrowings by the government in the form of the IMF RFI and the AfDB loan, coupled with the IMF SDR allocation. The stock of international reserves was 9.3 times the amount of currency in circulation and remained sufficient to readily sustain the currency peg between the Namibia Dollar and the South African Rand. The import cover of goods and services stood at 6.4 months compared to 5.1 months import coverage reported during 2020, remaining well above the international benchmark of 3 months.

International investment position

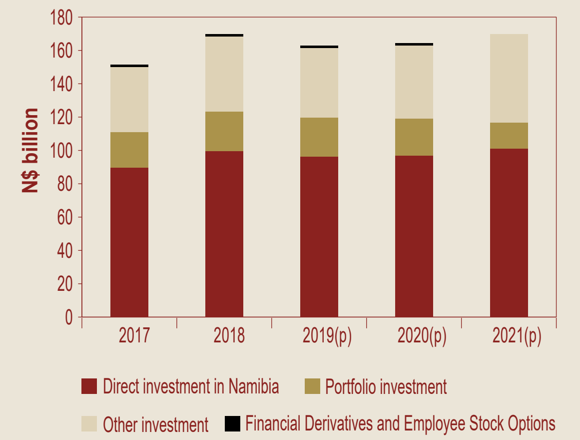
At the end of 2021, Namibia's external balance sheet recorded a lower net liability position in comparison with 2020 due to an increase in foreign assets. Namibia registered a net liability position of N$4.9 billion, decreasing from N$7.6 billion recorded a year earlier, on the back of foreign assets that rose due to higher foreign reserve assets.

FIGURE C.30 INTERNATIONAL INVESTMENT POSITION – FOREIGN ASSETS AND LIABILITIES

a. The value of Namibia's foreign assets increased over the year to the end of 2021, mainly due to a rise in reserve assets as well as well as other investment.



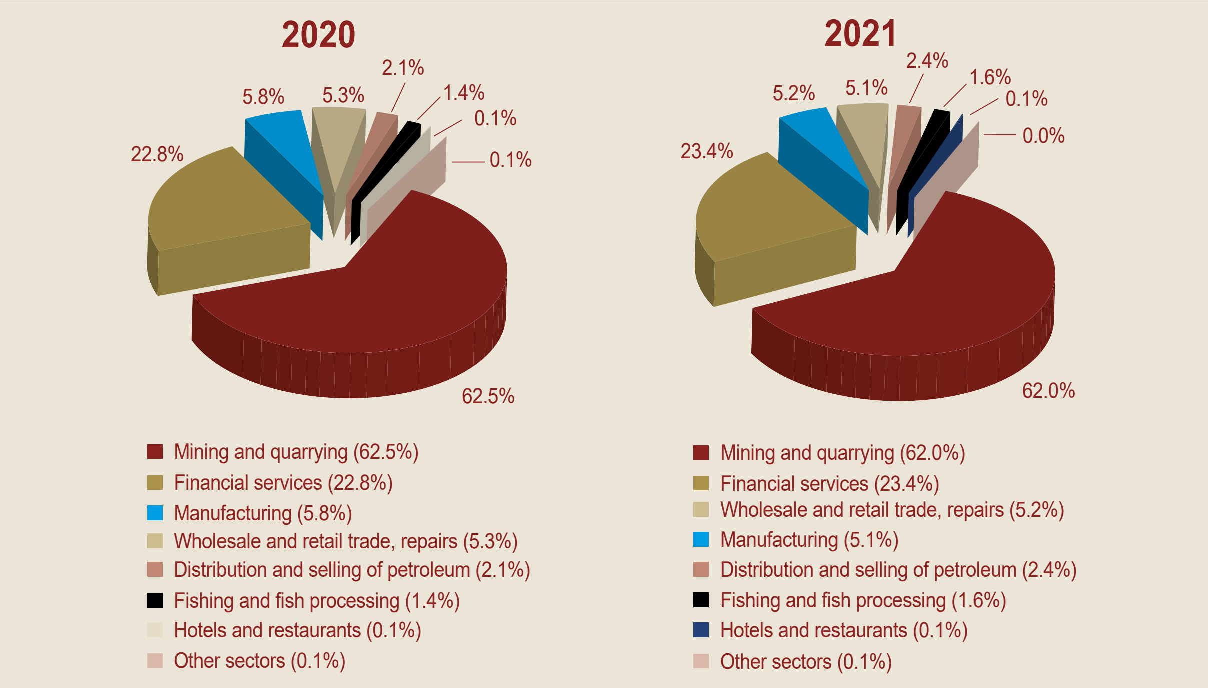
b. By the end of 2021, the value of Namibia's foreign liabilities rose when compared to the previous year, mainly due to an increase in direct and other investment.



At the end of 2021, the value of Namibia's foreign assets increased, following an increase in reserve assets and other investment. On an annual basis, the market value of Namibia's foreign assets increased by 6.1 percent to N$165.0 billion by the end of 2021 (Figure C.30a). The rise in foreign assets was mostly reflected in reserve assets, which rose by 38.2 percent to N$43.9 billion. Foreign reserves rose during 2021 mainly due to foreign borrowings by the government in the form of the IMF RFI loan, the AfDB loan, as well as the IMF Special Drawing Right (SDR) allocation. Moreover, other investment rose by N$384 million to N$16.1 billion as institutional investors increased their deposits abroad during 2021.

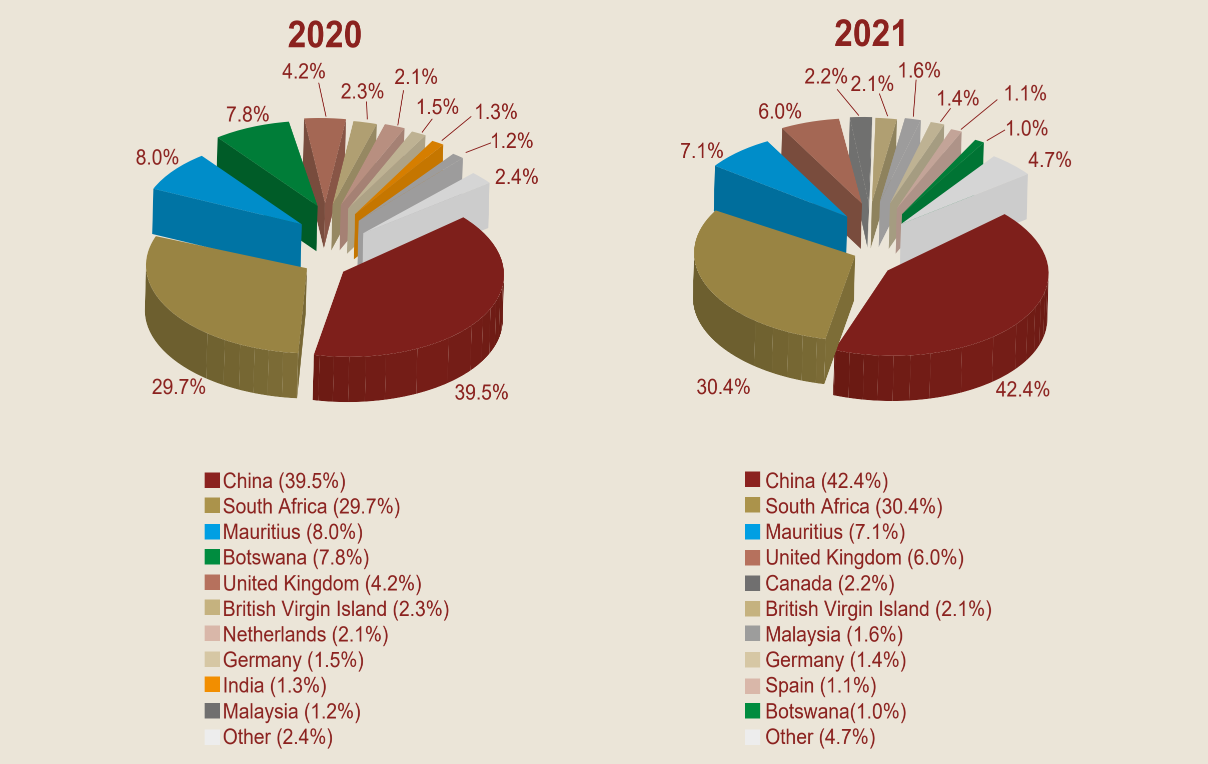
The market value of Namibia's foreign liabilities rose during 2021 in comparison with a year earlier, mainly due to an increase in other and direct investment. On a yearly basis, Namibia's foreign liabilities rose by 4.2 percent to N$169.9 billion at the end of December 2021 (Figure C.30b). This rise was mainly supported by other investment which rose by N$9.3 billion over the year to N$53.0 billion. Other investment rose mainly due to the uptake of loans such as the AfDB loan disbursed to the Government, the IMF RFI loan, as well as the IMF SDR allocation. Similarly, direct investment rose by 4.2 percent to N$101.0 billion chiefly due to borrowings made by corporates in the mining sector. However, the rise in the foreign liabilities was weighed down by a decrease in portfolio investment of 28.5 percent to N$15.8 billion, due to the redemption of the Eurobond made on the 3rd of November 2021.

FIGURE C.31A DIRECT INVESTMENT LIABILITIES BY SECTOR, PERCENTAGE SHARE



During 2021, Namibia's direct investment liabilities by sector showed the same broad patterns as a year ago with mining continuing to dominate. The stock of foreign direct investment liabilities by sector was dominated by the mining and quarrying sector with a share of 62.0 percent, followed by the financial intermediation sector with a share of 23.4 percent during 2021 (Figure C.31a). The share of the mining sector declined by 0.5 percentage points due to price revaluation. The share of the financial sector increased by 0.7 percentage points due to higher retained earnings. The wholesale and retail trade and repairs sector and the manufacturing sector completed the top four with shares of 5.1 percent and 5.2 percent, respectively. Moreover, the share of distribution and selling of petroleum increased by 0.3 percentage points due to borrowing in the form of long-term debt.

FIGURE C.31B DIRECT INVESTMENT LIABILITIES BY COUNTRY, PERCENTAGE SHARE



At the end of 2021, Namibia's direct investment liabilities by source country was dominated by China followed by South Africa. During 2021, the stock of foreign direct investment (FDI) liabilities was mainly sourced from China and South Africa with a combined share of 72.8 percent, mostly concentrated in the mining and financial intermediation sectors. The share of China increased due to the uptake of debt whereas the share of South Africa increased slightly due to higher profits made by companies in the financial sector (Figure C.31b). Moreover, Mauritius, the United Kingdom, Canada and the British Virgin Islands jointly accounted for 17.4 percent of the total stock with investment concentrated in the mining sector.

EXTERNAL DEBT

TABLE C.17 NAMIBIA'S EXTERNAL DEBT

N$ million	2017	2018	2019 (p)	2020 (p)	2021 (p)
GROSS EXTERNAL DEBT POSITION	**102 835**	**121 053**	**116 572**	**119 832**	**129 261**
1. Central Government	26 426	32 156	30 852	33 065	32,502
2. SOEs/parastatals	9 190	10 075	10 098	10 068	9 285
3. Central Bank[29]	2 469	2,870	2 814	2 914	6 815
4. Deposit-taking corporations, except the Central Bank	10 361	10 415	9 594	9 141	9 130
5. Other sectors[30]	11 230	12 647	11 152	10 044	10 449
6. Direct investment: Intercompany lending[31]	43 158	52 891	52 063	54 602	61 080
GROSS EXTERNAL DEBT SERVICE PAYMENTS	**18 341**	**20 213**	**26 000**	**21 668**	**27 161**
1. Central Government	1 952	2 194	2 779	3 736	10 886
2. SOEs/parastatals	1 077	719	1 421	1 237	1 399
3. Central Bank	55	104	157	81	111
4. Deposit-taking corporations, except the Central Bank	3 049	3 530	3 471	3 547	2 260
5. Other sectors	4 209	3 586	4 988	2 542	1 691
6. Direct investment: Intercompany lending	7 998	10 081	13 185	10 525	10 814
Outstanding debt Y-on-Y (percentage change)	15.2	17.7	-3.7	2.8	7.9
Debt servicing Y-on-Y (percentage change)	-26.2	10.2	28.6	-16.7	25.2
Debt servicing to exports F.o.B	30.7	30.9	39.5	37.2	47.3
Official reserves / Short-term external debt	2.4	2.1	2.1	2.5	4.3
EXPORTS OF GOODS AND SERVICES	**59 714**	**65 702**	**66 156**	**58 393**	**58 560**
OFFICIAL RESERVES	**30 177**	**31 024**	**28 941**	**31 752**	**43 871**
Exchange rate (end of period) (USD)	12.3930	14.4309	14.1235	14.6218	15.9064

Over the year to the end of December 2021, Namibia's stock of external debt increased mainly due to borrowing by direct investment enterprises through intercompany lending and by the Central Bank. Namibia's stock of external debt increased by 7.9 percent to N$129.3 billion during 2021. Foreign borrowing by direct investment enterprises contributed to the rise in the stock of external debt as it increased by N$6.5 billion, as enterprises in the *mining* sector were borrowing to finance operations. In addition, a general allocation of SDR by the IMF worth N$3.9 billion increased the Bank's foreign liability balance by N$3.9 billion to N$6.8 billion.

At the end of 2021, Namibia's ratio of official reserves to short-term debt increased compared to 2020. The ratio of official reserves to short-term debt increased from 2.5 to 4.3 due to the increase in the stock of international reserves.

Namibia's foreign debt servicing increased during 2021, mainly due to the redemption of the Eurobond. The total value of repayments on Namibia's foreign debt increased to N$27.2 billion in 2021, 25.4 percent higher than in the previous year (Table C.17). This was mainly due to the redemption of the Eurobond to the tune of N$8.0 billion (US$500 million) made on 3 November 2021. Moreover, repayments made by

29 The Central Bank debt comprises SDR allocations received from the IMF.

30 The category other sectors consist of enterprises, Namibian-owned companies and EPZ's.

31 Intercompany lending includes loan transactions (and transactions in other debt securities) between parent companies and their subsidiaries or investee companies, and between subsidiaries of the same group, unless the latter are financial intermediaries (except for insurance corporations and pension funds).

enterprises in the *mining* sector through intercompany lending, which rose by 2.7 percent to N$10.8 billion also contributed to the increase in debt servicing.

In 2021, the ratio of debt servicing to exports[32] increased in comparison to 2020. The ratio increased to 47.3 percent in 2021 from 37.2 percent when compared to the preceding year. The rise was due to an increase in debt servicing during 2021. The current ratio of 47.3 percent of debt servicing to exports was above the international benchmark[33] of 15 to 25 percent.

TABLE C.18 EXTERNAL DEBT BY REMAINING MATURITY END OF 2021

N$ million	Total	Short term[34]	2023	2024	2025	2026	2027	2028 plus
GROSS EXTERNAL DEBT BY REMAINING MATURITY	**129,261**	**19,220**	**3,319**	**3,337**	**14,893**	**3,166**	**4,645**	**80,683**
1. Central Government	32,502	1,550	268	910	12,485	1,240	431	15,618
2. State Owned Enterprises/ Parastatals	9,285	714	175	175	175	175	517	7,356
3. Central Bank	6,815	-	-	-	-	-	-	6,815
4. Deposit-Taking Corporations, except the Central Bank	9,130	6,344	340	500	-	-	1,946	-
5. Other Sectors	10,449	945	204	-	-	-	-	9,300
6. Direct Investment: Intercompany Lending	61,080	9,666	2,333	1,751	2,233	1,751	1,751	41,594

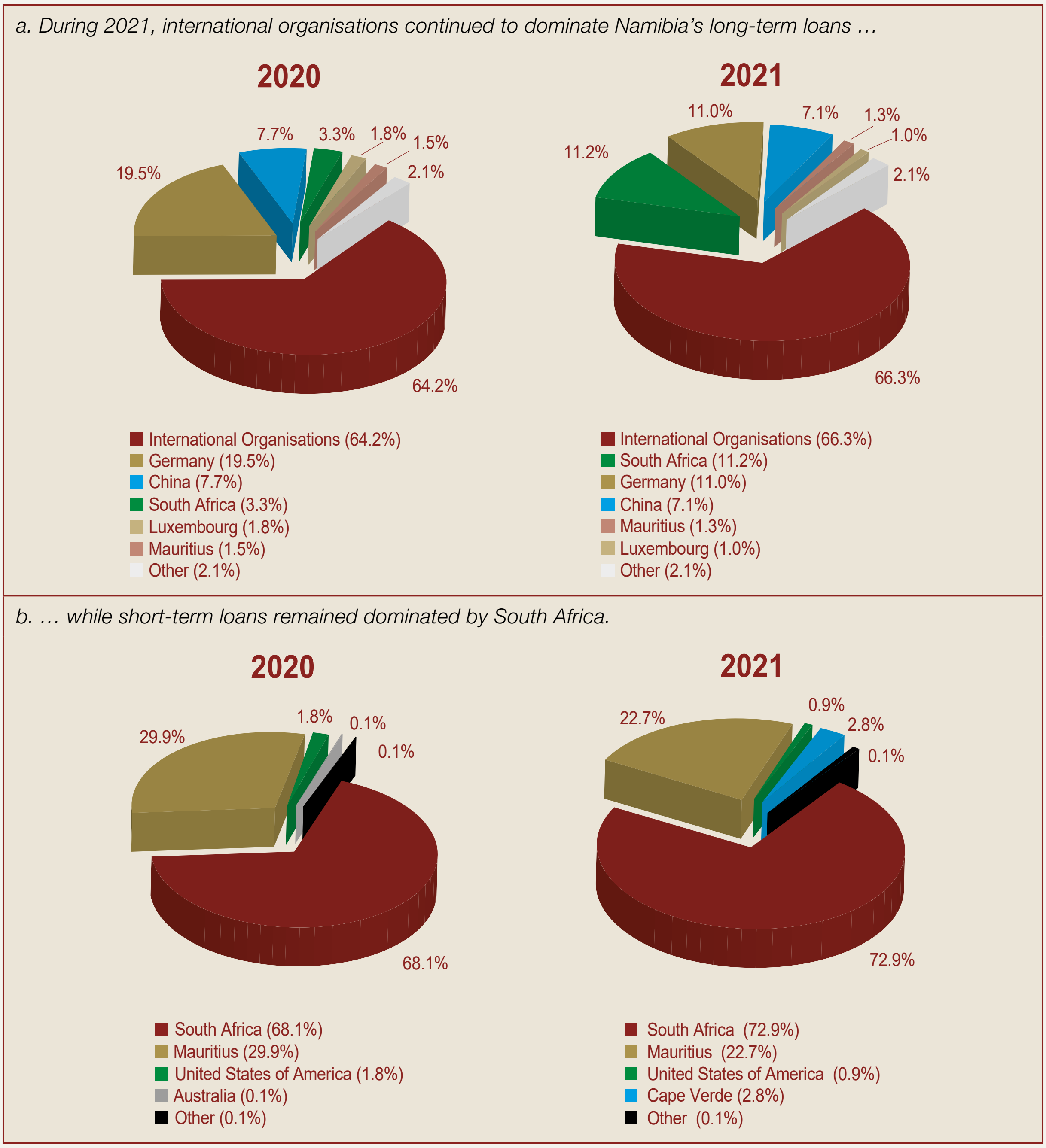
Namibia's external debt maturity structure is largely concentrated in the long-run implying ability to mitigate the impact of external shocks. By the end of December 2021, external debt with maturity that goes beyond the year 2027 constituted 62.3 percent of the total external debt, indicating that the Namibia's external debt is predominantly long-term. The longer the average term to maturity, the more time to repay debt obligations, thus mitigating the impact of external shocks. Namibia's debt due in less than one year was N$19.2 billion, which constitutes 14.9 percent of the total external debt, mainly driven by the direct investment enterprises' debt obligations due in 2022 together with currency and deposits of non-residents. The remaining share of 22.7 percent was allocated to external debt due within the next 5 years (Table C.18).

32 Debt service as a percentage of merchandise exports is a good measure of serviceable debt. This is due to the fact that higher growth rates in exports build up international reserves, which in turn are used to service foreign debt. Therefore, the lower the percentage, the better.

33 The international benchmark values give an assessment of the country's risk of debt distress. If the ratio falls below the threshold of 15 to 25 percent, then the country is seen to meet its debt service obligations and is at low risk. Should the country's debt burden fall within the threshold, but stress tests indicate a possible breach in the presence of external shocks or abrupt changes in macroeconomic policies, then it would be at a moderate risk. Finally, if the country's debt burden falls above the threshold, then the country would be considered to be in debt distress, and stringent policy interventions would need to be taken.

34 This includes liabilities with an original maturity of less than one year, e.g., currency and deposits as well as trade finances.

FIGURE C.32 EXTERNAL LONG AND SHORT-TERM LOANS BY COUNTRY, PERCENTAGE SHARE

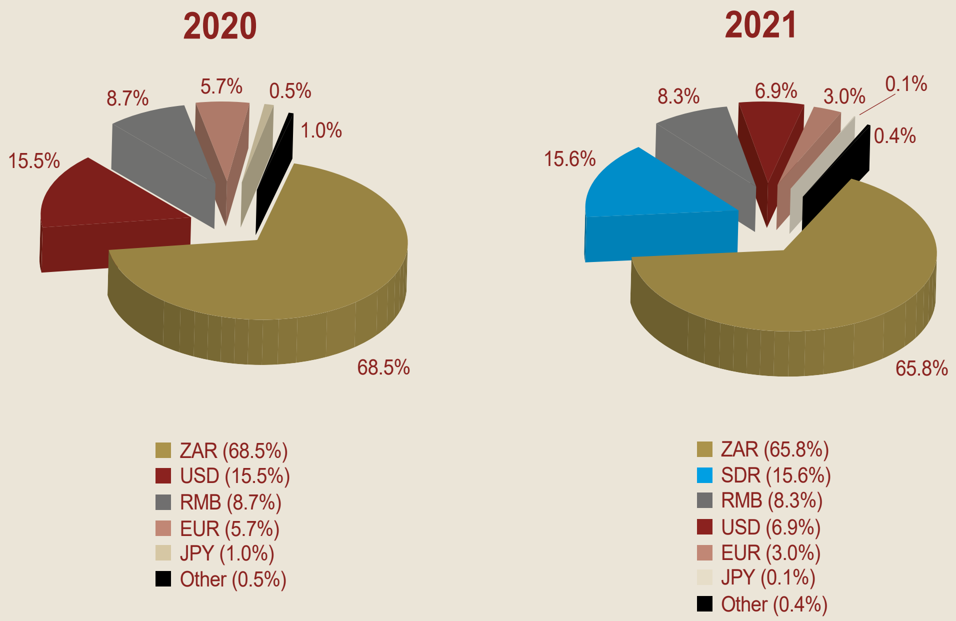


During 2021, Namibia's long-term loans were mainly sourced from international organisations,[35] while short-term loans were predominantly sourced from South Africa. During 2021, Namibia's long-term loans were sourced mostly from international organisations, whose share was 66.3 percent, mainly reflecting multilateral loans of the Central Government (Figure C32a). This share increased because of the disbursement of supplemental financing from the AfDB, as well as an IMF RFI loan. South Africa and Germany were the second and third largest sources of Namibia's long-term loans, with shares of 11.2 percent and 11.0 percent, respectively. The share of South Africa rose due to uptake of long-term loans by parastatals. The share of long-term loans from Germany decreased from 19.5 percent to 11.0 percent due to a repayment made by the Central Government. Namibia's long-term loans from China are predominantly bilateral loans between the two governments. Namibia's short-term loans remained broadly similar when compared to a year ago, with South Africa dominating with a share of 72.9 percent. Mauritius was the second largest contributor to Namibia's short-term loans, with a share of 22.7 percent.

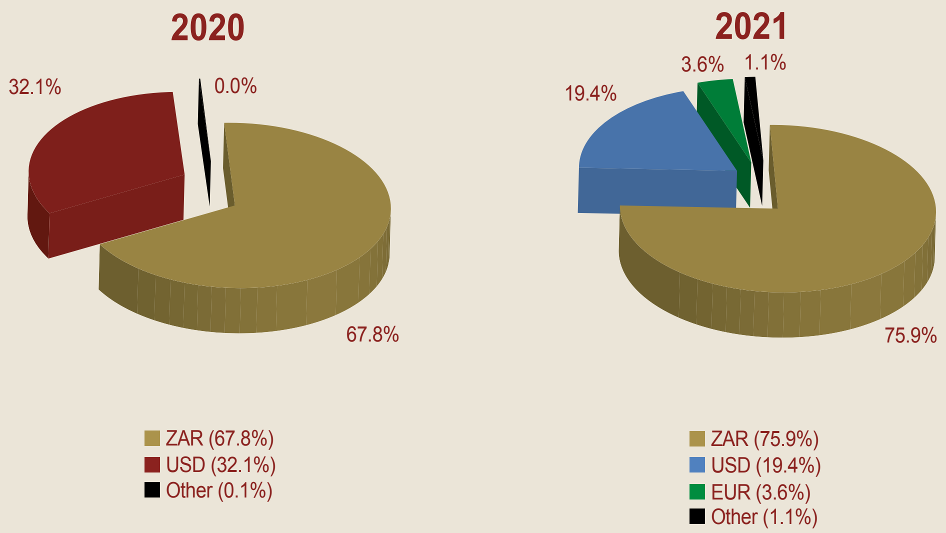
35 This includes borrowing from multilateral organisations.

FIGURE C.33 EXTERNAL LONG- AND SHORT-TERM LOANS BY CURRENCY, PERCENTAGE SHARE

a. During 2021, the largest currency of denomination for Namibia's long-term loans continued to be the Rand, followed by SDR.



b. During 2021, short-term loans was mainly dominated in Rand, followed by the US Dollar.



Namibia's long and short-term loans were mainly dominated in Rand during 2021. During 2021, long-term loans were mainly denominated in Rand, with the currency accounting for 65.8 percent of the total, followed by SDR, with a share of 15.6 percent (Figure C.33). The share of the Rand was sustained by supplemental financing from the AfDB, while the share of SDR was mainly a result of the IMF's RFI. The Rand dominated short-term loans with a share of 75.9 percent during 2021, followed by the US Dollar with a share of 19.4 percent, reflecting repayments made of short-term loans.

EXCHANGE RATE DEVELOPMENTS

The Namibia Dollar appreciated against all major currencies during 2021 underpinned mainly by stronger international commodity prices and unchanged monetary policy stances.[36] The Namibia Dollar appreciated against the US Dollar by 10.2 percent to an annual average of N$14.8 per US Dollar in 2021 (Figure C.25e). The Namibia Dollar also appreciated against the Pound Sterling and the Euro by 3.6 percent and 6.8 percent, respectively, to averages of N$20.3 per Pound Sterling and N$17.5 per Euro. The appreciation of the Namibia Dollar against major currencies was mainly attributable to South Africa's large current account surplus, supported by strong commodity prices and the sustained low interest rates in advanced economies. The appreciation was further supported by the spread of the COVID-19 pandemic, which dragged down EMDEs currencies in the corresponding period of 2020.

Trade-weighted effective exchange rates

The Nominal Effective Exchange Rate[37] **(NEER) and the Real Effective Exchange Rate (REER) both appreciated during 2021, largely due to improved global economic conditions.** During 2021, on an annual average basis, both the NEER and REER indices appreciated by 2.8 percent and 2.7 percent, respectively (Figure C.25f). The appreciation of the NEER and REER was largely ascribed to a low base in 2020 as well as a surplus on South Africa's current account sustained by higher international commodity prices, alongside accommodative global monetary policy stances. The year-on-year increase in the REER index signals a decline in the competitiveness of Namibia's export products in foreign markets.

CONCLUSION

The global economy recovered in 2021 when compared to 2020, sustained by vaccination rollout, the reopening of economies and improved global demand. The recovery benefited from growth in AEs where economic activity became less constrained on the back of vaccination drives and the subsequent reduction in severe COVID-19 cases and deaths. Prices of monitored commodities were all on an upward trend in 2021. The positive outlook on the demand for uranium is a welcome development for Namibia's export revenue. Inflation continued to rise due to high prices of food and currency depreciations in EMDEs. Central banks in major economies maintained accommodative monetary policies, while some central banks increased their interest rates to mitigate high inflation expectations. The global economy is estimated to have improved in 2021, however, is expected to moderate in 2022. The major downside risks are slower-than-anticipated vaccine rollout and possible tightening of the financial conditions, as well as geopolitical tensions.

The domestic economy recovered in 2021 from a contraction registered during 2020, which is mainly attributed to the recoveries in the primary and tertiary industries. The recovery was reflected in major sectors of the economy, particularly the *mining, wholesale and retail trade*, *communication* and *health* sectors. The *tourism* sector also gained momentum in 2021 but remained below the pre-pandemic levels. However, driven by contraction in the *construction* and *electricity and water* sectors, secondary industry remained weak. Overall inflation rose during 2021 compared to 2020, largely driven by an increase in inflation for *transport, housing* and *food*. Banks' private sector credit extension slowed, largely driven by lower demand for credit by households and businesses. The Central Government's budget deficit widened compared to the previous fiscal year, whereas the debt stock of the Central Government rose over the year to the end of December 2021. Namibia's current account turned into a deficit during 2021, due to a deterioration of the merchandise trade deficit as well as a decrease in secondary income inflows. The current account as a percentage of GDP recorded a deficit of 9.1 percent during 2021, compared to a surplus of 2.8 percent recorded in 2020. Nevertheless, financial account

36 The Namibia Dollar (N$) trades one-to-one against the South African Rand (ZAR) and is therefore referred to interchangeably. This section uses middle exchange rates against foreign currency units, unless otherwise stated. The respective exchanges rates are period averages.

37 The NEER is a trade weighted index of the nominal exchange rate of the Namibia Dollar against the currencies of Namibia's major trading partners: the Rand, Pula, Euro, US Dollar, Yuan, Dirham and Rupee. The REER, on the other hand, takes the NEER and deflates it with the relative consumer price indices of Namibia and those of its major trading partners. An increase in the index represents an effective appreciation of the national currency, whereas a decline in the index represents an effective depreciation.

flows were favourable in 2021, boosting reserves. The stock of international reserves stood at N$43.9 billion (6.4 months of imports) as at the end of December 2021, which represented an increase of 38.2 percent compared to the same date in the previous year. Going forward, the emergence of new variants of COVID-19 poses a risk to domestic growth and could also dampen the prices of some of Namibia's export commodities, while climatic swings always constitute a risk to the country's agricultural sector. On the upside, new mineral discoveries and a number of large projects could boost sentiment and economic activity.

THEME CHAPTER

COLLABORATIVE APPROACHES TO POLICY IMPLEMENTATION FOR DIGITAL TRANSFORMATION

CONTENTS

1 INTRODUCTION

The Namibian economy stagnated from 2016 to 2019 and then suffered a major setback in 2020 from which it only started to recover in 2021. The COVID-19 global pandemic caused a contraction of 8.5 percent in 2020 – the biggest in the country's history – although the economy has grown by 0.9 percent in 2021.[38] The COVID-19 pandemic affected some countries more than others during 2020. Countries with better broadband infrastructure and with broad use of information and communication technologies (ICTs) among the population were able to mitigate some of the negative economic impacts, allowing households, enterprises and governments to continue their daily engagements during this time albeit while working from home, and with lockdowns and other restrictions.

A clear lesson that has emerged is that inclusive connectivity is not an option, but a necessity. The digital economy has become an enabler for traditional economic sectors in Namibia, with the ICT sector contributing 17.4 percent to GDP in 2020, an increase from an average of 6.0 percent from 2014 to 2019. The digital economy is the economic activity that results from billions of everyday online connections among people, businesses, devices, data, and processes. The backbone of the digital economy is hyperconnectivity, which means growing interconnectedness of people, organisations, and machines that are part and parcel of the internet, mobile technology and the internet of things.[39] There is a need for creating new markets and development opportunities. One prominent legacy of COVID-19 is the opportunity to drive the digital transformation journey of countries, including Namibia.

According to the Harambee Prosperity Plan II, Namibia, as a country with a small, open economy, must necessarily adopt a targeted and deliberate approach to facilitate inclusive and sustainable levels of economic growth to redress inequality, and alleviate poverty and unemployment. Since its independence in 1990, Namibia has achieved notable progress in reducing poverty, halving the proportion of Namibians living below the national poverty line to 28.7 percent by 2009/10 and further reducing it to 17.4 percent by 2015/16. In part due to the negative impact of COVID-19 on livelihoods, however, poverty rates are projected to increase, with the upper middle-income poverty rate projected to stay near 65 percent through 2022.[40]

The COVID-19 pandemic is having an unprecedented impact on Namibia's economy and has exacerbated pre-existing structural challenges. Progress toward reducing inequality has been slow, and as a result, Namibia remains one of the most unequal country in the world. This fact is supported by the Gini index which was estimated at 63.3 in 2003, 61.0 in 2009 and 59.1 in 2015. Namibia's past economic growth, though steady, has not been enough to deal with the country's triple challenge of high poverty, inequality and unemployment. The weakening of growth in the last few years, combined with the COVID -19 shock, further puts progress in social development at risk.

Digital transformation has emerged on the policy agendas of a growing number of countries as a means of driving social development and economic prosperity. Digitalisation as a cross-cutting phenomenon has broad impacts, both socially and economically. It affects all sectors of an economy – from agriculture to industry and trade, from household consumption to public services – through its impacts on productivity, employment, skills, services being offered, and markets being reached.[41] It has changed the means of production, modes of delivery, and consumption and lifestyle patterns, and profoundly affects our social lives by establishing new means of communication.

The COVID -19 pandemic has been a wakeup call and has accelerated the use of digital technologies in order to keep working and stay connected. It has also revealed the divides that persist between those who have access and those who do not. Digital technology dividends are not automatic, and not everyone can benefit equally. Hence, there is a critical need for actions at policy level to maximise the benefits and minimise the potential risks. It is crucial that the Government is committed

38 https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/bc/bc848a3e-14e7-4b7c-b33d-9d3ec7e37690.pdf
39 https://www2.deloitte.com/mt/en/pages/technology/articles/mt-what-is-digital-economy.html
40 https://www.worldbank.org/en/country/namibia/overview#1
41 https://www.itu.int/en/ITU-D/Conferences/GSR/Documents/GSR2017/Soc_Eco_impact_Digital_transformation_finalGSR.pdf

to upscaling new solutions and creating a structured, enabling environment for innovation development, support systems and capacity development, which are pertinent for bringing about development through ICTs.

Digital transformation and the changes it brought about, and continues to bring about, have created the need for a different approach to regulation. As a result, a new regulatory paradigm has emerged that seeks to fast forward digital transformation for all – and that paradigm is embodied in the concept of collaborative regulation. According to the International Telecommunication Union (ITU), ICTs can help accelerate progress towards the Sustainable Development Goals (SDGs).

The interplay between digitalisation and sustainability unfolds bright opportunities for shaping a greener economy and society, paving the way towards the achievement of SDGs. ICTs can achieve results at a scale, speed, accuracy, quality and cost not imaginable a decade ago.

The purpose of this theme chapter is three-fold. First, it highlights the link between digital transformation and the SDGs. Secondly, it reviews several important sectors and provides country cases of how they have achieved their transformations. Thirdly, it offers collaborative approaches to policy implementation for digital transformation applicable to Namibia.

2 SUSTAINABLE DEVELOPMENT GOALS AND THE ICT SECTOR

The SDGs within the United Nations 2030 Agenda emerged in 2015, becoming an unprecedented global compass for navigating existing sustainability challenges. The aim of the SDGs is to set the objectives for driving forces all over the world to tackle the world's largest challenges. This includes fighting poverty, eliminating inequalities and achieving sustainable economic growth. The agenda comprises 17 SDGs which are further refined to 169 targets addressing economic, social and environmental aspects. In recent years, there has not been an influence stronger than the ICT sector on the development of countries and societies, especially in driving today's innovation, efficiency and effectiveness across all sectors. For a generation, ICT has been the fastest growing of all sectors.[42]

According to the International Telecommunication Union, ICTs can help accelerate progress towards the SDGs. The interplay between digitalisation and sustainability unfolds bright opportunities for shaping a greener economy and society, paving the way towards achieving the SDGs. ICTs can achieve results at a scale, speed, accuracy, quality and cost not imaginable a decade ago. They have the means to deliver quality goods and services in the areas of healthcare, finance, education, commerce, agriculture and governance, amongst others.[43] ICTs can also help reduce poverty and hunger, boost health, create new jobs, mitigate climate change, improve energy efficiency and make cities and communities sustainable. Therefore, since ICTs play a vital role in achieving the SDGs, issues such as affordability and availability of such services, as well as the creation of incentives for innovation and entrepreneurship, must be addressed holistically and comprehensively at a policy level. There is a clear interdependence of targets and goals, and ICTs play an important role in achieving these goals.[44]

42 https://www.mdpi.com/2071-1050/13/21/11831/htm
43 https://www.itu.int/hub/2020/05/itus-approach-to-using-icts-to-achieve-the-united-nations-sustainable-development-goals/#:~:text=ICTs%20are%20able%20to%20achieve,governance%20and%20agriculture%2C%20among%20others.
44 https://www.un.org/press/en/2003/pi1546.doc.htm

How digital technologies can contribute significantly to the fulfilment of several SDGs:[45]

SDG 1: No poverty	Access to digital financial services has been proven to help lift people out of poverty. ICT can improve poor people's access to markets and healthcare, expand their use of government services and widen their access to micro-finance.
SDG 2: Zero hunger	By making agricultural practices more data-driven and efficient, ICT-enabled solutions can help farmers increase crop yields while reducing their use of energy.
SDG 3: Good health and well-being	Direct patient interaction, health informatics and telemedicine can be improved through better connectivity.
SDG 4: Quality education	Inclusive, equitable and lifelong learning opportunities for all can be enabled where integrated policies can play a role in fostering innovation in the education sector and facilitating the use of mobile technology for learning.
SDG 6: Clean water and sanitation	New and emerging digital technologies facilitate smart water and sanitation management.
SDG 7: Affordable and clean energy	Although rising tech use contributes to emissions of carbon dioxide and other greenhouse gases, the industry is exploring ways to use greener energy, make devices more energy efficient, and incorporate solar, wind and other renewable sources into the value chain. At the same time, cutting-edge tech will be essential to cut global emissions, build smart grids and cities, electrify transport, and build sustainable economies and societies.
SDG 8: Decent work and economic growth	Technology creates new jobs, enables resilient work and commerce, and stimulates wider social and economic development.
SDG 9: Improved Infrastructure	Resilient infrastructure can be built, innovation can be fostered, and inclusive and sustainable industrialisation can be achieved through holistic and targeted ICT policies, regulations and strategies, as well as by promoting confidence and security in the use of ICTs.
SDG 16: Peace, justice and strong institutions	e-Government services are helping improve the relationship between citizens and the state and the efficiency of government service delivery.
SDG 17: The power of partnerships	Public-private partnerships are key to bringing ICTs to all nations, peoples and communities. Partnerships are particularly needed to build the physical infrastructure required to deliver internet services in remote areas and for currently disadvantaged populations, as well as to facilitate the investment, inclusion and innovation required for SDG fulfilment across the board.

Source: ITU (2021)

45 https://www.itu.int/en/mediacentre/backgrounders/Pages/icts-to-achieve-the-united-nations-sustainable-development-goals.aspx

3 INFORMATION AND COMMUNICATION TECHNOLOGIES AS ENABLERS ACROSS SECTORS

The ICT sector players work more and more with non-traditional ICT players as ICTs become increasingly recognised as essential pillars in many areas of life. Government, health sector and school connectivity require access to telecommunication networks and services, as does digital financial inclusion (Maddens, 2016).[46]

3.1 ADMINISTRATION AND ICT

The use of new technologies and applications such as cloud computing, mobile technologies and social media channels has become part of the day-to-day life of people, businesses and society at local, regional and global levels. According to Maddens (2016), more open governance through e-government has led to governments becoming more transparent and accessible, and this in turn has led to more and new forms of public engagement and relationships.

e-Governance is the application of ICTs for delivering government services through the integration of various stand-alone systems between government-to-citizens, government-to-business and government-to-government services. It is often linked with back-office processes and interactions within the entire government framework.

Case study 1: e-Government in Denmark

According to the Digital Economy and Society Index report 2021, Denmark ranks first out of the 28 EU Member States. The index tracks the progress made in EU member states in digital competitiveness in the areas of human capital, broadband connectivity, the integration of digital technologies by businesses and digital public services.

Denmark is one of the highest-ranking countries in the world when it comes to the digitisation of the public sector. Denmark has consistently ranked in the global top when the digital transformation of the public sector is evaluated. Most transactions are cashless, and almost all interaction with the Danish authorities takes place online. One of the basic digital infrastructures in Denmark is the digital key 'NemID' (or in English 'EasyID') which was developed in 2010. The digital key makes it simple for the citizens to access a wide range of services online.[47] The digital key in itself and the cooperation between the public and the private sector is an important factor when exploring how Denmark has managed to become one of the most digitalised countries in the world.

A strong mandate for coordination, a cross- and joint-governmental approach, and a consultative and consensus culture for strategy formulation and implementation across all levels of government is a seminal characteristic which helps align objectives and create a sense of joint ownership. While not uniquely Danish, strategy cycles are interlinked with ex ante and ex post evaluations and weaknesses identified for solution. eGovernment strategies are supported by strategic initiatives, which in turn are linked to a mandatory IT-project and business case model which not only helps minimise the risk of failure but also facilitates active benefit realisation at both project and strategy levels. During the consultation process undertaken by local authorities, who also informally consult with the private sector and academia, potential weaknesses found are a perceived in-transparency of the consultation process.

46 https://www.itu.int/en/ITU-D/Regional-Presence/AsiaPacific/SiteAssets/Pages/Events/2019/RRITP2019/ASP/ITP_SM_presentation_rev0409.pdf

47 https://denmark.dk/innovation-and-design/denmarks-digital-success#:~:text=One%20of%20the%20basic%20digital,wide%20range%20of%20services%20online.

Elements addressing change management and innovation in the IT-project model could potentially be strengthened in Denmark.[48]

The success of the Danish economy lies in trust. Although Denmark has lauded the digital key as the reason for their digital success, the Danish people feel that the trust between citizens and government played a bigger role. There is a great deal of openness and a lot of interaction between the citizens, the private sector and the public sector.

3.2 AGRICULTURE AND ICT

The desire to promote better information access to improve the socioeconomic condition of farmers has always been the top priority of agricultural extensionists and rural advisory service providers. According to the Food and Agriculture Organization (FAO) (2011)[49], exchanging information is critical for the stakeholders in agricultural value chains in order to reduce the asymmetries in information and communication as well as to reduce the vicious cycle of poverty. Digital technologies affect the entire food system and every actor in that system and generate significant benefits in agriculture by reducing the costs of information, transactions and supervision. Since agriculture is regarded as the backbone of the Namibian economy, it follows that agricultural growth is essential for fostering economic development and feeding the growing population.

As the prime connection between people and the planet, food and agriculture can help achieve multiple SDGs. Properly nourished children can learn, people can lead healthy and productive lives, and societies can prosper. By nurturing the land and adopting sustainable agriculture, present and future generations will be able to feed a growing population. The agriculture sector, covering crops, livestock, fisheries and forests, is the world's biggest employer and the largest economic sector in many countries; it is also the main source of food and income for the extremely poor. Sustainable food and agriculture have great potential to revitalize the rural landscape, deliver inclusive growth to countries and drive positive change right across the 2030 Agenda for Sustainable Development.

The use of ICT-based solutions can solve problems that have been a burden to the agriculture sector for too long. However, in order to effectively exploit the latent potential of ICT devices and digital services, the characteristics of the driving forces behind new technologies have to be understood. At the farm level, ICTs can help manage farm operations and functions by collecting, processing, storing and disseminating information. Farm Management Information Systems are complex recordkeeping systems that support agricultural production management, helping in particular to reduce production costs, ensure compliance with agricultural standards and maintain product quality and safety (ITU and FAO, 2020).

Digital technology can also be used to deliver e-agriculture which is a more streamlined agricultural production system often called "precision agriculture". It uses a resource-efficient approach that can also have great environmental benefits (e.g. more efficient use of water, optimization of treatments and inputs, reduced use of fertilizers and pesticides – or "doing more with less"). Looking beyond the farm, e-agriculture has the potential to contribute to a more economically, environmentally and socially sustainable agriculture that meets the agricultural goals of a country, or to render a region more effective in the areas of agricultural innovation systems, sustainable farming, food safety and traceability, financial services and insurance, etc. (ITU and FAO, 2020).[50]

48 http://collections.unu.edu/view/UNU:7455
49 https://www.fao.org/3/i6030e/i6030e.pdf
50 https://www.itu.int/en/ITU-D/Regional-Presence/Europe/Documents/Events/2020/Series%20of%20Webinars/20-00244_Status_digital_Agriculture-revFAOV4.0-MASTER-FILE-20-JUNE_REVIEW-FAO_PL_print%20(002).pdf

Case study 2: Japan's advancement in agricultural technology

Japan does not have the best agricultural land; however, Japanese agricultural products have become world renowned for their quality. The success in high-quality agricultural production achieved by Japan is mainly due to agricultural technology which is more advanced than in other countries.[51] Japanese agricultural technology is comprehensive from the planting process through to the harvesting process. Furthermore, government support and research has the greatest influence on the success of agriculture in the country.

Smart farming in Japan

The smart farming market consists of various solutions such as the use of agricultural robots and drones, and GPS-based guidance systems with autopilot or semi self-operating technologies for tracking, monitoring, automating and analysing operations. These technologies are ideally closely linked to each other to create an innovative production chain.

The smart farming market in Japan is categorised in the following six segments (Yano Research, 2019):[52]

1. Precision Farming GPS Guidance Systems (esp. for tractors); Automatic Steering (does not include unmanned vehicles); Vehicle Robot Systems (including unmanned systems)
2. Agricultural Robot Systems: Agricultural Robots (e.g., facility robots such as grafting robots); Manipulator Robots (e.g., harvesting robots); Assisting Robots (e.g., Powered suits or exoskeletons)
3. Drone Solutions (does not include the drone as hardware): Agrichemical Spraying; Monitoring Service
4. Cultivation Support Solutions: Cloud Services for Farming (Farm work management via internet); Complex Environmental Control Devices (e.g., control of heat, light, ventilation, humidity etc.); Production Support for Dairy Farming and Animal Husbandry
5. Management Support Solutions: Accounting Software for Farming; Accounting Support for Agricultural Corporations; Management Support System (e.g., using climate data)
6. Sales Support Solutions: ICT to connect actors and optimise sales process (connect producers with Japan Agricultural Cooperatives and food businesses to reduce effort in optimal sales of products); Sales support service (e.g., using climate data)

Japan believes that digital farming will help it overcome projected water shortages, allowing even inexperienced growers to manage their use of water more efficiently, and increase productivity in areas with limited access to water. "Fertigation", an agricultural technique, allows farmers to use narrow pipes to place drops of water and fertiliser at the roots of growing crops as opposed to spraying a large amount of water with sprinklers. Japan is using IoT (the Internet of Things) and AI (Artificial Intelligence) to make advances in fertigation,8 with data being collected from soil and light sensors. AI analyses the data to determine the right amount of water and fertilisers needed, making the approach far more sustainable.[53]

3.3 EDUCATION AND ICT

ICTs contribute to making education more accessible and more universally and equitably available to people around the world. ICTs enable more efficient delivery of quality teaching, more effective learning, and better educational

51 https://lifelines-india.net/why-japanese-agricultural-technology-is-the-most-advanced-in-the-world-right-now/
52 https://www.ecos.eu/ja/factsheets_j.html?file=files/content/downloads/publikationen/REPORT_Smart_Farming.pdf
53 https://www.lombardodier.com/contents/corporate-news/responsible-capital/2021/june/how-japan-is-using-digital-farmi.html

management, governance and administration (Maddens, 2016).

Connectivity provides many educational benefits, including access to information, and opportunities for collaboration and acquiring digital skills, including the use of technology and online applications. The benefits are particularly attractive for remote schools where internet access provides the opportunity for online learning and access to educational content.

e-Learning offers several advantages: 1) real-time education programmes; 2) differentiated contents and educational methods; 3) ongoing discussion and the potential to interact virtually with other students; and 4) online supervision with quick feedback. In these high-tech and rapid learning systems, students can learn much more, without the restrictions of time .[54]

Case study 3: South Korea and the future of online education

The COVID-19 pandemic has forced virtually all schools and universities in the world to switch to online education, and South Korea was no exception. The nation's transition to online education has mostly been smooth, and the reason for this is clear: South Korea has one of the best IT infrastructures in the world.

South Korea has built a world-class IT infrastructure and internet facilities nationwide over the last decade. Most of the population in Korea is able to access the internet anywhere and anytime. Before the pandemic, the country had attained 99 percent 4G coverage, with 5G under implementation. Further, about 75 percent of households had access to computers, and 99.5 percent had internet access. Coupled with the nation's prioritisation of education, this makes the ease of implementation of online education and widespread acceptance of this mode by students and teachers seem inevitable.[55]

The government expanded public infrastructure by increasing e-learning platforms' capacity to support millions of students, from mere thousands. Furthermore, it has helped to build teaching capability by providing teachers with piloting and peer-mentoring programmes. An example is "The Community of 10,000 Representative Teachers", which encourages teachers to share their ideas and information about online education. The government has also shared relevant guidelines and provided real-time support to teachers, parents and students to use online education platforms, and has worked with the private sector to resolve the digital divide. Further, it provides rentable devices at zero cost to thousands of students and has offered this policy to educational institutions to ensure the inclusion of disadvantaged students in online classes.

The use of e-learning in education in South Korea has been driven by a strong cooperation among the five key government players: the Ministry of Trade, Industry and Energy (MOTIE); the Ministry of Education (MOE); Ministry of Culture, Sports & Tourism (MSCT); the Ministry of Security & Public Administration (MOSPA); and the Ministry of Employment & Labour (MOEL). MOTIE has played a major role in bridging with other agencies and promoting activities with the National IT Industry Promotion Agency (NIPA). Furthermore, the Korea Education and Research Information Service (KERIS) has an exclusive role in planning implementation of the national ICT policy.[56]

54 https://www.kedi.re.kr/eng/kedi/cmmn/file/fileDown.do?menuNo=200067&atchFileId=FILE_000000000003427&fileSn=1&bbsId=

55 https://www.weforum.org/agenda/2020/11/lessons-from-south-korea-on-the-future-of-online-education/

56 http://kursobr.ru/images/e-learning.pdf

3.4 HEALTH AND ICT

e-Health is the cost- effective and secure use of ICT in support of health and health- related fields. e-Health is a key component of achieving universal health coverage and can facilitate the training of the health workforce, provide accurate and timely patient information through electronic health records, and improve the operations and financial efficiency of healthcare systems. It encompasses multiple interventions, including telehealth, telemedicine, mobile health, electronic medical or health records, big data, wearables, and even artificial intelligence. The role of e-health has been recognised as being pivotal in attaining overarching health priorities such as universal health coverage and the SDGs.[57]

ICT has transformed healthcare in many developing countries by competently distributing public health information and enabling consultation on health issues. There are various benefits of ICT in the healthcare sector, such as the ability to:

- promote patient-centred healthcare at a lower cost;
- improve the quality of care and information sharing among health workers;
- educate health professionals and patients – learning and training;
- encourage a new form of relationship between patients and healthcare providers;
- reduce travel time through telemedicine and obtain remote consultation, diagnosis, and treatment from specialists in distant hospitals; and
- monitor public health threats.

Case study 4: Estonia's digital health system

When COVID-19 hit Europe, many European countries found themselves looking for new ways of providing care, but in Estonia, life was going on as usual. The e-health system in Estonia, known as the Estonian Nationwide Health Information System, has been operational since the end of 2008.[58] With more than 99 percent of patient data generated by doctors and hospitals being digitalised, Estonians can easily access their data via a very secure online portal. e-Prescriptions and video consultations have already become "a new normal". Even deaths are registered online with notifications automatically sent to people's workplaces, tax offices, and the population registry. Estonian citizens are actively involved in key decisions about the healthcare system.[59]

Estonia's digital health success is due in large part to its government-wide commitment to digitalisation. Estonia established a common e-environment, with an ID card for secure authentication and a secure data-exchange layer. These basic elements have been in place since 2002. According to Estonia's e-Health Foundation, countries should not start with eHealth if their digital footprint is not in place. This is because eHealth is complex and difficult. The organisation also indicated that a trusted data exchange that is only for healthcare is much more costly and difficult to implement. The country had a lot of e-services already in place, an existing support environment, and general legislation that supported the idea that data belongs to the citizens.[60]

The key element in Estonia's pioneering approach is the Environment and Health Information System. This is a network for the exchange of health data which registers the entire population's complete history of illnesses. The system is designed to help shorten therapies and support diagnoses.

57 https://www.who.int/westernpacific/activities/using-e-health-and-information-technology-to-improve-health
58 http://ceur-ws.org/Vol-2336/MMHS2018_invited.pdf
59 https://inveritasoft.com/article-6-countries%E2%80%8B-that-are-transforming-healthcare-sector
60 https://inform.tmforum.org/features-and-analysis/2015/03/lessons-from-a-tiny-baltic-nation-on-how-to-deploy-digital-healthcare/

3.5 DIGITAL FINANCIAL SERVICES

According to Maddens (2016), there are two billion adults that have no access to basic financial services, which represents a barrier to reducing poverty and boosting socio-economic development. Financial inclusion ensures that individuals and businesses have access to useful and affordable financial products and services that meet their needs. Digital financial inclusion involves the deployment of cost-saving digital means to reach currently financially excluded and underserved populations with a range of formal financial services that are suited to customers' needs, responsibly delivered at an affordable cost, and sustainable for providers.[61] Banking the unbanked, like connecting the unconnected, is a major milestone towards universal growth and prosperity. At the nexus of technology and finance, digital financial inclusion can be a powerful driver towards achieving the SDGs. Collaborative regulation can and will lead digital financial inclusion onwards and upwards, boosting entrepreneurship and e-trade while enabling e-government services and sustainable living styles.[62]

Case study 5: The Kenyan journey to digital financial inclusion

M-Pesa started in 2007 as an electronic money transfer product that enables users to store value on their mobile phones. It is based on a platform of electronic units of money that can be used for multiple purposes, including transfers to other users, payments for goods and services, and conversion to and from cash.[63]

M-Pesa and similar digital financial services are representative of the mobile banking revolution in Kenya. Financial institutions have embraced M-Pesa as a platform to manage micro accounts, build customer deposits, and broaden their customer network. As a consequence, Kenya has emerged as a leader in financial inclusion in sub-Saharan Africa. In 2006, just before M-Pesa was launched, only 26.7 percent of Kenyans had access to formal financial services (such as bank accounts and money transfers); by 2016, this figure had risen to over 75 percent.[64]

M-Pesa was first developed as a bank product by a partnership between Safaricom, a telecommunication company, and the Commercial Bank of Africa. Since then, it has further evolved into a platform for a wide range of financial services such as virtual savings accounts in commercial banks. Harnessing the power of big data, M-Pesa now also operates as a channel of credit supply by commercial banks, microfinance institutions and cooperatives. In addition to domestic financial services, M-Pesa allows users to send and receive cross border remittances using their mobile phones.[65]

4 COLLABORATIVE APPROACHES AND RECOMMENDATIONS FOR REGULATORS

The regulatory treatment of new technologies requires careful consideration, including of whether existing regulation may already cover new technologies or applications. The cross-cutting nature of ICTs demands that regulators collaborate with other competent authorities to understand new technological deployments and how regulations will affect their use.

61 https://www.worldbank.org/en/topic/financialinclusion/publication/digital-financial-inclusion
62 https://gen5.digital/best-practices/gsr-16-collaborative-regulation-for-digital-financial-inclusion/
63 https://www.bsg.ox.ac.uk/research/publications/m-pesa-success-story-digital-financial-inclusion#:~:text=M%2DPesa%20started%20in%202007,value%20on%20their%20mobile%20phones.
64 https://www.geg.ox.ac.uk/publication/practitioners-insight-m-pesa-success-story-digital-financial-inclusion
65 https://aercafrica.org/wp-content/uploads/2021/03/AERC-MPesa-Case-Study.pdf

4.1 NEW TECHNOLOGIES AND EXISTING POLICY GOALS

The Namibian Government should use new technologies to support existing policy goals. The SDGs demonstrate that nearly all countries share the goal of extending the benefits of connectivity and information technology at an affordable cost to citizens. The Namibian government should therefore pursue this goal through national broadband plans, specific targets for expanding access, and comprehensive infrastructure investment plans as part of the National Development Plan. ICT connectivity in Namibia can also help support a wide array of policy goals in diverse areas such as education, healthcare, financial services, agriculture and disaster response,[66] as it was demonstrated during the pandemic period.

Recommendations:

- Policymakers in Namibia need to keep abreast of evolving technologies for delivering broadband, including their costs, benefits and technical capabilities, to understand what services they may enable for citizens and how regulatory frameworks will enable, inhibit or put at risk current access to emerging technologies or continued innovation.
- When developing national broadband plans and policies, Namibian stakeholders in the area of ICT should strive for technological neutrality, to allow the deployment and future evolution of different types of services and the development of innovative business models.

4.2 EFFECTIVE REGULATORY APPROACHES

Many emerging applications pose challenges to the traditional exercise of regulatory authority. As telecommunication regulators (the Communications Regulatory Authority of Namibia (CRAN)) update outdated rules or identify whether new ones are appropriate for new applications and technologies, other regulatory bodies (the Ministry of Information and Communication Technology (MICT), BoN, NAMFISA, the Electricity Control Board, etc.) may also be working on frameworks to address the introduction of ICTs into their sectors. Such fragmentation or overlap may pose a challenge to wide deployment and adoption of new technologies. Improved coordination across various competent authorities may help facilitate innovation and investment.

Recommendations:

- Namibian government departments, ministries, and regulatory authorities should identify appropriate methods for collaboration and coordination on common cross-sector issues to support more effective policy and regulatory frameworks (for example, through the creation of high-level inter-ministerial working groups), taking into account the diverse stakeholders in the deployment and use of ICTs.
- To alleviate challenges that would arise from having to comply with differing or competing regulatory requirements, Namibian policymakers should seek to avoid duplication of regulations.

4.3 AN ENABLING ENVIRONMENT FOR INVESTMENT AND INNOVATION

The economic benefits of internet and broadband penetration are well documented. Connectivity supports economic growth, productivity gains and development. The deployment of broadband and advanced network technologies often requires high capital investment. Namibia should create an enabling environment that stimulates innovation and investment. This means that both those put in charge of regulation and policymakers need to provide stability, predictability and transparency regarding any regulatory requirements. Furthermore, there should be test beds in place as well as direct support for research and development to stimulate innovation and investment in new technologies. Such projects will also allow for the adaptation of new technologies to local requirements.

Recommendations:

- The government and regulators in Namibia should promote and support pilot projects and test beds for new technologies and consider incentives to promote the adoption of ICTs.

66 https://www.itu.int/en/ITU-D/Conferences/GSR/Documents/ITU_EmergingTech_GSR16.pdf

- Namibian policymakers (CRAN, MICT, Ministry of Industrialisation, Trade and SME Development, Ministry of Finance, etc.) should create a positive and stable enabling regulatory environment – across all domains – in order to attract investment in new technologies and allow for innovation while not jeopardising the operation and future evolution of other networks.

4.4 BUILDING TRUST AND CONFIDENCE

New wireless technologies and applications will enable many new connections, and bring about an explosion of new means for collecting ever-increasing amounts of sometimes sensitive data. Additionally, growth in the number of interconnections between devices – both wireless and wired – as well as more complex networks increases potential points of failure. Trust and confidence in new and emerging technologies are fundamental and must be designed into the systems from the outset. Two key components to ensure trust and confidence are privacy and security.

Recommendations:

- Namibian national strategies to protect privacy must take into account a range of risks from a variety of different sources and adapt to existing regulations.
- CRAN and other regulators (BoN, NAMFISA, MICT, etc.) should stay abreast of the challenges posed by cyber threats, including the types of devices and information at risk, and be aware of their ever-changing nature.
- Addressing cybersecurity challenges requires multi-pronged approaches including: (a) strong public-private cooperation; (b) embracing international collaboration and best practices; (c) stronger domestic laws, governance systems and capacity; and (d) education efforts.

5 CONCLUSION

Without the proper collaboration, development and deployment of digital technology, Namibia will fall short of achieving the 2030 SDGs. Adopting a "Digital with Purpose" mindset is urgently required to achieve the market transformation that will foreground sustainability. Overall, to maximise the opportunities that digital technologies provide for our future requires a recommitment to the UN SDG 2030 Agenda. The digital sector needs to be more inclusive in terms of access to technology, more ambitious in terms of scaling impact, and more responsible in terms of its own operations. Finally, there needs to be greater intentionality and transparency of impact, and a better understanding of how digital technologies can be deployed to positive effect whilst minimising negative externalities.

Digital transformation affects different parts of the economy and society in complex and interrelated ways, making trade-offs between public policy objectives difficult to navigate. Leveraging the benefits and addressing the challenges of digital transformation requires co-ordination across all policy domains. It also requires the consideration of transversal policy issues (e.g. skills, digital government and data governance) that cut across several of the framework's policy dimensions.[67]

Coordination entails the involvement of a wide range of actors across multiple parts and levels of government as well as the participation of non-governmental stakeholders and international partners. A whole-of-government approach, however, may prove challenging. For example, high transaction costs, power and information asymmetries, and different governance approaches across different levels of government can make co-ordination and negotiations cumbersome.

While well designed governance is fundamental for effective coordination, there is no one-size-fits-all approach. Different approaches can reflect, for example, variations in state institutions, the organisation of government, or administrative culture and capacity. In addition, governance arrangements are likely to evolve over time, for example with changes in government, technological progress, and shifts in the constellation of actors driving digital transformation.

67 https://www.oecd-ilibrary.org/sites/c5b3ea5d-en/index.html?itemId=/content/component/c5b3ea5d-en

There is a need to establish a national Digital Innovation Hub to act as a one-stop-shop, serving companies within their local regions and beyond to digitalise their business operations. There is a need for the establishment of a national digital hub which could serve as a support facility that helps companies to become more competitive by improving their business/ production processes, products and services by means of digital technology. Such a hub will hold significant potential to support and assist SMEs and start-ups and could become a key actor in bringing digitisation within the reach of all industry sectors. It is also important to provide advisory services and training to regional digital innovation hubs to help them develop more commercially oriented business models, which could lead to a more diversified funding mix, reducing dependencies on public sources. Various stakeholders should be involved and pilot the hub, such as CRAN, MICT, the Ministry of Industrialisation, Trade and SME development, the Ministry of Finance, financial institutions and private entities.

Part D:
Bank Supervision

INTRODUCTION

The banking industry sustained strong levels of profitability, despite operating in a challenging economic environment. The overall profitability level of banks improved despite only marginal growth in the balance sheet size, and operational efficiency improved. The banking industry is also sufficiently capitalised and liquid. Asset quality remains a concern with heightened non-performing loan (NPL) levels that caused the NPL ratio to remain relatively constant, at 6.4 percent over the annual period. This level is above the benchmark of 6.0 percent. The Bank extended the effective period of the COVID-19 relief regulations to ensure that banking institutions support struggling households and businesses.

PERFORMANCE OF THE BANKING SECTOR

Capital cushions were maintained, supported by healthy profit margins. The banking sector maintained adequate capital levels to meet the regulatory requirements and to absorb potential losses. The total eligible capital ratio stood at 15.7 percent, well above the minimum regulatory requirement of 10.0 percent. The Bank relaxed the capital conservation buffer over a period of 36 months from April 2020 in response to the fallout of the COVID-19 pandemic. Similarly, the Determination on Policy Changes in Response to Economic and Financial Stability Challenges as a Result of the COVID-19 Pandemic (BID-33) was recently revised to cater for challenges that the commercial banks and the industry experienced, which included issues related to burden sharing and liquidity compliance. Domestic Systemically Important Banks (DSIBs)[35] held a total share of 98.4 percent of the total banking assets in 2021, relatively constant from the previous year.

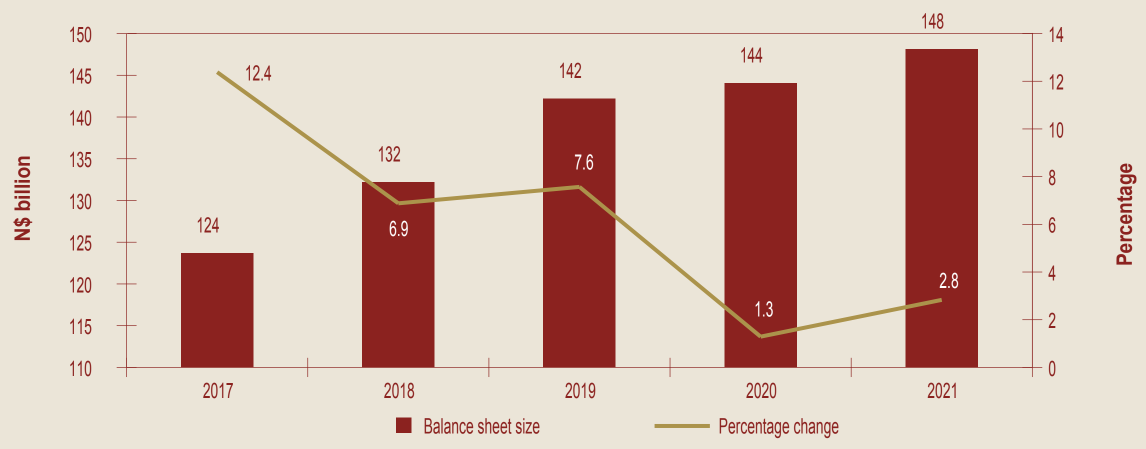
BALANCE SHEET STRUCTURE

Despite operating in harsh economic conditions owing to depressed economic activities, the banking industry reported growth in the balance sheet. A year-on-year comparison indicates growth in the banking industry's total assets of 2.8 percent during 2021, while the growth during 2020 was just 1.3 percent (Figure D.1). Total assets stood at N$148.0 billion, up from N$144.0 billion a year ago, owing to increases in short-term negotiable securities, and cash and balances.

The asset growth was supported by non-bank funding deposits. Non-bank funding increased by N$3.3 billion, mainly driven by demand deposits. The increase in non-bank funding placed the banks in a better position to extend loans and to improve their liquidity levels, despite low credit demand by consumers.

FIGURE D.1 AGGREGATED BALANCE SHEET

The balance sheet size expanded further during 2021, compared to 2020.



35 DSIBs are classified subject to the impact that it's failure may have on the domestic economy, based on assessment factors such as (i) size (ii) interconnectedness (iii) substitutability, and (iv) financial market infrastructure.

ASSET STRUCTURE

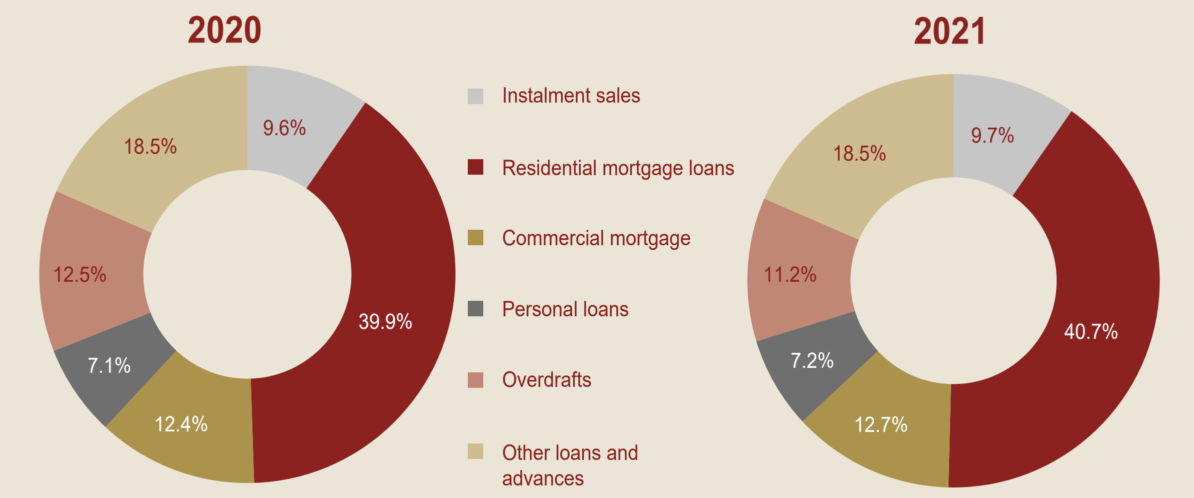
The balance sheet size expanded moderately despite negative impact of the pandemic, and persistently slow domestic economic activity. As alluded to earlier, the industry's balance sheet expanded, with the balances of short-term negotiable securities, and cash and balances growing by N$2.6 billion and N$2.1 billion, respectively. Short-term negotiable securities increased by N$2.6 billion to N$19.0 billion, particularly due to increases in treasury bills, as banks continued to invest in treasury bills to cushion against liquidity risk. Cash and balances increased by N$2.1 billion to N$16.9 billion as a result of the increases in balances with the Bank, specifically the statutory reserve account.

Net loans and advances continued to dominate the asset side of the balance sheet, but with a lower share than in 2020. As expected, net loans and advances occupied a majority share of 68.5 percent, down from the 70.0 percent seen in the previous year. Short-term negotiable securities ranked second with a share of 12.8 percent, up from 11.4 percent. Cash and balances held with banks accounted for only 11.4 percent, slightly higher than the 10.3 percent recorded in the previous year. The trading and investment portfolio, fixed assets and other assets collectively accounted for 7.2 percent (Figure D.2).

Both residential and commercial mortgages contributed greatly to the growth noted in loans and advances. Residential mortgages constituted 40.7 percent of the banking industry total loan book, increasing from N$41.9 billion in 2020 to N$43.0 billion in 2021. Commercial mortgages accounted for 12.7 percent of total loans and increased by N$342.4 million to stand at N$13.4 billion. Personal loans accounted for 7.2 percent and increased from N$7.4 billion to N$7.6 billion, whilst other loans and advances accounted for 18.5 percent, marginally increasing by N$200 million to stand at N$16.6 billion. Overdrafts contracted by N$1.2 billion to stand at N$11.8 billion, accounting for 11.2 percent of the loan book. All the other loan categories accounted for less than 10.0 percent each. Due to high concentration risk arising from the large exposures in the residential mortgage category, banks hold higher capital charges in line with the Determination on Internal Capital Adequacy Assessments (BID-5A) compared to those prescribed by the Basel Committee under the Basel II Capital Adequacy Rules to hedge against any deterioration in the residential mortgages.

FIGURE D. 2 COMPOSITION OF TOTAL LOANS AND ADVANCES

Mortgage loans dominated the loans and advances category.



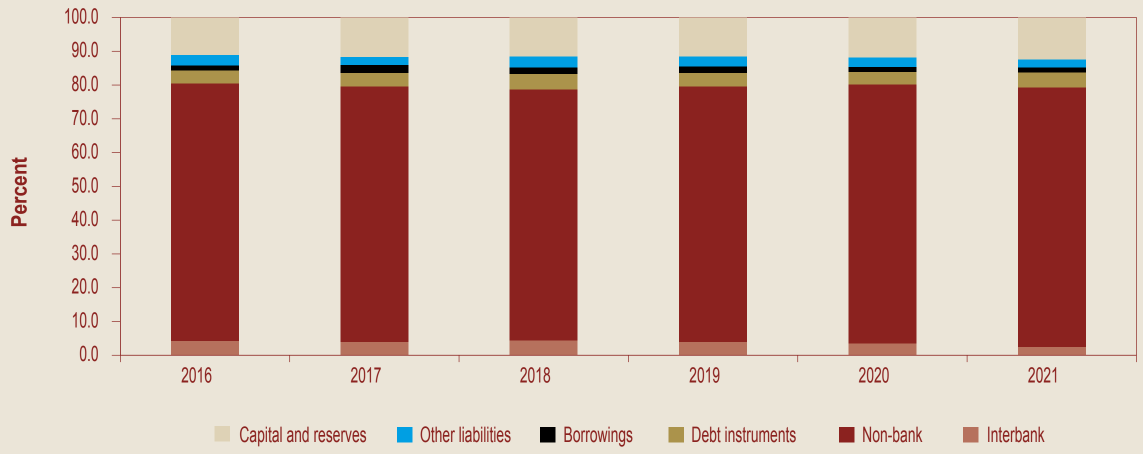
FUNDING STRUCTURE

Non-bank funding continued to dominate the funding side of the bank, trailed by capital and reserves. Customary non-bank funding constituted the greatest share of the non-bank funding sources, which comprises demand deposits, fixed and notice deposits, and negotiable certificates of deposits. The period under review saw a significant improvement in non-bank funding of 3.0 percent, increasing from N$110.5 billion to N$113.8 billion. Capital and reserves also improved due to expansion in general reserves. Capital and reserves increased by N$1.4 billion to N$18.3 billion and constituted 12.4 percent of total funding, up from 11.7 percent a year previously (Figure D.3). Conversely, bank funding contracted by N$1.3 billion to N$3.7 billion, accounting for just 2.5 percent of total funding, lower than the 3.5 percent held in the previous year. The remaining 8.3 percent of total funding was comprised of all other liabilities, borrowings, and debt instruments.

FIGURE D.3 FUNDING STRUCTURE

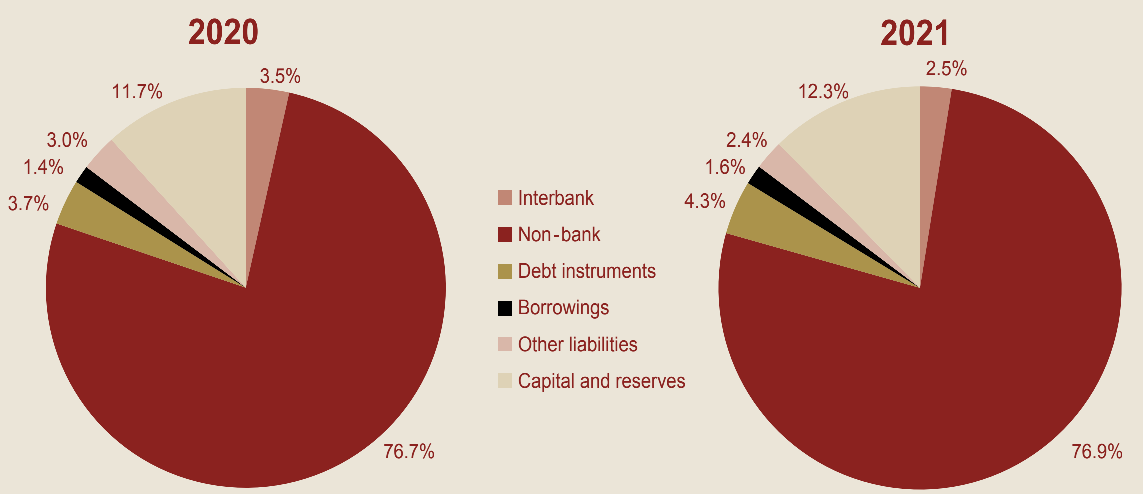
Sources of funding were dominated by non-bank funding, followed by capital and reserves.

a. Composition of funding



Non-bank funding was mainly sourced from demand deposits, fixed and notice deposits, and negotiable certificates of deposit.

b. Composition of non-bank deposits



The funding side reported a marginal contraction. Demand deposits decreased by 8.6 percent and remained the most attractive source of funding, despite being short-term in nature. Demand deposits increased from N$56.3 billion to N$61.2 billion. Demand deposit accounted for 53.7 percent, up from 51.0 percent, the increase being attributable to wholesale deposits, which are volatile in nature. Fixed and notice deposits and negotiable securities accounted for 20.0 percent and 17.0 percent of funding, respectively, while foreign funding decreased by N$917 million to N$4.4 billion and accounted for 4.4 percent of funding, with 3.0 percent invested in savings deposits.

Wholesale funding remained the greatest source of funding despite its volatility. To manage this risk and to allow for diversified funding portfolios, the Bank is in the process of implementing two new standards to enhance the existing liquidity risk management framework. These Basel III reforms include the introduction of liquidity standards and what would constitute alternative liquidity approaches in the event of banking institutions being short of high-quality liquid assets to meet the standards. In this regard, the Bank has made inroads in revising its Determination on Liquidity Risk Management (BID-6) and a market study on alternative liquidity approaches is ongoing. The implementation of Basel III Liquidity Standards was, however, postponed to early 2023 due to the fallout of the pandemic.

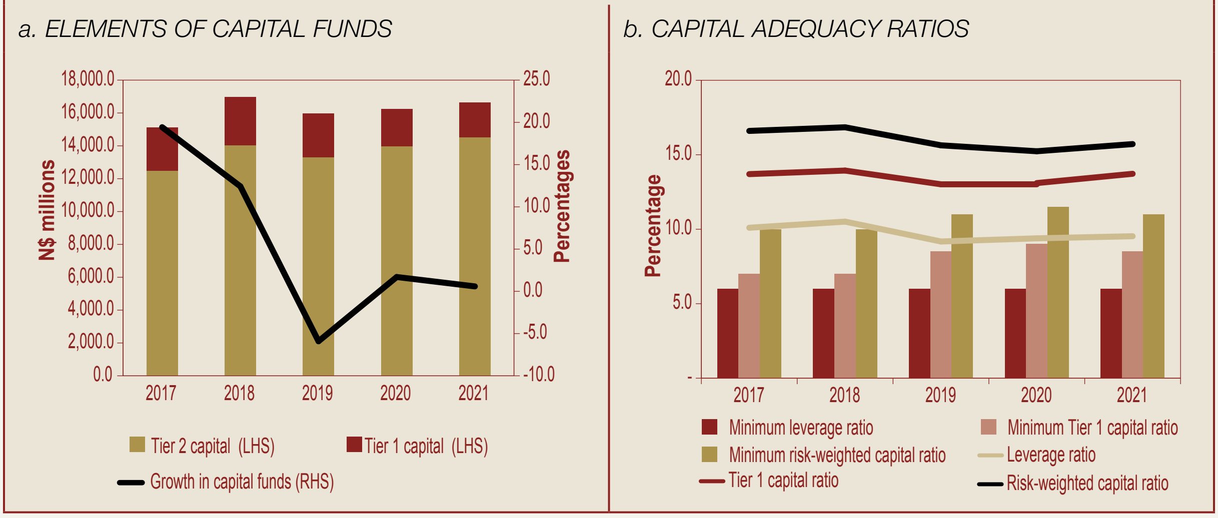
CAPITAL ADEQUACY

The banking sector maintained adequate capital levels to absorb potential losses and met the regulatory requirements. The total eligible capital ratio for 2021 stood at 15.7 percent, well above the minimum regulatory requirement for DSIBs of 11.0 percent, and the Common Equity Tier 1 capital ratio stood at 13.7 percent, well above the minimum regulatory requirement of 7.0 percent. The Tier 1 leverage ratio traded above the regulatory limit of 6.0 percent and stood at 9.5 percent.

The total eligible capital of the banking sector increased marginally, mainly due to the increase in general reserves. Total eligible capital increased by 0.6 percent and stood at N$16.6 billion in 2021 (Figure D.4). The increase in total eligible capital can be attributed to Common Equity Tier 1 capital, as it reported an increase of 3.9 percent to stand at N$14.5 billion at the end of 2021. The growth in Common Equity Tier 1 capital emanated from retained profits, which amounted to N$8.6 billion, having increased by N$896 million. The other component of capital, Tier 2 capital, decreased by N$169.1 million to N$2.1 billion, which mainly arose from unaudited interim profits.

FIGURE D.4 CAPITAL ADEQUACY ELEMENTS AND RATIOS

The overall capital levels were sufficient to absorb potential losses.



The total qualifying capital of Second Tier Banks[36] decreased during 2021 on the back of the decrease in retained earnings and unaudited profits. Total qualifying capital decreased by 7.3 percent and stood at N$1.2 billion as a result of the decrease in Tier 1 capital. The decrease of 3.7 percent to N$1.2 billion in Tier 1 capital was triggered by the reduction in retained earnings. Similarly, Tier 2 capital decreased year-on-year by 54.2 percent to N$43 million, mainly due to current unaudited profits, which recorded a decrease of N$51 million.

CREDIT RISK

Analysis of Non-performing Loans

The quality of the loan book remained under pressure and weakened further during 2021. The unfavourable market conditions that caused cash flow constraints for households and businesses as a result of retrenchments and restrictive business regulations ultimately had a negative influence on Non-Performing Loans, which increased marginally by N$14 million to N$6.7 billion, a lower growth than the N$1.7 billion recorded in 2020. During the past year, overdue loans[37] increased by N$1.5 billion, and amounted to N$12.1 billion, up from the N$10.0 billion reported in 2020. Gross loans and advances increased during 2021 by N$721 million to stand at N$105.7 billion, edging up NPL growth and resulting in a constant NPL ratio.

Overdrafts and credit cards caused a spike in the rise in NPLs during the year under review. The NPLs under the overdrafts category exerted pressure on industry NPL as it recorded an increase of N$108.1 million, followed by non-performing personal loans that increased by N$88.6 million. Furthermore, an increase was also observed in non-performing categories of other loans and advances of N$76.6 million, and in credit cards, which increased by N$12.7 million. Conversely, non-performing mortgages and instalment sales recorded decreases of N$249.5 million and N$22.8 million, respectively. Non-performing mortgages continued to top the list of categories of non-performing loans, constituting 57.4 percent of total NPLs, followed by overdrafts at 17.0 percent, and other loans and advances at 14.4 percent. Other unsecured lending portfolios in the form of personal loans, instalment sales, and credit cards constituted 6.1 percent, 4.3 percent, and 0.8 percent, respectively (Figure D.5). Concentration risk is mitigated by mortgaged properties held as collateral, as well as the restrictions on loan-to-value ratios.

The growth in NPLs was mainly triggered by individuals and by real estate and business services due to economic challenges. The individuals as a sector were the most affected, recording a N$260.9 million increase in NPLs, followed by real estate and business services (N$183 million) and other sectors (N$117.7 million). Significant increases in NPLs were also recorded for the *trade and accommodation* (N$49.6 million), *finance and insurance* (N$25.1 million), *mining* (N$24.6 million) *government services* (N$22.6 million), *manufacturing* (N$7.4 million) and *transport and communication* (N$5.8 million) sectors. The remaining sectors, namely the *construction, agriculture, electricity, gas and water* and *fishing* sectors, recorded a decline in NPLs.

The *individuals* and real estate and business services sectors continued to account for a significant proportion of NPLs. The *individuals* sector accounted for the largest share of the NPLs with 40.7 percent, followed by *real estate and business services* with 22.9 percent, agriculture and forestry with 8.9 percent, and *trade and accommodation* with 7.4 percent. The NPLs in the *construction, manufacturing, transport and communication, finance and insurance, government services, mining and others* sectors were minuscule, accounting for the remainder of 20.1 percent of total NPLs.

The industry NPL ratio rose above the stress trigger ratio as macroeconomic conditions worsened in the wake of the COVID-19 shock. The banking industry experienced a slow growth in NPL absolute value which contributed to an NPL ratio that remained constant. However, it continued to breach the NPL ratio trigger benchmark of 6.0 percent to stand at 6.4 percent. However, banks continued to perform their intermediary roles under extreme economic conditions, affecting particularly their credit risk as evidenced by the

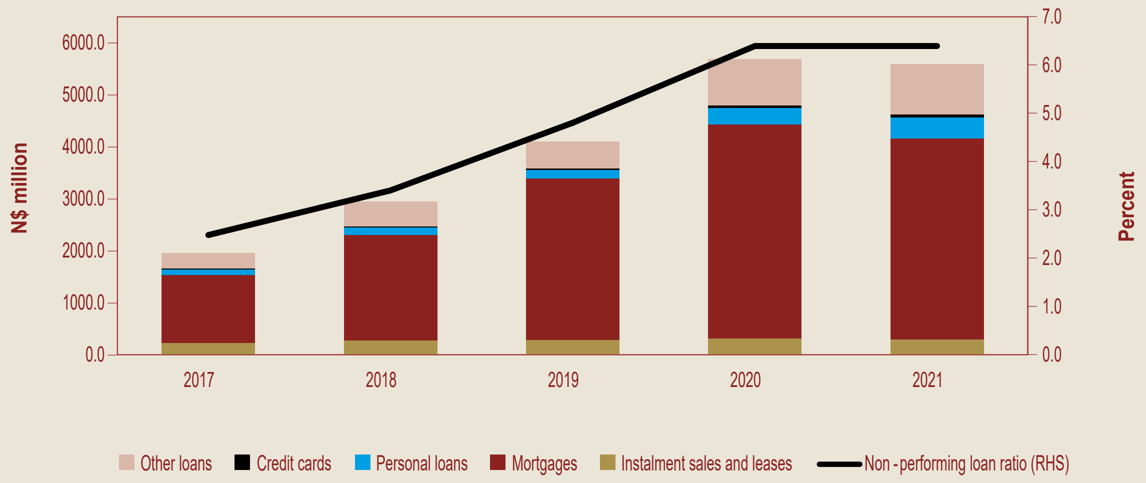
36 The banking institutions not classified as DSIBs reports according to the Basel II Capital Accord whilst the DSIBs reports as per Basel III.

37 Overdue means any asset for which any portion of principal and/or interest is due and unpaid for 30 days or more; or interest due equal to 30 days' interest or more have been capitalized, refinanced or rolled over.

rising NPLs. Nevertheless, provisions were made for these exposures to ensure that they were fully asset-backed (Figure D.5). As the pandemic persisted, the Bank introduced several measures to assist banks to manage their credit risk with the Determination on Policy Changes in Response to Economic and Financial Stability Challenges as a Result of the COVID-19 Pandemic (BID-33). This led to the introduction of the loan repayment moratorium, which provided short-term relief on the payment of the principal amount on loans, for a period ranging from one month to a period not exceeding 24 months. The loan moratoriums were to be based on a thorough assessment of the economic and financial conditions of individual borrowers (i.e., households) and small businesses. In addition, the Bank presented the industry with possible NPL recovery options, with the aim of increasing the banking institution's ability to recover, which included securitisation, debt restructuring options and debt-to-equity options. These supervisory measures were implemented to limit the deterioration in the credit risk of banking institutions.38

FIGURE D.5 NON-PERFORMING LOANS

Overdrafts and personal loans fuelled the upsurge in NPLs.



ADEQUACY OF PROVISIONS

Provisions increased during the year in line with the increase in NPLs. Total provisions for loan losses increased from N$3.4 billion to N$3.6 billion to cushion against a poorly performing loan book. Specific provisions[39] cover increased from N$2.0 billion to N$2.3 billion. As a result, the ratio of specific provisions to NPLs increased from 29.3 percent to 34.4 percent. The slight increase in provisions was in line with the increase in NPLs.

The realisable value of collateral reported an increase, as banks required new security for NPLs, and revaluations of these securities were executed. Realisable security held against defaulting loan exposures increased by N$36 million to N$4.2 billion. The increase was in line with the rise in NPLs reported during the period under review.

LOAN DIVERSIFICATION AND STATUTORY LARGE EXPOSURES

The *real estate* sector and the *trade and accommodation* sector triggered the growth in the banking industry loan book, despite the prevailing economic challenges. Viewed by sectors, the growth in the loan book was concentrated in loans extended to the *real estate* sector as well as the *mining* sector. Individuals accounted for the majority of the *banking* sector credit at 40.7 percent, a decline from the 44.3 percent share held during 2020. The share of *real estate and business services* increased from 10.8 percent to 17.1 percent. The *trade and accommodation* sector increased from 5.8 percent to 8.2 percent. Similarly,

38 Overdue means any asset for which any portion of principal and/or interest is due and unpaid for 30 days or more; or interest due equal to 30 days' interest or more have been capitalised, refinanced or rolled over.

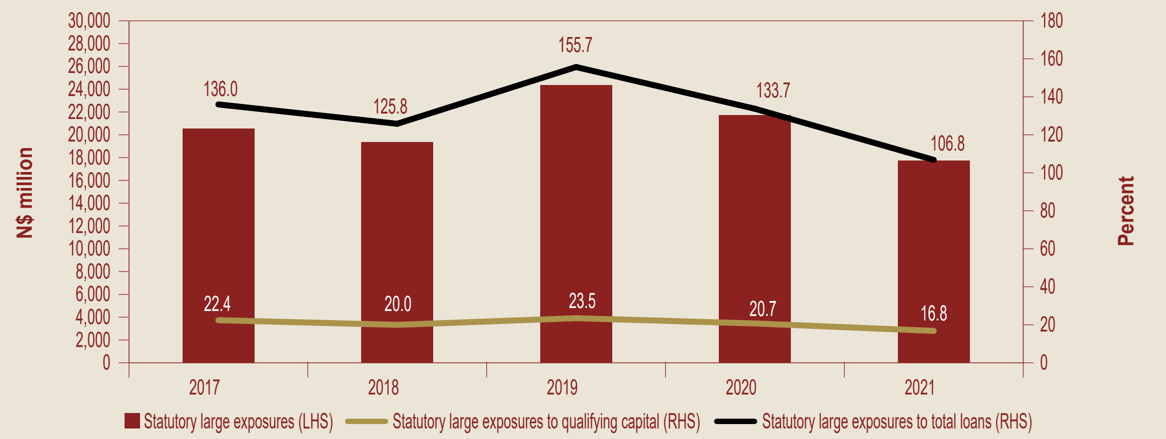
39 Specific provisions are provisions set aside for loans graded Substandard, Doubtful, and Loss.

the share of *agriculture and forestry* increased from 4.1 percent to 5.5 percent. Conversely, the share of *finance and insurance* declined from 8.1 percent to 7.2 percent. The share of the *government services* sector stood at 4.4 percent, while sectors such as *construction, mining, manufacturing, transport and communication, other*, and *fishing* in relation to total loans and advances stood below 3.0 percent.

The regulatory limits for large exposures were adhered to, driven by a decrease in the portfolio of large exposures during 2021. The value of large exposures[40] decreased by 18.3 percent to N$17.7 billion at the end of 2021 due to a reduction in some corporate entity exposures. Consequently, the ratio of large exposures to total loans declined from 20.7 percent to 16.8 percent, which is within the regulatory 30 percent for single parties. Large exposures in relation to qualifying capital declined from 133.7 percent to 106.8 percent. On aggregate this ratio stood well within the permissible limit of 800 percent of capital funds (Figure D.6).

FIGURE D.6 STATUTORY LARGE EXPOSURES RELATIVE TO TOTAL LOANS AND CAPITAL FUNDS

Prudential limits were maintained as the facilities categorised as large exposures reduced.



PROFITABILITY AND EARNINGS

Total income improved in 2021 owing to escalation in net interest income and operating income, reversing the contractions reported in 2020. Total income generated by banks over the past twelve months stood at N$10.5 billion, representing growth of 4.6 percent when compared to N$10.0 billion reported in 2020. The growth in income compares favourably with a contraction of 3.1 percent reported in 2020.

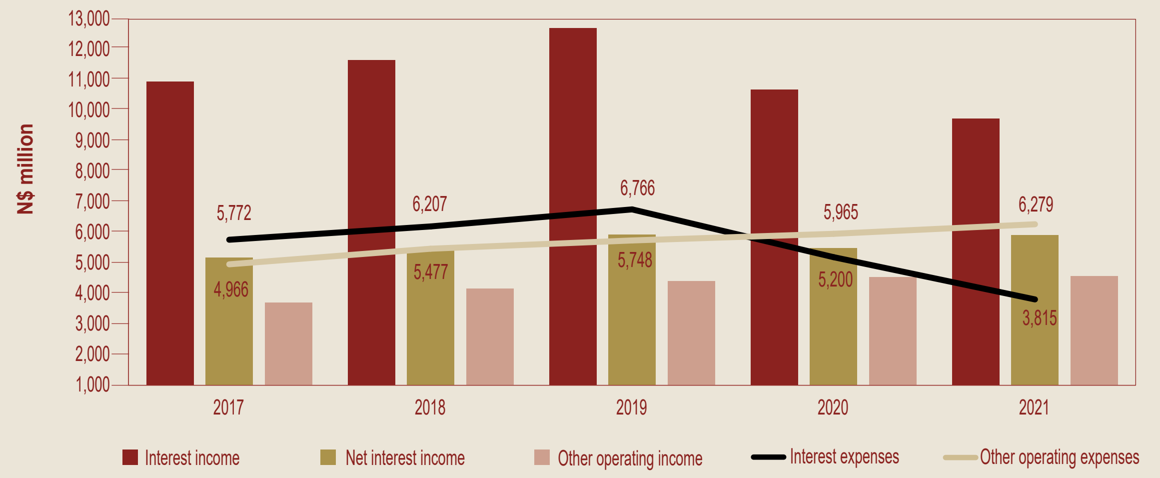
As is usually the case in traditional banking business, net interest income was the largest component of total income, increasing by N$432 million to N$5.9 billion. This was largely driven by a decrease in interest expenditure of 26.6 percent as a result of a decrease in deposit holdings.

Operating income (non-interest income) also improved year-on-year, largely driven by transactional-related fees. Operating income increased by N$34 million to N$4.6 billion (Figure D.7A). Transaction-based fee income was the key driver of the developments in operating income as customers used more digital channels for transacting.

40 A large exposure is any exposure to a single person or group of related persons which, in the aggregate, equals or exceeds 10% of a banking institution’s capital funds.

FIGURE D.7A KEY INCOME STATEMENT INDICATORS

Total income improved year-on-year, reversing the contractions reported in 2020.

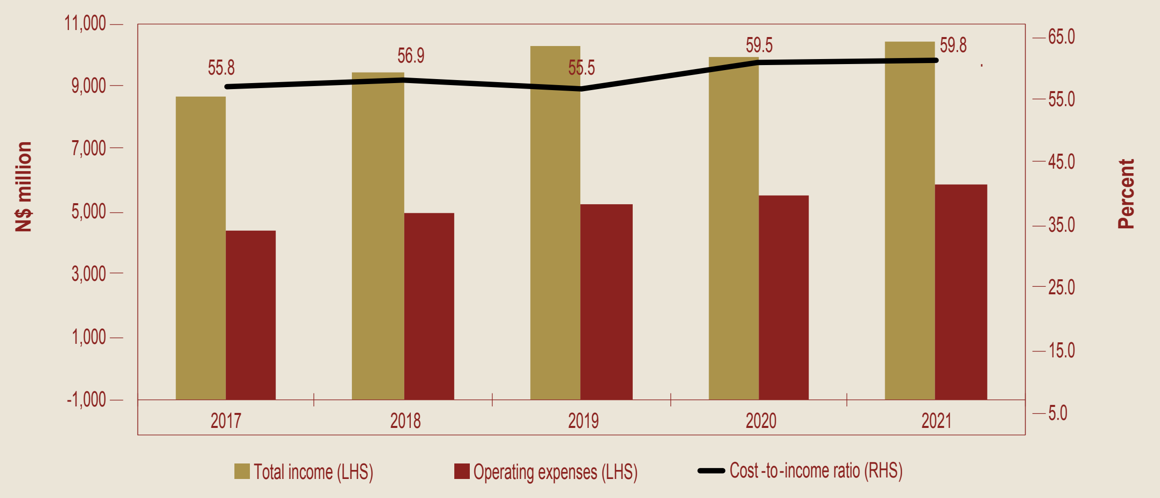


The banking industry recorded a marginal increase in the operational efficiency indicator year-on-year. Operating expenses stood at N$6.2 billion in 2021, representing growth of 5.3 percent from N$6.0 billion in 2020. The cost-to-income ratio, which is the efficiency indicator, resultantly rose from 59.5 percent to 59.8 percent (Figure D.7B).

The efficiency indicator remained above the international benchmark of 50.0 percent but below the Bank's internal regulatory threshold of 65.0 percent. Staff costs were the main cost driver of operating expenses.

FIGURE D.7B EFFICIENCY INDICATORS OF THE BANKING SECTOR

The cost-to-income ratio weakened slightly following the rise in staff costs.



Bank profitability improved in 2021, largely on the back of favourable developments, especially the reduction in provision overlays. Net income after tax grew by 29.8 percent year-on-year, from N$1.8 billion in 2020 to N$2.2 billion in 2021. This followed a rapid contraction of 33.4 percent reported in 2020. The improvement in the earnings position during 2021 was largely driven by the write-backs of provision overlays allocated on loans as pandemic effects lessened. As a consequence of the improvement in earnings, the ROA (Return on Assets) rose from 1.3 percent to 1.7 percent, while the ROE (Return on Equity) rose from 10.9 percent to 13.9 percent (Table D.1).

TABLE D.1 RETURN ON ASSETS AND RETURN ON EQUITY

Description	2017	2018	2019	2020	2021
Return on Assets (%)	2.1	2.0	2.0	1.3	1.7
Return on Equity (%)	18.6	18.5	17.3	10.9	13.9

The number of branches continued to dwindle as banking institutions strove for operational efficiencies, whereas the number of agencies increased marginally. The number of branches decreased from 145 outlets in 2020 to 137 in 2021 following the closure of several branches for the sake of operational efficiencies. In contrast, the number of agencies increased slightly from 84 to 85 representation points (Table D.2).

TABLE D.2 BANK BRANCH NETWORK

Description	2017	2018	2019	2020	2021
Branches	163	167	149	145	137
Agencies	62	64	82	84	85
Total	225	231	231	229	222

The number of employees decreased during the review period mainly due to resignations, restructuring and deaths. The banking industry reported a total of 6 225 employees in 2021, lower than 6 359 reported in 2020. Permanent personnel decreased from 6 144 to 5 915, while the temporary personnel count increased from 215 to 310 staff members, mainly for project-related reasons (Table D.3).

TABLE D.3 BANK STAFF LEVELS

Description	2017	2018	2019	2020	2021
Permanent personnel	6 284	6 371	6 268	6 144	5 915
Temporary personnel	179	192	200	215	310
Total	6 463	6 563	6 468	6 359	6 225

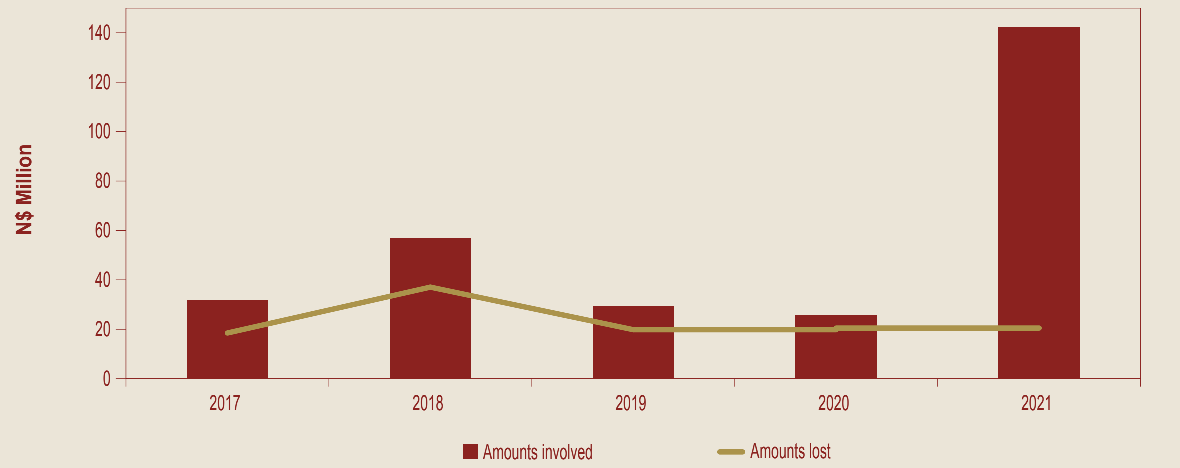
FRAUD AND OTHER ECONOMIC CRIME

The banking sector experienced a steep increase in the levels of fraud and related economic crimes during 2021 due to a challenging operating climate. Given the rise in fraud and other economic crimes, it is imperative that the banking institutions continue to develop and implement adequate internal controls and surveillance systems to combat fraud in the banking industry. Fraudulent activities[41] increased from N$25.7 million recorded in 2020 to N$142.4 million in 2021. However, the incline was largely driven by a singular incident involving the forging of documentation to the tune of N$115.0 million, of which no amount was lost due to the documentation verification controls in place at banking institutions. Fraudulent activities in the industry apart from the aforementioned incident amounted to N$27.4 million, while the actual amount of financial loss suffered increased from N$20.5 million in 2020 to N$20.8 million in 2021 (Figure D.8). We can therefore conclude that the control measures had the desired effect during the reporting year, despite the increase. The total number of cases also increased slightly, from 258 to 260. Of the amount lost, the banking sector recovered N$5.2 million, while further recoveries of N$333.2 thousand are anticipated, though subject to the successful conclusion of investigations. In terms of the Determination on Minimum Insurance for Banking Institutions (BID-14), the Bank assesses insurance covers of banks annually to ensure that unrecovered losses are catered for.

41 Cards, EFT, Cash, and E-money fraud to the value of N$16.7 million as reported under the National Payments section is also included in the overall BSD fraud amount as a result of dual reporting. The variance in the figures is attributed to economic crimes and other related crimes perpetrated against or involving or against banking institutions reported to the BSD whereas the NPSD reports are mainly related to payment fraudulent activities.

FIGURE D.8 FRAUD AND OTHER ECONOMIC CRIME

The fraud amounts involved increased but financial losses suffered were minimal.



Fraud committed during 2021 included both internal and external events, and lapses in controls were reflected in various fraud categories. The categories of fraud experienced by banking institutions in 2021 included ATM fraud, EFT fraud, credit and debit card fraud, mobile application fraud, currency counterfeits, and theft of cash. The fraud occurred because of actions taken by outsiders, inadequate internal controls, failure to adhere to bank procedures, manipulation of authorised signatories, manipulation of negotiable instruments, and manipulation of accounting records. Banking institutions are mandated to strengthen internal controls and monitor systems as part of operational risk management to avert fraud, which remains a global concern.

The trend discovered was that mobile application fraud is increasing globally. The local and international banking industry has for some time been fighting mobile application fraud against a fraud syndicate (or syndicates). This trend is evidently on the rise globally, and the banking sector in Namibia is unfortunately also targeted by these fraudsters. The most common modus operandi being deployed by these syndicates is social engineering, whereby clients are being contacted by certain individuals pretending to be representatives of banks, mobile companies, Government ministries and many other reputable institutions using lies and half-truths, with the single aim of obtaining the account number and card PIN of the victims. The source of customer contact information is often the telephone directory, social media (mostly Facebook), the obituary sections in local newspapers, and any other publicly available platforms where customer contact information and account numbers can be obtained. The Bank does, through moral suasion and regulations where appropriate, require commercial banks to implement preventative measures to combat fraud within the industry.

LIQUIDITY

Despite the economic impacts of the COVID-19 pandemic, the banking sector's portfolio of liquid assets strengthened during the review period. The banking sector reported liquid assets to the tune of N$23.2 billion in 2021, representing strong growth of 15.8 percent over the N$20.1 billion recorded in 2020. This resulted mainly from stronger growth in deposits from non-banks on the back of subdued lending activity. Government spending, diamond sales, VAT refunds, and fund repatriation by non-banks also had a positive impact on the liquidity position of banking institutions.

The liquid assets ratio improved in 2021 in line with the noted growth in the stock of liquid assets, registering a 10-year historic high. The liquid assets ratio[42] grew from 13.7 percent in 2020 to 15.5 percent in 2021, which was the highest ratio observed over the past 10 years. The liquidity ratio also improved and remained compliant with the statutory requirement. The liquidity

42 Liquid assets as a proportion of total assets.

ratio43 improved from 15.7 percent to 18.3 percent mainly because of the rise in the stock of liquid assets. Average total liabilities to the public contracted marginally, by 0.4 percent from N$127.8 billion in 2020 to N$127.3 billion in 2021. However, the notable growth in liquid assets created an upsurge in the liquidity ratio, which stood well above the statutory minimum of 10.0 percent, with a surplus position of N$10.5 billion (Figure D.9).

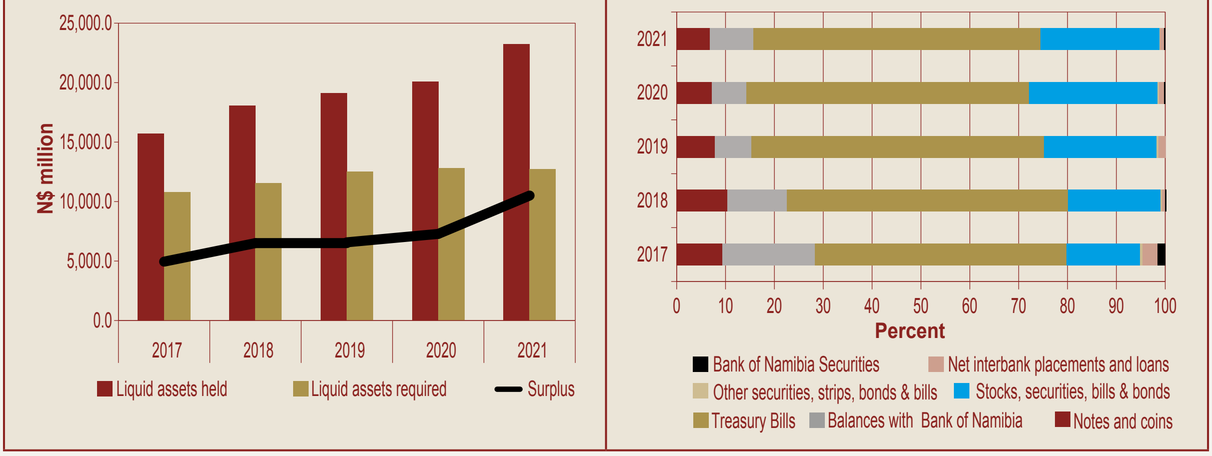
As is usually the case, treasury bills and bonds served as the main type of liquid asset holdings. Treasury bills accounted for the largest share, rising from 57.8 percent to 58.7 percent, followed by treasury bonds, with a share that dropped from 26.4 percent to 24.4 percent. The share of balances with the Bank improved from 7.1 percent to 9.0 percent, while notes and coins accounted for 6.8 percent, down from 7.2 percent. Stocks, securities, bills and bonds, net interbank placements and Bank of Namibia securities remained insignificant at 0.2 percent, 0.8 percent and 0.2 percent, respectively (Figure D.9).

Developments in other measures of liquidity such as the loan-to-asset ratio and the loan-to-deposit ratio varied during the period under review. The loan-to-asset ratio declined from 70.6 percent to 69.2 percent, suggesting that the liquidity of the asset base is reasonable, since the indicator stood below the international benchmark of 75.0 percent. Similarly, the loan-to-deposit ratio declined from 91.1 percent reported in 2020 to 90.4 percent. The loan-to-deposits ratio generally aids in determining the extent to which loans are funded by stable deposits. However, a loan-to-deposit ratio of 100 percent generally implies that all deposits are tied up in loans, increasing the inherent liquidity risk.

FIGURE D.9 LIQUIDITY

The banking sector's portfolio of liquid assets strengthened during the review period despite the economic impacts of the COVID-19 pandemic.

a. Statutory liquid assets *b. Composition of liquid assets*



The concentration of deposits increased during 2021 when compared to 2020. Concentration risk in the deposit portfolio is measured by the value of the ten largest depositors expressed in terms of total funding-related liabilities. In this regard, the top ten deposits accounted for 23.9 percent of total funding-related liabilities in 2021, an increase from 21.7 percent in 2020. The exposure of the banking sector to concentration risk remains lower. The portfolio of top ten deposits was largely comprised of investment management firms, which accounted for 40.9 percent (29.0 percent in 2020), and insurance companies, which accounted for 30.1 percent (32.9 percent in 2020).

INTEREST RATE RISK

The balance sheet structure of the banking industry continued to portray a net asset-sensitive position, which implies that assets tend to reprice faster than liabilities. The industry assets repricing within 30 days decreased from N$112.8 billion (December 2020) to N$112.3 billion (December 2021). The liabilities repricing within 30 days stood at N$81.2 billion, an increase from N$77.6 billion reported in December 2020. The increase

43 Liquid assets as a proportion of average total liabilities to the public

resulted from liabilities that are expected to mature and reprice to new rates. Consequently, the net pricing gap in the 30-day time bucket was positive, and stood at N$30.9 billion, a decrease from N$35.8 billion in 2020. Despite the impact of the COVID-19 pandemic on the economy, coupled with a low interest rate environment, the banking industry anticipates an increase in interest rates in the short-term to improve interest earning margins without significant repricing. The net pricing gap recorded after one month was liabilities-sensitive, implying that banks will be paying less on their liabilities given a low interest rate environment.

Bank funding was dominated by the variable interest rate liabilities, which implies that a further downward movement in interest rates will impact interest earning margins. The variable interest rate liabilities dominated the total liabilities and capital with 55.4 percent, an increase from 50.8 percent recorded in 2020. The fixed rate liabilities took up a share of 24.2 percent of total liabilities and capital, compared to 28.5 percent recorded in 2020. Non-rate-sensitive liabilities, and capital and reserves took up shares of 5.5 percent and 12.3 percent compared to 5.8 percent and 11.8 percent, respectively, recorded in 2020. Other non-interest-bearing liabilities took up the remaining share of 2.7 percent, a decline from 3.0 percent recorded in 2020. The variable interest rate assets dominated total assets with a share of 78.1 percent, a decline from 78.6 percent reported in 2020, which implies that higher interest rates will yield higher returns.

The results of the stress testing exercise, which is a supervisory tool for the early identification of concerns at banks, showed that interest rate shocks will have an insignificant impact on banks' capital. A parallel rate shock44 of 200 basis points upward movement in interest rates would result in a positive cumulative total in net interest income for 12 months of N$365.8 billion; the impact of interest rate movements on banks' capital would be insignificant, and culminated into 0.54 percent of capital.

ON-SITE EXAMINATIONS

The Bank performed its supervisory activities as mandated by the Banking Institutions Act (No. 2 of 1998), as amended, with the main focus on consolidated examinations. The consolidated examinations were conducted in line with the Bank's consolidated supervision framework45 to evaluate the strength of some of the banking groups housing Domestically Systemically Important Banking Institutions (DSIBs) in their structure. The examination looked at the adequacy of risk management systems at a group level and the financial condition of the group and its impact on the bank. The assessment also focused on the capital adequacy of the banking institutions in relation to their risk profile. The assessments of the consolidated supervision examinations conducted at the two DSIBs identified a need to enhance risk management systems for certain key risks. The outcome of the assessments was communicated to the banking groups and corrective action plans will be submitted to ensure that recommendations are implemented within the agreed timelines.

The Bank's onsite activities also focused on a credit risk thematic review on the DSIBs, as well as a full-scope solo examination at one non-DSIB. Regarding the credit risk thematic review, the Bank contracted a third party to assist in conducting a comprehensive compliance assessment to the Determination on Asset Classifications, Suspension of Interest and Provisioning (BID-2). The assessment was aimed at establishing levels of compliance by DSIBs to BID-2 requirements with regard to the accuracy of asset classifications, suspension of interest, provisioning and treatment of collateral. The assessment was necessitated by the economic recession observed over the past few years, exacerbated by COVID-19, and is intended to establish the impact of credit risk on DSIBs. The assessment will be completed on all DSIBs, and the reports finalised during 2022. The fieldwork for the full-scope solo examination conducted at one non-DSIB was completed during 2021, while the final report will only be completed in 2022. The report will be presented to the board of the regulated entities. A full-scope solo examination refers to an assessment only focused on the banking entity within the banking group, but which takes into consideration all the possible risks a bank could be exposed to. As such, the examination aims to determine the strength of the risk management systems as well as the adequacy of capital in relation to the banking entity's risk exposure.

44 A change in interest rates, which affects all interest rates by an equal amount both up and down.

45 Consolidated Supervision is a comprehensive approach to evaluate the strength of an entire group, considering all the risks that may affect a bank, regardless of whether these risks are booked in the bank or in affiliated entities.

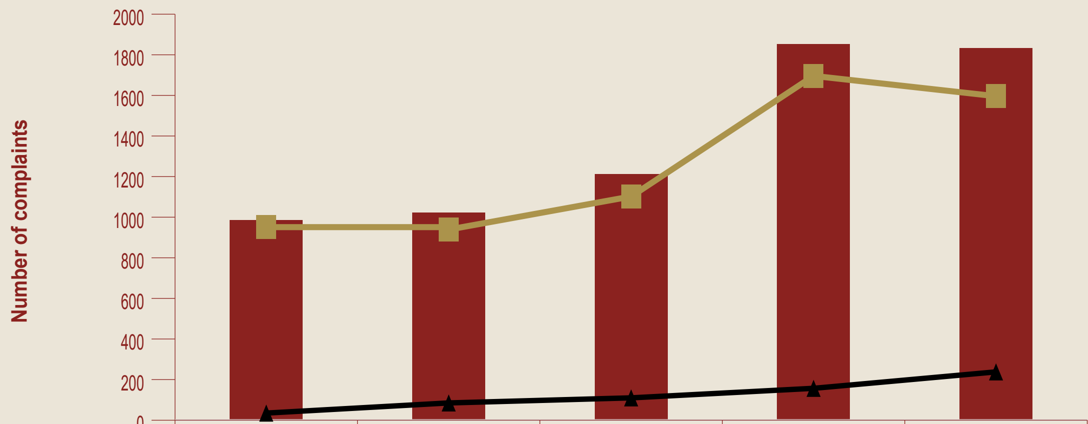
The Bank also participated in supervisory colleges and prudential meetings with other regulators. This was to ensure coordination, collaboration and sharing of information for effective supervision of cross-border banking groups. Supervisory colleges and prudential meetings provide a platform for interaction between the banking institutions and regulators which allows the Bank to enhance its comprehensive consolidated supervision approach. The supervisory priorities set out high level focus areas for the year ahead. The high-level priority areas for 2022 from an on-site examination perspective will include a review of the Determination on Asset Classification, Provisioning and Interest in Suspense (BID-2) compliance assessments for the DSIBs as part of the ongoing focus on credit risk, given the current economic climate. Furthermore, the Bank will continue to perform comprehensive risk assessments on both DSIBs and non-DSIBs in order to focus on the high and moderate risk areas, with reference to their individual risk profiles.

CUSTOMER COMPLAINTS

The Bank plays a mediating role between aggrieved customers and clients of both banking institutions and credit bureaus. As consumers continue to navigate the impacts of the COVID-19 pandemic by adopting coping mechanisms or adjustments to their finances, the objective of the Bank in handling customer complaints is to remain a place to which consumers can turn for information, mediation and recourse, as guided by the 2013 Guidelines for Lodging Customer Complaints at the Bank of Namibia.

There was a small decrease in the number of customer complaints lodged against banking institutions during 2021. The total of 1 834 complaints were registered in 2021, down from 1 853 complaints in 2020. Regarding the composition of customer complaints, 87.1 percent were directly lodged at the respective banking institutions, while 12.9 percent were lodged at the Bank for recourse. Regarding the resolution of the complaints, 87.0 percent were resolved, whilst 13.0 percent remained work-in-progress, including appeal cases where complainants relodged complaints upon a non-satisfactory outcome of the initial complaint (Figure 10). In addition to the complaints received, the Bank also attended to 169 customers' enquiries during the year. Due to limitations on face-to-face contact necessitated by the COVID-19 pandemic, these enquiries were handled via letters, telephone calls, and the e-mail platform for complaints.

FIGURE D.10 TOTAL NUMBER OF COMPLAINTS



	2017	2018	2019	2020	2021
Total Complaints	986	1024	1212	1853	1834
Closed	951	939	1102	1696	1596
Pending	35	85	110	157	238

The types of complaints reported remained diverse during 2021, and where possible, customers were reimbursed on the successful resolution of complaints. The Bank's efforts in mediating between banking institutions and customers resulted in a total of N$919 842.20 being refunded to nine complainants by banks. Complaint matters reported at the Bank for resolution ranged from high fees and charges, unauthorised deductions, disputes related to payments, suspected fraud incidences on the banks' online service, and cell phone banking applications.

LICENSING OF BANKING INSTITUTIONS AND BUILDING SOCIETIES

The Bank received an application seeking authorisation to establish a building society in terms of section 4 of the Building Societies Act (No. 2 of 1986), as amended. The application is being assessed by the Bank to determine whether it complies with the requirements for registration of a building society as provided for in the Act. Currently, there is not a single building society operating in Namibia. During the period under review, the Bank did not receive any applications for authorisation to conduct a banking business.

ILLEGAL FINANCIAL SCHEMES

Section 5 and section 55A of the Banking Institutions Act (No. 2 of 1998), as amended, prohibit illegal financial schemes. During 2021, the Bank investigated Mufhiwa Building Projects to determine whether its business activities contravene the provisions of the Act. The investigation revealed that that the business activities of Mufhiwa Building Projects contravene section 55A of the Act, which prohibits pyramid schemes. Mufhiwa Building Projects has been instructed to cease business operations in Namibia, and members of the public were advised to stop participating in this scheme forthwith. In terms of section 72(1)(a) of the Act, any person who contravenes section 5 or section 55A commits an offence, and if convicted of such offence, shall be liable to a fine not exceeding N$1 000 000 or to imprisonment for a period not exceeding ten years, or to both such fine and imprisonment.

The operators of illegal financial schemes were reported to law enforcement. During the period under review, the Bank referred two suspected illegal financial schemes to the Namibian Police for criminal investigation, bringing the total number of illegal financial schemes referred to the Police to nine. The Bank continues to intensify its outreach efforts such as the public education campaign through conventional and social media platforms with the aim of educating the public about the common features of illegal financial schemes and the potential dangers such schemes hold for the public.

DEVELOPMENTS RELATING TO BANKING LEGISLATION

PRIMARY LEGISLATIVE CHANGES

The Bank proposed changes to the Banking Institutions Act a few years ago. The proposed changes seek, amongst other things, to introduce a framework for second-tier banks in an effort to enhance access to financial services and to improve provisions relating to the investigation of illegal financial schemes. Due to ongoing consultation between the legal drafters, the Ministry of Finance and the Bank on certain key provisions of the Banking Institutions Bill, it could not be tabled in Parliament during the period under review, as had earlier been hoped. The Bank has a responsibility to ensure that the laws and regulations for the supervision of banking institutions remain sound and responsive to the regulatory environment.

SECONDARY LEGISLATIVE CHANGES

Determination on Policy Changes in Response to the Economic and Financial Stability Challenges, following the Fallout of the COVID-19 Pandemic (BID-33)

The Bank is empowered by law to issue subordinate regulations to ensure that banking business is conducted in a prudent manner and in accordance with the prevailing economic environment. In view of economic challenges posed by COVID-19, the Bank amended BID-33. The factors that necessitated the amendments include the ongoing macroeconomic strain and the uncertainty surrounding emerging COVID-19 variants and their impact on economic activity which continued to delay economic recovery. Some of the key changes introduced by the amendments include the extension of the Determination for an additional twelve months, i.e. until 1 April 2023. The loan repayment moratorium provided in the Determination has also been revised from the current 6–24 months to a period of 1–24 months. To ensure that banking customers are not unduly impacted by negative credit bureau listings as a result of the implementation of the Determination, banking institutions, as credit providers, should not report those benefitting from a loan moratorium rolled over for less than 12 months as delinquent to credit bureaus.

DEVELOPMENTS RELATING TO CREDIT BUREAUS

The Bank continued to oversee two registered credit bureaus mandated by the Credit Bureau Regulations, 2014. No new credit bureau applications were received during the year under review. However, the Bank received a notice of change in the name of Compuscan Credit Reference Bureau (Pty) Ltd to Experian Credit Reference Bureau (Pty) Ltd, which was duly assessed and approved. There are currently two licensed credit bureaus in Namibia. namely, Experian Credit Reference Bureau (Pty) Ltd and TransUnion Credit Bureau Namibia (Pty) Ltd. Furthermore, the Bank supervised the credit bureaus and the information reported to credit bureaus by credit information providers continue to confirm its relevance, since such information remains key in credit decision making, reduces risk in credit granting, enhances access to finance for individuals and businesses, and thereby supports overall financial sector stability.

During 2021, credit bureaus successfully engaged with financial institutions on submission of data as there was a growth observed in the number of subscribers to the credit bureaus. The total number of credit performance information providers46 in 2021 increased to 430 from 412 in 2020 (Table D.4). The growth in the number of institutions that submit data to credit bureaus was mainly caused by new entrants from the *microlending* sector.

The credit reporting industry revealed a decline in the total number of credit records reported. A breakdown of the number of credit facilities held by consumers declined from 1 182 988 records to 907 319 records shared industry-wide during 2021. The decrease in the credit records submitted was evident in all sectors of the credit industry and can be ascribed to a reduction in credit facilities taken up by consumers during the year under review compared to the previous year.

The quality of data submitted to the credit bureaus dropped slightly during 2021. The rejection rate moved from 1.3 percent reported in 2020 to 2.2 percent during 2021, but remained within the industry benchmark of 5.0 percent. The 97.8 percent data acceptance rate in 2021 exceeded the required 95 percent acceptance rate for submission of credit information to credit bureaus.

46 "Credit performance information provider" means a person, business or institution that is required to provide credit performance information to a credit bureau and includes entities listed as credit providers, utilities, State agencies, court or judicial officers, local authorities and any other entities that provide service or goods that give rise to a credit agreement.

TABLE D.4 CREDIT INFORMATION SUBMISSIONS LOAD

Details	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
Number of Institutions	328	328	357	412	430
Number of records submitted	1 498 726	1 498 726	1 580 448	1 182 988	907 319
Percentage of records rejected	2.6%	2.6%	0.7%	1.3%	2.2%

A significant increase was observed in the number of credit reports issued in the credit industry. The number of credit reports issued in 2021 increased to 113 887, from 43 603 in 2020. This was as a result of the uptick in the number of applications for credit and the overall modest increase in economic activity experienced during the year. The majority of the credit reports were issued to credit performance information providers (99 percent), with only 1 percent issued directly to consumers. The Credit Bureaus Regulations, 2014 allow for free credit reports to be obtained annually from the registered credit bureaus, and in this regard, the Bank recognised the need for the creation of greater awareness on the part of the public by various stakeholders including the Bank, so that the public can understand their credit standing.

During 2021, disputes lodged by consumers dropped, and focussed mainly on default listings. The number of disputes lodged at the credit bureaus declined from 29 in 2020 to 20 in 2021. All disputes in 2021 were resolved in favour of the consumers. The majority of complaints lodged were consumers disputing default listings of their credit records at credit bureaus in line with the provisions of regulation 24 of the Credit Bureau Regulations on the right to challenge incorrect information.

Table D.5 Composition of the balance sheet - N$ '000

	2017	2018	2019	2020	2021
Interbank Funding	4,928,891	5,859,932	5,670,078	5,021,778	3,736,524
Non-bank Funding:	**93,538,828**	**98,228,237**	**107,498,106**	**110,504,070**	**113,842,560**
Demand	43,119,820	46,710,146	50,589,762	56,319,149	61,185,561
Savings	3,390,385	3,322,830	3,514,505	3,999,447	3,407,011
Fixed & notice deposits	18,472,485	18,951,116	23,013,478	23,764,241	23,847,370
Negotiable Certificate of Deposits	23,397,628	24,850,867	25,534,926	20,468,671	20,367,363
Foreign Funding*	5,158,509	4,393,278	4,845,435	5,952,562	5,035,255
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	5,028,350	6,050,339	5,702,393	5,291,561	6,411,090
Other borrowings	2,802,767	2,640,763	2,741,366	2,064,795	2,320,375
Other liabilities	3,012,262	4,199,039	4,185,645	4,267,790	3,517,511
Capital & Reserves	14,376,078	15,219,709	16,407,595	16,898,503	18,291,533
TOTAL FUNDING	**123,687,176**	**132,198,019**	**142,205,183**	**144,048,497**	**148,119,593**
Cash and Balances	12,027,513	12,332,867	13,683,534	14,812,915	16,928,932
Short term negotiable securities	11,811,872	15,427,531	15,655,669	16,379,137	18,965,908
Interbank Loans and Advances**	37,325	-	-	-	41
Foreign currency loans and advances	478,635	183,122	201,641	260,652	205,292
Instalment debtors and leases	12,409,417	11,535,307	10,895,376	10,079,804	10,242,104
Mortgage loans	47,486,896	50,415,702	53,240,043	54,926,126	56,424,076
Other fixed term loans	12,534,536	15,093,974	16,744,372	16,532,403	16,623,431
Personal loans	5,448,681	5,809,918	7,344,641	7,452,032	7,610,019
Overdraft	11,299,722	11,988,932	12,662,267	13,106,631	11,851,335
Credit card debtors	646,978	709,985	728,822	711,111	704,703
Acknowledgement of debts discounted	-	198,983	235,195	134,381	248,857
Loans granted under resale agreement	15,511	-	61,075	-	26,541
Investment in Preference Shares	554,312	417,910	1,346,814	1,346,587	1,293,361
Other loans and advances	739,344	552,831	406,122	413,026	454,558
Total loans and advances	91,651,359	96,906,666	103,866,369	104,962,755	105,684,318
Less: Specific provisions	399,383	662,610	974,136	1,966,195	2,311,766
Less: General provisions	699,492	962,336	1,089,075	1,465,563	1,258,250
Less: Interest- in- suspense	269,889	437,229	579,181	798,500	607,094
Investment portfolio	4,201,077	5,216,581	6,494,533	7,122,100	5,870,277
Trading securities	2,314,082	3,130,939	3,658,952	3,913,952	3,199,112
Available for sale securities	1,863,565	2,056,957	2,798,750	3,202,108	1,924,550
Held to maturity securities	-	-	-	-	740,573
Unconsolidated subsidiaries, associates	23,430	28,684	36,831	6,041	6,041
Property, plant and equipment	2,095,836	2,109,830	2,346,961	2,647,772	2,456,213
Other assets	3,268,284	2,266,724	2,800,509	2,354,075	2,391,055
TOTAL ASSETS	**123,687,176**	**132,198,024**	**142,205,183**	**144,048,497**	**148,119,593**
Average Assets	**116,873,644**	**127,942,600**	**137,201,603**	**143,122,588**	**146,079,792**
Average Equity	**13,271,224**	**14,797,893**	**15,813,652**	**16,656,296**	**17,598,265**
Interest earning assets	**94,460,242**	**101,654,794**	**109,744,890**	**111,280,313**	**111,280,314**
Average interest earning assets	**91,381,585**	**98,057,518**	**105,699,842**	**110,512,602**	**111,280,314**
Gross Assets	**124,786,051**	**133,822,970**	**144,268,393**	**147,471,750**	**151,689,608**
Average Gross Assets	**117,887,576**	**129,304,510**	**139,045,681**	**145,870,072**	**149,580,679**

*Total Assets for 2019 revised following audit reviews

Table D.6 Capital adequacy - N$ '000

	2017	2018	2019	2020	2021
Common Equity Tier 1 capital	**12,478,149**	**13,918,355**	**13,304,267**	**13,972,180**	**14,511,030**
Paid up equity capital(ordinary shares) issued by the bank	728,046	808,046	23,861	23,861	23,861
Share premium resulting from the issue of Ordinary shares included included in Common Equity Tier 1 capital	2,322,078	2,322,077	2,462,553	2,262,554	2,263,424
Retained profits after deducting any interim audited loss or final dividend declared	4,449,877	5,017,541	11,279,103	7,742,684	8,638,809
Accumulated other comprehensive income and other disclosed reserves , excluding revaluation of surplus on land and building assets	5,129,071	5,869,213	10,325	4,333,385	4,618,265
Current Interim profits	-	-	-	361,868	-
Ordinary shares issued by consolidated subsidiaries of the bank and held by the third parties	-	-	-		
Less: Regulatory deductions	150,923	98,521	471,575	752,172	213,648
Goodwill and other intangibles	150,923	98,521	334,027	510,598	733,788
Deferred tax assets	-	-	89,989	176,774	213,648
Defined benefit pension fund assets and liabilities	-	-	47,559	64,800	85,892
Additional Tier 1 Capital	-	-	-	-	-
Total Tier 1 Capital	12,478,149	13,918,355	13,304,267	13,972,180	14,511,030
Tier 2 capital	**2,627,261**	**2,928,511**	**2,674,965**	**2,278,087**	**2,108,962**
Instruments issued by banks that meet the criteria for inclusion in Tier 2 capital*	-	-	761,600	607,054	523,700
Share premium (stock surplus) resulting from the issuance of instruments included in Tier 2 capital	-	-	-	-	-
Instruments issued by consolidated subsidiaries of banks	-	-	-	-	-
Subordinated-term Debt*	1,000,256	1,103,375	-	-	-
Current Unaudited profits*	685,199	799,180	901,779	1,057,730	823,649
General Provisions	922,225	979,972	989,240	591,014	739,461
Revaluation Reserves*	19,582	45,985	22,346	22,289	22,152
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**15,105,410**	**16,846,866**	**15,979,232**	**16,250,267**	**16,619,992**
Aggregated Risk-weighted Assets	**91,102,229**	**100,791,271**	**102,214,495**	**106,690,066**	**105,752,368**
Total Risk-weighted amount for Credit Risk	79,067,022	87,150,482	88,750,192	93,450,440	91,725,110
Calibrated Risk-weighted amount for Operational Risk	11,152,167	11,861,507	12,465,695	12,944,918	13,239,718
Calibrated Risk-weighted amount for Market Risk	883,040	1,779,281	998,608	294,709	787,540
Gross Assets*	**124,625,108**	**133,720,754**	**144,984,346**	**148,806,578**	**152,265,469**

* Instruments issued by banks that meet the criteria for inclusion in Tier 2 capital is an addition under the new Basel III Capital accord (previously subordinated term debt).

* Subordinated-term debt, Current unaudited profits and Revaluation reserves will phase out over a four year period as per Basel III capital accord.

*Gross Assets calculation changed to include off-balance sheet exposures as per Basel III capital accord.

Table D.7 Analysis of overdue and non-performing loans - N$ ‘000

		2017	2018	2019	2020	2021
Overdue loans*		**3,741,637**	**6,773,406**	**9,116,039**	**10,506,175**	**12,067,293**
Amounts overdue:	1 to <2 months	561,831	2,123,082	2,959,769	2,110,777	2,505,479
Amounts overdue:	2 to < 3 months	888,123	1,393,559	1,160,120	1,684,790	2,824,607
Amounts overdue:	3 to < 6 months	825,003	1,084,441	1,042,062	1,687,232	1,123,817
Amounts overdue:	6 to <12 months	401,307	609,904	631,019	1,055,663	1,106,465
Amounts overdue:	12 months and above	1,065,373	1,562,420	3,323,069	3,967,714	4,506,924
		0	0	0	0	0
Total Non-performing loans		**2,270,009**	**3,467,892**	**4,994,204**	**6,710,608**	**6,737,205**
Instalment sales		228,827.5	268,272	268,265	313,817	303,811
Mortgages		1,302,277.3	2,037,825	3,311,363	4,111,553	3,862,096
Personal loans/ Other fixed loans		112,034.0	140,768	182,120	320,588	409,211
Overdrafts		317,304.0	525,736	646,301	1,032,290	1,140,409
Other loans & advances		290,737.9	472,744	554,692	891,677	968,259
Credit cards		18,828.5	22,547	31,463	40,683	53,419
Realizable Security		1,610,865.1	2,382,495	3,369,223	4,208,465	4,244,841
Specific Provisions		433,454.6	662,610	974,136	1,839,634	2,311,766

Table D.8 Sectoral distribution of loans and advances - N$ '000

	2017	2018	2019	2020	2021
Total loans and advances	**91,651,359**	**96,906,666**	**103,866,369**	**104,962,755**	**105,684,317**
Agriculture and Forestry	2,383,368	5,116,113	4,266,864	4,294,058	5,848,716
Fishing	495,496	994,897	1,416,122	1,502,133	1,839,819
Mining	1,396,899	2,038,453	1,884,363	1,680,467	2,683,710
Manufacturing	1,429,850	2,244,615	2,816,203	2,733,819	2,443,480
Construction	2,845,316	3,975,097	3,492,510	3,170,239	3,839,134
Electricity , Gas and Water	1,198,279	1,477,039	2,643,425	2,357,123	2,165,875
Trade and Accommodation	8,797,065	9,532,382	6,892,056	6,059,592	8,657,154
Transport and Communication	1,056,241	1,547,058	2,262,561	1,907,790	2,237,526
Finance and Insurance	2,328,622	5,584,176	7,234,303	8,463,603	7,588,697
Real Estate and Business Services	8,861,649	12,463,469	11,229,191	11,380,460	18,036,596
Government Services	2,427,380	1,621,711	5,809,435	5,695,517	4,612,330
Individuals	56,245,697	47,806,728	47,649,781	46,484,076	43,041,762
Other	2,185,498	2,504,928	6,269,554	9,233,879	2,689,518

Table D.9 Composition of income statement - N$ ‘000

	2017	2018	2019	2020	2021
Interest Income	**10,951,772**	**11,656,782**	**12,705,368**	**10,692,829**	**9,739,784**
Balances with banks	324,054	361,829	534,855	354,296	311,591
Installment debtors , hire purchase , etc	1,355,904	1,247,620	1,184,155	887,826	793,976
Mortgage loans: Residential	3,677,013	3,832,544	4,256,462	3,613,215	3,441,438
Mortgage Loans: Commercial	1,181,567	1,247,651	1,248,493	998,435	929,332
Personal loans	746,206	907,486	984,239	971,620	852,216
Fixed term loans	1,251,986	1,356,036	1,587,031	1,355,346	1,206,971
Overdraft	1,264,730	1,272,635	1,324,901	1,113,992	1,029,011
Other interest related income	1,150,311	1,430,980	1,585,232	1,398,099	1,175,249
Interest Expenses	**5,771,638**	**6,207,392**	**6,765,912**	**5,200,262**	**3,814,989**
Demand deposits	844,915	954,574	1,195,881	956,370	814,817
Current Accounts	636,266	616,459	635,312	398,159	288,917
Savings deposits	97,200	105,585	78,944	46,084	34,551
Fixed and notice deposits	1,328,870	1,457,357	1,537,209	1,432,626	962,386
Negotiable certificates of deposits	1,986,816	1,979,177	2,220,380	1,526,306	1,016,334
Debt instruments issued	410,341	491,053	536,141	387,079	354,486
Other interest related expenses	467,230	603,186	562,045	453,636	343,498
Interest Margin	**5,180,134**	**5,449,390**	**5,939,456**	**5,492,568**	**5,924,794**
Less: Provisions	361,215	438,850	726,709	1,497,904	929,885
Total operating Income	3,720,234	4,168,290	4,416,057	4,540,619	4,574,755
Trading Income	406,319	517,021	523,035	603,321	562,066
Investment Income	168,319	183,824	227,124	202,483	117,933
Transaction-based Fee Income	2,786,720	3,097,543	3,325,586	3,369,563	3,496,173
Knowledge-based Fee Income	194,324	178,776	194,657	203,042	210,002
Other income	164,552	191,126	145,655	162,209	188,580
Total Income	**8,900,369**	**9,617,680**	**10,355,514**	**10,033,187**	**10,499,549**
Total Operating Expenses	4,965,781	5,476,774	5,747,584	5,965,405	6,279,517
Staff costs	2,621,600	2,859,971	3,084,773	3,085,682	3,207,080
Administration & Overheads	1,183,180	1,383,737	1,347,640	1,612,063	1,736,528
Depreciation and amortisation	287,049	339,122	414,010	468,142	502,276
Occupancy expenses	323,707	342,043	282,133	182,565	175,717
Other operating expenses	550,244	551,901	619,028	616,953	657,916
Net Income Before Tax	3,573,373	3,702,056	3,881,221	2,569,878	3,290,147
Taxation	1,105,296	1,119,283	1,144,903	753,262	1,042,788
Net Income After Tax	**2,468,077**	**2,582,773**	**2,736,319**	**1,816,616**	**2,247,359**

Table D.10 Selected key ratios

	2017	2018	2019	2020	2021
Capital					
Tier 1 Leverage Basel II	10.0%	10.4%	52.3%	52.3%	35.5%
Tier 1 Risk-weighted Capital Basel II	13.7%	13.8%	76.2%	70.0%	54.7%
Total Risk-weighted Capital Basel II	16.6%	16.7%	80.5%	75.3%	56.6%
Tier 1 Leverage Basel III	10.0%	10.4%	9.2%	9.4%	9.5%
Common Equity Teir 1 Basel III	13.7%	13.8%	13.0%	13.1%	13.7%
Total Eligible Capital Ratio Basel III	16.6%	16.7%	15.6%	15.2%	15.7%
Asset Quality					
Non-performing loans to Total loans	2.5%	3.6%	4.8%	6.4%	6.4%
Overdue loans to Total loans	4.1%	7.5%	8.8%	10.1%	11.5%
Total Provisions to Total loans	1.1%	1.3%	1.3%	1.7%	1.4%
Specific Provisions to Non-performing loans	17.3%	46.9%	19.5%	29.3%	34.3%
Earnings					
Return on Assets	2.1%	2.0%	2.0%	1.3%	1.7%
Return on Equity	18.6%	18.5%	17.3%	10.9%	13.9%
Net Interest Margin	5.7%	4.3%	6.0%	5.0%	5.7%
Other Operating Income: Total Assets	3.0%	3.2%	3.1%	4.1%	3.1%
Other Operating Income: Total Income	41.8%	43.3%	42.6%	45.3%	43.6%
Other Expenditures: Total income	55.8%	56.9%	55.5%	59.5%	59.8%
Liquidity					
Liquid Assets / Total Assets	12.9%	13.7%	13.4%	13.7%	15.5%
Liquid Assets / Average total liabilities	14.6%	15.6%	15.3%	15.7%	18.3%
Total Loans / Total Assets	73.5%	72.1%	71.6%	70.6%	69.3%
Total Loans / Total Deposits	93.5%	94.6%	92.9%	91.1%	89.9%
Growth Rates					
Total Assets	12.4%	6.9%	7.6%	1.3%	2.8%
Total Qualifying Capital	19.4%	10.7%	-7.0%	3.8%	0.6%
Tier 1 Capital	20.9%	11.3%	-4.4%	5.0%	3.9%
Total Loans	7.7%	5.7%	7.2%	1.1%	0.7%
Total Deposits	11.5%	5.7%	9.4%	2.8%	3.0%
Overdue loans	50.0%	81.0%	34.6%	15.2%	14.9%
Non-performing loans	73.1%	52.8%	44.0%	34.4%	0.4%
Liquid Assets	25.5%	11.5%	5.7%	5.1%	15.8%
Large Exposures	22.6%	-24.8%	-16.3%	10.9%	-18.3%
Off-Balance Sheet Items	15.3%	24.8%	-10.8%	8.0%	7.9%

*Basel III Capital standards were introduced for DSIBs in 2018, whilst non-DSIBs remain on Basel II Capital Accord. From 2019 onwards the statistics under BaselIII relate only to non-DSIBs.

Part E:
Statistical Tables

METHODS AND CONCEPTS

BALANCE OF PAYMENTS

Accrual accounting basis

This applies when an international transaction is recorded at the time when ownership changes hands, and not necessarily at the time when payment is made. This principle governs the time of recording for transactions; transactions are recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Double-entry accounting

The basic accounting conversion for a balance of payment statement is that every recorded transaction is represented by two entries with exactly equal values. Each transaction is reflected as a credit (+) and a debit (-) entry. In conformity with business and national accounting, in the balance of payment, the term: credit is used to denote a reduction in assets or an increase in liabilities, and debit a reduction in liabilities or an increase in assets.

Balance of Payments

The balance of payments (BOP) is a statistical statement that systematically summarises transactions between residents and non-residents during a period. It consists of the goods and services account, the primary income, the secondary income, the capital account, and the financial account for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and non-residents, consist of those involving goods, services, and income; those involving financial claims and liabilities to the rest of the world; and those (such as gifts) classified as transfers. It has two main accounts viz, the current account and financial account. Each transaction in the balance of payments is entered either as a credit/asset or a debit/liability. A credit/asset transaction is one that leads to the receipts of payment from non-residents. Conversely, the debit/liability leads to a payment to non-residents.

Residency

In the balance of payments, the concept of residency is based on a sectoral transactor's center of economic interest. Country boundaries recognised for political purposes may not always be appropriate for economic interest purposes. Therefore, it is necessary to recognise the economic territory of a country as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit when it has a center of economic interest in the territory from which the unit engages in economic activities and transactions on a significant scale, for a year or more.

Current Account

The current account balance shows flows of real resources or financial in the goods, services, primary income, secondary income and capital transfers between residents and non-residents. The current account balance shows the difference between the sum of exports and income receivable and the sum of imports and income payable (exports and imports refer to both goods and services, while income refers to both primary and secondary income).

Merchandise Trade Balance

This is the net balance of the total export and import of goods excluding transactions in services between residents and non-residents.

Goods

These are real transactions with change in the ownership of physical products and include consumer and capital goods.

Primary Income

Income covers two types of transactions between residents and non-residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities. Included in the latter are receipts and payments on direct investment, portfolio investment and other investment and receipts on reserve assets. Income derived from the use of a tangible asset e.g., car rental by a non-resident is excluded from income and is classified under services such as travel.

Secondary Income

The secondary income account shows current transfers between residents and non-residents. Various types of current transfers are recorded in this account to show their role in the process of income distributions between the economies. Transfers may be made in cash or in kind.

Capital Account

The capital account shows credit and debit entries for non-produced non-financial assets and capital transfers between residents and non-residents. It records acquisitions and disposals of non-produced non-financial assets, such as land sold to embassies and sales of leases and licenses, as well as capital transfers, that use the provision of resources for capital purposes by one party without anything of economic value being supplied as a direct return to that party.

Net Lending /Net borrowing

The sum of the balances on the current and capital accounts represents the net lending (surplus) or net borrowing (deficit) by the economy with the rest of the world. This is conceptually equal to the net balance of the financial account. In other words, the financial account (net change in financial assets minus net incurrence of liabilities) measures how the net lending to or borrowing from non-residents is financed.

Financial Account

The financial account of the balance of payments consists of the transactions in foreign financial assets and liabilities of an economy. The foreign financial assets of an economy consist of holdings of monetary gold, IMF Special Drawing Rights and claims on non-residents. The foreign financial liabilities of an economy consist of claims of non-residents on residents. The primary basis for classification of the financial account is by functional category in the following order; direct, portfolio, other investment and reserve assets.

Direct Investment

Direct investment refers to a lasting interest of an entity resident in one economy (the director investor) in an entity resident in another economy (the direct investment enterprise), with an ownership of 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

Portfolio Investment

Portfolio investment is defined as cross border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.

Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment or reserve assets.

Reserve Assets

Reserve assets consist of those external assets that are readily available to and controlled by monetary authority for the direct financing of payments imbalances, for indirectly regulating the magnitude of such balances through intervention in exchange markets to affect the currency exchange rate, and/or for other purposes.

Net Errors and Omissions

Theoretically, balance of payment accounts are in principle “balanced”, however, practically, imbalances will arise due to imperfections in the source of data and its quality. This will usually necessitate a balancing item to measure the difference between recorded credits and or debits and omissions. This is what is referred to as net errors and omissions.

MONETARY AND FINANCIAL STATISTICS

Repo rate

The rate charged by the Bank of Namibia on advances on specific collateral to Commercial banks. The Repo rate is the cost of credit to the banking sector and therefore eventually affects the cost of credit to the general public.

Depository Corporations Survey

The Depository Corporations Survey is a consolidation of the Central Bank Survey and the Other Depository Corporations Survey.

Bond

A security that gives the holder the unconditional right to a fixed money income or an income linked to some index, and except for perpetual bonds, an unconditional right to a stated fixed sum or a sum linked to some index on a specified date or dates.

Currency in circulation

Consist of notes and coins that are of fixed nominal values and are issued by central banks and governments. Currency is the most liquid financial asset and is included in narrow and broad money aggregates.

Narrow Money Supply (M1)

Narrow Money Supply (M1) is defined to include currency in circulation and transferable deposits of resident sectors, excluding Central Government and depository corporations.

Broad Money Supply (M2)

Broad Money Supply (M2) is defined to include currency outside depository corporations, transferable and other deposits in national currency of the resident sectors, excluding deposits of the Central Government and those of the depository corporations.

Transferable Deposits

These are deposits that are exchangeable without penalty or restriction, on demand and are directly usable for making third party payments.

Other Depository Corporations (ODCs)

The ODC sub-sector consists of all resident financial corporations (except the Central Bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money. There are currently eighteen financial intermediaries classified as ODCs in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Letshego Bank, Banco Atlantico, Trustco Bank Namibia, Agribank of Namibia, National Housing Enterprise, Namibia Post Office Savings Bank, Bank BIC, Stanlib Unit Trust, Ashburton, M & G Investments, Sanlam Unit Trust, Old Mutual Unit Trust, Capricorn Unit Trust, Ninety One and Hangula Capital.

Other Deposits

The other deposit category comprises all claims, other than transferable deposits, that are represented by evidence of deposit. Different forms of other deposits are e.g. savings and fixed investments. Other deposits is thus a component of broad money supply.

Other Financial Corporations (OFCs)

The OFC sub-sector at this stage consists of a sample of resident pension funds, insurance corporations and development finance institutions.

Deposit rate

The deposit rate refers to the weighted average deposit rate of the Commercial banks i.e. the rate that ODCs declare on other deposits (e.g. time deposits).

Dual-listed Companies

Refer to those companies listed and trading on two stock exchanges, such as the Johannesburg Stock Exchange as well as on the NSX.

Lending rate

The lending rate refers to the weighted average lending rate, i.e. the rate charged by ODCs to borrowers.

Local Market in terms of NSX

Only local (Namibian) companies listed on the NSX.

Market Capitalisation

Market Capitalisation is the total market value of a company's issued share capital. It is equal to the number of fully paid shares listed on the NSX multiplied by the share price.

Free-float Market Capitalisation

Free-float market capitalisation is the value of shares held by investors who are likely to be willing to trade. It is a measure of how many shares are reasonably liquid.

Market Turnover

Volume of shares traded on the NSX multiplied by the share price.

Market Volume

The number of shares traded on the NSX.

Money Market rate

The money market rate refers to the inter-bank interest rate; the rate at which ODCs extend credit to each other.

Money Market Unit Trust (MMU)

The MMU sub-sector consists of all resident unit trust companies that have money market funds. There are currently seven of those companies in Namibia: Ashburton, Stanlib Unit Trust, Prudential, Sanlam Unit Trust, Old Mutual Unit Trust, Capricorn Unit Trust and Investec.

Mortgage rate

The rate charged on a loan for the purpose of financing construction or purchasing of real estate.

Overall Market in terms of NSX

Refers to all companies, local as well as foreign, listed on the NSX.

Prime rate
The rate of interest charged by Other Depository Corporations (ODC's) for loans made to its most credit-worthy business and industrial customers; it is a benchmark rate that banks establish from time to time in computing an appropriate rate of interest for a particular loan contract.

Real Interest rate
The rate of interest adjusted to allow for inflation; the nominal interest rate less the rate of inflation for Namibia, is the real interest rate.

PUBLIC FINANCE

Social sector
The social sector is composed of the following sub-sectors:

- Education, arts and culture
- Gender equality and child welfare
- Health and social services
- Sports, Youth and National services
- Veterans Affairs
- Poverty eradication and social welfare
- Higher education, training and innovation

Public safety sector
The public safety sector is composed of the following sub-sectors:

- Home affairs and immigration
- Safety and Security
- Defense
- Justice
- Judiciary
- Anti-corruption commission
- Attorney General

Infrastructural Sector
The infrastructural sector is composed of the following sub-sectors:

- Works
- Transport
- Information and communication technology

Administration Sector
The administration sector is composed of the following sub-sectors:

- Office of the President
- Office of the Prime Minister
- National Assembly
- Auditor General
- International Relations and Cooperation
- National Council
- Labour, industrial relations and employment creation
- Urban and rural development
- Electoral commission

Economic Sector
The economic sector is composed of the following sub-sectors:

- Finance
- Mines and energy
- Environment and tourism
- Industrialisation, trade and SME development
- Agriculture, water and forestry
- Fisheries and marine resources
- Land reform
- National planning commission
- Public Enterprises

STATISTICAL TABLES

Table I.1 AGGREGATE ECONOMIC INDICATORS

Current prices	2017	2018	2019	2020	2021
GDP (N$ mil.)	171,570	181,067	181,229	173,896	180,836
% Change	8.8	5.5	0.1	-4.0	4.0
GNI (N$ mil.)	168,461	174,380	176,783	173,186	177,995
% Change	9.0	3.5	1.4	-2.0	2.8
GDP per capita (N$)	72,431	75,018	73,702	69,433	70,910
% Change	6.8	3.6	-1.8	-5.8	2.1
GNI per capita (N$)	71,118	72,248	71,894	69,150	69,796
% Change	6.9	1.6	-0.5	-3.8	0.9
Constant 2015 prices					
GDP (N$ mil.)	144,568	146,100	144,752	133,366	136,608
% Change	-1.0	1.1	-0.9	-7.9	2.4
GNI (N$ mil.)	149,048	146,520	149,887	140,664	139,858
% Change	1.1	-1.7	2.3	-6.2	-0.6
GDP per capita (N$)	61,031	60,531	58,868	53,251	53,567
% Change	-2.9	-0.8	-2.7	-9.5	0.6
GNI per capita (N$)	62,923	60,705	60,956	56,164	54,841
% Change	-0.8	-3.5	0.4	-7.9	-2.4

Source: NSA

Table I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

Current prices - N$ million	**2017**	**2018**	**2019**	**2020**	**2021**
Compensation of employees	75,529	80,165	81,249	80,366	80,294
Consumption of fixed capital	18,052	19,168	20,227	20,900	22,574
Net operating surplus	64,823	67,419	65,881	62,294	65,586
Gross domestic product at factor cost	158,404	166,752	167,357	163,561	168,454
Taxes on production and imports	13,166	14,315	13,872	10,335	12,381
Gross domestic product at market prices	171,570	181,067	181,229	173,896	180,836
Primary incomes					
- receivable from the rest of the world	3,827	4,535	4,457	3,999	5,297
- payable to rest of the world	-6,936	-11,222	-8,904	-4,709	-8,137
Gross national income at market prices	**168,461**	**174,380**	**176,783**	**173,186**	**177,995**
Current transfers					
- receivable from the rest of the world	20,997	20,566	21,640	24,984	19,909
- payable to rest of the world	-1,867	-1,931	-2,755	-2,697	-2,581
Gross national disposable income	**187,592**	**193,016**	**195,668**	**195,473**	**195,324**
Current prices - N$ per capita					
Gross domestic product at market prices	**72,431**	**75,018**	**73,702**	**69,433**	**70,910**
Gross national income at market prices	71,118	72,248	71,894	69,150	69,796
Constant 2015 prices - N$ millions					
Gross domestic product at market prices	**144,568**	**146,100**	**144,752**	**133,366**	**136,608**
- Annual percentage change	-1.0	1.1	-0.6	-8.0	2.4
Real gross national income	149,048	146,520	149,887	140,664	139,858
- Annual percentage change	1.1	-1.0	1.9	-6.2	-0.6
Constant 2015 prices - N$ per capita					
Gross domestic product at market prices	61,031	60,531	58,868	53,251	53,567
- Annual percentage change	-2.9	-0.8	-2.4	-0.1	0.6
Real gross national income	62,923	60,705	60,956	56,164	54,841
- Annual percentage change	-0.8	-2.9	0.0	-7.9	-2.4

Source: NSA

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

Current prices - N$ million

Current prices - N$ million	2017	2018	2019	2020	2021
Disposable income and saving					
Gross national disposable income	**187,592**	**193,016**	**195,668**	**195,473**	**195,324**
Consumption of fixed capital	18,052	19,168	20,227	20,900	22,574
Net national disposable income	**169,540**	**173,848**	**175,440**	**174,573**	**172,750**
All other sectors	133,727	135,602	138,970	141,844	138,490
General government	35,813	38,246	36,471	32,729	34,260
Final consumption expenditure	**165,070**	**172,072**	**173,970**	**167,002**	**183,480**
Private	121,141	126,140	127,663	119,933	136,522
General government	43,929	45,932	46,307	47,070	46,957
Saving, net	**4,470**	**1,776**	**1,470**	**7,570**	**-10,730**
All other sectors	12,586	9,462	11,306	21,911	1,968
General government	-8,116	-7,686	-9,836	-14,341	-12,698
Financing of capital formation					
Saving, net	4,470	1,776	1,470	7,570	-10,730
Capital transfers receivable from abroad	2,482	1,908	1,664	1,677	1,492
Capital transfers payable to foreign countries	-60	-182	-174	-23	-45
Total	**6,892**	**3,503**	**2,960**	**9,225**	**-9,283**
Capital formation					
Gross fixed capital formation	**30,764**	**30,544**	**28,542**	**23,367**	**26,042**
All other sectors	26,154	25,988	24,068	19,311	22,354
General government	4,611	4,556	4,475	4,057	3,688
Consumption of fixed capital	**-18,052**	**-19,168**	**-20,227**	**-20,900**	**-22,574**
All other sectors	-16,559	-17,498	-18,393	-19,017	-20,397
General government	-1,493	-1,670	-1,835	-1,883	-2,177
Changes in inventories	**-282**	**-3,535**	**-1,323**	**-427**	**2,751**
Net lending (+) / Net borrowing(–)	**-5,538**	**-4,338**	**-4,032**	**7,185**	**-15,501**
All other sectors	7,487	9,241	11,521	25,972	1,050
General government	-13,025	-13,579	-15,554	-18,787	-16,551
Discrepancy on GDP 1)	**0.6**	**0.5**	**0.7**	**0.4**	**1.1**
Net lending/borrowing in external transactions 2)	**-5,539**	**-4,338**	**-4,033**	**7,185**	**-15,502**
Total	**6,892**	**3,503**	**2,960**	**9,225**	**-9,283**

Source: NSA

Table I.4 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - N$ Million

Industry	2017	2018	2019	2020	2021
Agriculture, forestry and fishing	13,170	14,066	12,837	15,974	16,993
Livestock farming	5,103	5,427	5,178	6,276	7,061
Crop farming and forestry	3,572	4,118	2,977	5,127	5,339
Fishing and fish processing on board	4,494	4,521	4,682	4,571	4,592
Mining and quarrying	14,007	16,013	16,388	16,131	16,476
Diamond mining	6,717	7,915	5,970	4,733	4,828
Uranium	1,690	2,218	3,287	3,440	3,663
Metal Ores	4,573	4,552	5,758	6,880	6,520
Other mining and quarrying	1,027	1,328	1,374	1,077	1,466
Primary industries	**27,177**	**30,079**	**29,225**	**32,105**	**33,469**
Manufacturing	20,966	22,269	22,692	19,220	19,872
Meat processing	1,294	1,426	1,364	1,007	1,137
Grain Mill products	2,308	2,240	2,312	2,154	3,133
Other food products	4,713	5,719	5,761	4,950	5,119
Beverages	2,620	2,927	2,894	2,670	2,607
Textile and wearing apparel	463	467	487	472	536
Leather and related products	314	312	315	264	315
Wood and wood products	582	465	509	629	666
Publishing and Printing	399	423	435	387	382
Chemical and related products	996	997	1,042	1,073	1,027
Rubber and Plastics products	347	352	348	387	408
Non-metallic minerals products	579	585	640	622	611
Basic non-ferrous metals	3,069	2,712	2,873	1,306	607
Fabricated Metals	514	621	654	571	674
Diamond processing	2,160	2,421	2,352	2,104	2,008
Other manufacturing	606	602	706	623	643
Electricity and water	5,773	6,631	6,191	6,361	5,656
Construction	3,994	3,739	3,765	3,237	3,279
Secondary industries	**30,733**	**32,639**	**32,649**	**28,818**	**28,807**
Wholesale and retail trade, repairs	18,542	17,918	18,190	17,038	18,121
Hotels and restaurants	3,245	3,474	3,692	2,527	2,782
Transport and Storage	5,236	5,712	5,708	4,599	4,995
Transport	4,067	4,344	4,216	3,256	3,549
Storage	1,169	1,368	1,492	1,343	1,446
Information Communication	2,622	2,459	2,577	2,976	3,112
Financial and insurance service activities	12,285	13,976	12,632	12,193	13,934
Real estate activities	9,136	9,557	10,022	10,234	10,419
Professional, scientific and techical services	1,170	1,217	1,215	1,112	1,120
Administrative and support services	1,799	1,863	1,911	1,798	1,875
Arts, Entertainment & Other Service activities	2,854	3,074	3,299	3,303	3,449
Public administration and defence	19,622	20,722	20,829	20,236	18,958
Education	16,538	17,430	18,590	18,754	19,298
Health	6,353	6,148	6,017	6,410	6,724
Private household with employed persons	1,168	1,188	1,202	1,135	1,235
Tertiary industries	**100,571**	**104,739**	**105,882**	**102,315**	**106,021**
All industries at basic prices	**158,482**	**167,457**	**167,756**	**163,238**	**168,297**
Taxes less subsidies on products	13,088	13,610	13,473	10,658	12,538
GDP at market prices	**171,570**	**181,067**	**181,229**	**173,896**	**180,836**

Source: NSA

Table I.4 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - Percentage Contribution

Industry	2017	2018	2019	2020	2021
Agriculture, forestry and fishing	7.7	7.8	7.1	9.2	9.4
Livestock farming	3.0	3.0	2.9	3.6	3.9
Crop farming and forestry	2.1	2.3	1.6	2.9	3.0
Fishing and fish processing on board	2.6	2.5	2.6	2.6	2.5
Mining and quarrying	8.2	8.8	9.0	9.3	9.1
Diamond mining	3.9	4.4	3.3	2.7	2.7
Uranium	1.0	1.2	1.8	2.0	2.0
Metal Ores	2.7	2.5	3.2	4.0	3.6
Other mining and quarrying	0.6	0.7	0.8	0.6	0.8
Primary industries	**15.8**	**16.6**	**16.1**	**18.5**	**18.5**
Manufacturing	12.2	12.3	12.5	11.1	11.0
Meat processing	0.8	0.8	0.8	0.6	0.6
Grain Mill products	1.3	1.2	1.3	1.2	1.7
Other food products	2.7	3.2	3.2	2.8	2.8
Beverages	1.5	1.6	1.6	1.5	1.4
Textile and wearing apparel	0.3	0.3	0.3	0.3	0.3
Leather and related products	0.2	0.2	0.2	0.2	0.2
Wood and wood products	0.3	0.3	0.3	0.4	0.4
Publishing and Printing	0.2	0.2	0.2	0.2	0.2
Chemical and related products	0.6	0.6	0.6	0.6	0.6
Rubber and Plastics products	0.2	0.2	0.2	0.2	0.2
Non-metallic minerals products	0.3	0.3	0.4	0.4	0.3
Basic non-ferrous metals	1.8	1.5	1.6	0.8	0.3
Fabricated Metals	0.3	0.3	0.4	0.3	0.4
Diamond processing	1.3	1.3	1.3	1.2	1.1
Other manufacturing	0.4	0.3	0.4	0.4	0.4
Electricity and water	3.4	3.7	3.4	3.7	3.1
Construction	2.3	2.1	2.1	1.9	1.8
Secondary industries	**17.9**	**18.0**	**18.0**	**16.6**	**15.9**
Wholesale and retail trade, repairs	10.8	9.9	10.0	9.8	10.0
Hotels and restaurants	1.9	1.9	2.0	1.5	1.5
Transport and Storage	3.1	3.2	3.1	2.6	2.8
Transport	2.4	2.4	2.3	1.9	2.0
Storage	0.7	0.8	0.8	0.8	0.8
Information Communication	1.5	1.4	1.4	1.7	1.7
Financial and insurance service activities	7.2	7.7	7.0	7.0	7.7
Real estate activities	5.3	5.3	5.5	5.9	5.8
Professional, scientific and techical services	0.7	0.7	0.7	0.6	0.6
Administrative and support services	1.0	1.0	1.1	1.0	1.0
Arts, Entertainment & Other Service activities	1.7	1.7	1.8	1.9	1.9
Public administration and defence	11.4	11.4	11.5	11.6	10.5
Education	9.6	9.6	10.3	10.8	10.7
Health	3.7	3.4	3.3	3.7	3.7
Private household with employed persons	0.7	0.7	0.7	0.7	0.7
Tertiary industries	**58.6**	**57.8**	**58.4**	**58.8**	**58.6**
All industries at basic prices	**92.4**	**92.5**	**92.6**	**93.9**	**93.1**
Taxes less subsidies on products	7.6	7.5	7.4	6.1	6.9
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

Table I.5 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2015 prices - N$ million

Industry	2017	2018	2019	2020	2021
Agriculture, forestry and fishing	10,206	10,614	10,288	10,955	11,172
Livestock farming	3,495	3,518	3,706	3,346	3,272
Crop farming and forestry	2,360	2,738	1,871	3,323	3,476
Fishing and fish processing on board	4,352	4,358	4,711	4,287	4,424
Mining and quarrying	13,224	15,357	13,903	11,819	13,431
Diamond mining	8,066	9,283	7,643	6,506	6,668
Uranium	1,919	2,559	2,447	2,238	2,817
Metal Ores	1,342	1,359	1,549	1,228	1,220
Other mining and quarrying	1,897	2,155	2,264	1,848	2,726
Primary industries	**23,429**	**25,971**	**24,190**	**22,774**	**24,603**
Manufacturing	18,033	17,966	18,808	15,583	14,618
Meat processing	675	695	778	468	451
Grain Mill products	2,115	2,155	2,399	2,593	2,767
Other food products	3,713	3,753	3,993	3,389	3,231
Beverages	2,513	2,639	3,103	2,094	2,465
Textile and wearing apparel	455	460	449	435	511
Leather and related products	287	300	293	258	301
Wood and wood products	517	458	480	572	614
Publishing and Printing	364	358	334	287	270
Chemical and related products	910	883	849	812	746
Rubber and Plastics products	327	350	342	356	327
Non-metallic minerals products	545	557	537	501	479
Basic non-ferrous metals	2,658	2,270	2,239	1,191	2
Fabricated Metals	505	532	537	480	498
Diamond processing	1,921	2,045	1,900	1,660	1,477
Other manufacturing	528	511	575	489	480
Electricity and water	2,590	2,884	2,712	3,330	3,139
Construction	3,652	3,262	3,092	2,726	2,447
Secondary industries	**24,276**	**24,112**	**24,611**	**21,639**	**20,204**
Wholesale and retail trade, repairs	15,297	14,526	13,308	11,747	12,466
Hotels and restaurants	2,843	2,976	3,021	2,102	2,321
Transport and Storage	4,592	4,621	4,521	3,496	3,594
Transport	3,723	3,695	3,573	2,632	2,753
Storage	870	926	948	864	840
Information Communication	2,367	2,315	2,590	3,040	3,251
Financial and insurance service activities	10,673	10,685	12,026	10,491	9,932
Real estate activities	7,807	8,015	8,248	8,474	8,672
Professional, scientific and techical services	1,105	1,094	1,027	934	962
Administrative and support services	1,586	1,570	1,524	1,365	1,309
Arts, Entertainment & Other Service activities	2,434	2,459	2,520	2,445	2,457
Public administration and defence	17,046	17,106	17,349	17,146	17,230
Education	13,022	13,079	13,287	13,907	14,231
Health	5,941	5,400	5,314	5,439	5,686
Private household with employed persons	1,031	1,006	980	906	951
Tertiary industries	**85,745**	**84,852**	**85,715**	**81,492**	**83,062**
All industries at basic prices	**133,450**	**134,936**	**134,517**	**125,905**	**127,869**
Taxes less subsidies on products	11,118	11,164	10,235	7,461	8,739
GDP at market prices	**144,568**	**146,100**	**144,752**	**133,366**	**136,608**

Source: NSA

Table I.5 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2015 prices - Annual Percentage Changes

Industry	2017	2018	2019	2020	2021
Agriculture, forestry and fishing	2.9	4.0	-3.1	6.5	2.0
Livestock farming	5.9	0.7	5.3	-9.7	-2.2
Crop farming and forestry	2.5	16.0	-31.7	77.6	4.6
Fishing and fish processing on board	0.8	0.1	8.1	-9.0	3.2
Mining and quarrying	14.2	16.1	-9.5	-15.0	13.6
Diamond mining	14.5	15.1	-17.7	-14.9	2.5
Uranium	23.4	33.4	-4.4	-8.5	25.8
Metal Ores	-26.3	1.3	14.0	-20.7	-0.6
Other mining and quarrying	63.7	13.6	5.1	-18.4	47.5
Primary industries	**9.0**	**10.8**	**-6.9**	**-5.9**	**8.0**
Manufacturing	-1.6	-0.4	4.7	-17.1	-6.2
Meat processing	-3.3	2.9	11.9	-39.8	-3.6
Grain Mill products	8.1	1.9	11.3	8.1	6.7
Other food products	-5.2	1.1	6.4	-15.1	-4.7
Beverages	-4.2	5.0	17.5	-32.5	17.7
Textile and wearing apparel	11.3	0.9	-2.3	-3.1	17.3
Leather and related products	-1.6	4.5	-2.2	-12.1	16.8
Wood and wood products	8.6	-11.5	4.9	19.2	7.4
Publishing and Printing	12.1	-1.6	-6.7	-14.1	-5.8
Chemical and related products	-18.9	-3.1	-3.8	-4.4	-8.1
Rubber and Plastics products	-12.1	7.0	-2.2	4.2	-8.4
Non-metallic minerals products	-17.7	2.3	-3.6	-6.8	-4.4
Basic non-ferrous metals	4.1	-14.6	-1.4	-46.8	-99.8
Fabricated Metals	-24.6	5.5	1.0	-10.8	3.7
Diamond processing	11.4	6.4	-7.1	-12.6	-11.0
Other manufacturing	-1.8	-3.1	12.5	-15.0	-1.9
Electricity and water	-16.6	11.3	-6.0	22.8	-5.7
Construction	-23.1	-10.7	-5.2	-11.8	-10.2
Secondary industries	**-7.3**	**-0.7**	**2.1**	**-12.1**	**-6.6**
Wholesale and retail trade, repairs	-9.4	-5.0	-8.4	-11.7	6.1
Hotels and restaurants	-1.4	4.7	1.5	-30.4	10.4
Transport and Storage	-4.1	0.6	-2.2	-22.7	2.8
Transport	-4.0	-0.7	-3.3	-26.3	4.6
Storage	-4.6	6.5	2.4	-8.9	-2.7
Information Communication	6.0	-2.2	11.9	17.4	6.9
Financial and insurance service activities	3.7	0.1	12.5	-12.8	-5.3
Real estate activities	2.6	2.7	2.9	2.7	2.3
Professional, scientific and techical services	-2.8	-1.0	-6.1	-9.1	2.9
Administrative and support services	-2.2	-1.0	-3.0	-10.4	-4.1
Arts, Entertainment & Other Service activities	-0.8	1.0	2.5	-3.0	0.5
Public administration and defence	2.2	0.4	1.4	-1.2	0.5
Education	-1.7	0.4	1.6	4.7	2.3
Health	4.4	-9.1	-1.6	2.3	4.5
Private household with employed persons	1.0	-2.5	-2.5	-7.6	5.0
Tertiary industries	**-0.9**	**-1.0**	**1.0**	**-4.9**	**1.9**
All industries at basic prices	**-0.6**	**1.1**	**-0.3**	**-6.4**	**1.6**
Taxes less subsidies on products	-6.1	0.4	-8.3	-27.1	17.1
GDP at market prices	**-1.0**	**1.1**	**-0.9**	**-7.9**	**2.4**

Source: NSA

Table I.6 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Current prices - N$ million

Expenditure category	2017	2018	2019	2020	2021
Final consumption expenditure	165,070	172,072	173,970	167,002	183,480
Private	121,141	126,140	127,663	119,933	136,522
General government	43,929	45,932	46,307	47,070	46,957
Gross fixed capital formation	30,764	30,544	28,542	23,367	26,042
Changes in inventories	-282.2	-3535.0	-1322.8	-427.2	2750.6
Gross domestic expenditure	**195,552**	**199,080**	**201,190**	**189,942**	**212,272**
Exports of goods and services	57,683	64,972	65,898	58,215	57,761
Imports of goods and services	81,665	82,985	85,859	74,262	89,199
Discrepancy	1	1	1	0	1
Gross domestic product at market prices	**171,570**	**181,067**	**181,229**	**173,896**	**180,836**

Source: NSA

Table I.6 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Percentage shares of GDP

Expenditure category	2017	2018	2019	2020	2021
Final consumption expenditure	96.2	95.0	96.0	96.0	101.5
Private	70.6	69.7	70.4	69.0	75.5
General government	25.6	25.4	25.6	27.1	26.0
Gross fixed capital formation	17.9	16.9	15.7	13.4	14.4
Changes in inventories	-0.2	-2.0	-0.7	-0.2	1.5
Gross domestic expenditure	**114.0**	**109.9**	**111.0**	**109.2**	**117.4**
Exports of goods and services	33.6	35.9	36.4	33.5	31.9
Imports of goods and services	47.6	45.8	47.4	42.7	49.3
Discrepancy	0.0	0.0	0.0	0.0	0.0
Gross domestic product at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

Table I.7 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2015 prices - N$ million

Expenditure category	2017	2018	2019	2020	2021
Final consumption expenditure	147,695	147,392	149,747	137,428	148,714
Private	108,347	108,140	109,924	96,904	107,529
General government	39,349	39,252	39,823	40,524	41,185
Gross fixed capital formation	28,216	26,531	24,004	19,366	20,227
Changes in inventories	733	-3,116	-552	-780	768
Gross domestic expenditure	**176,645**	**170,808**	**173,199**	**156,014**	**169,709**
Exports of goods and services	52,332	60,750	55,359	45,689	45,154
Imports of goods and services	84,410	85,458	83,806	68,336	78,256
Discrepancy	-0	-0	0	-0	-0
Gross domestic product at market prices	**144,568**	**146,100**	**144,752**	**133,366**	**136,608**

Source: NSA

Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2015 prices - Annual Percentage change

Expenditure category	2017	2018	2019	2020	2021
Final consumption expenditure	-5.6	0.2	1.6	-8.2	8.2
Private	-6.8	0.3	1.6	-11.8	11.0
General government	-2.1	-0.2	1.5	1.8	1.6
Gross fixed capital formation	-13.7	-6.0	-9.5	-19.3	4.4
Changes in inventories	0.8	-2.7	1.8	-0.2	1.2
Gross domestic expenditure	**-6.4**	**-3.0**	**1.4**	**-9.9**	**8.8**
Exports of goods and services	1.9	16.1	-8.9	-17.5	-1.2
Imports of goods and services	-10.1	2.2	-1.9	-18.5	14.5
Discrepancy	-0.0	0.2	0.0	-0.0	-0.0
Gross domestic product at market prices	**-1.0**	**1.1**	**-0.9**	**-7.9**	**2.4**

Source: NSA

Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

Current prices - N$ Million

Industry	2017	2018	2019	2020	2021
Agriculture	2,307	2,484	2,439	1,823	3,338
Fishing	1,119	1,484	1,388	446	16
Mining and quarrying	5,822	5,547	5,460	5,707	3,485
Manufacturing	4,679	5,025	5,058	3,941	5,966
Electricity and water	1,175	906	1,464	468	440
Construction	904	937	887	555	987
Wholesale and retail trade; hotels, restaurants	1,223	542	775	373	465
Transport, and communication	4,321	4,342	1,575	1,302	2,015
Finance, real estate, business services	3,830	4,108	4,546	4,367	4,871
Community, social and personal services	259	310	335	295	529
Producers of government services	5,127	4,858	4,616	4,091	3,929
Total	**30,764**	**30,544**	**28,542**	**23,367**	**26,042**
Percent of GDP	17.9	16.9	15.7	13.4	14.4

Source: NSA

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVTY

Constant 2015 prices - N$ million

Industry	2017	2018	2019	2020	2021
Agriculture	1,969	1,896	1,707	1,128	2,147
Fishing	959	1,103	954	270	10
Mining and quarrying	5,680	5,609	5,711	5,700	3,468
Manufacturing	4,345	4,351	4,092	3,002	4,544
Electricity and water	1,072	801	1,164	362	333
Construction	863	885	831	473	929
Wholesale and retail trade; hotels, restaurants	1,152	480	661	315	372
Transport, and communication	3,817	3,451	1,160	943	1,446
Finance, real estate, professional, administrative	3,637	3,775	3,966	3,791	3,963
Arts, entertainment, other services;private households	227	238	240	194	341
Producers of government services	4,495	3,941	3,519	3,187	2,674
Total	**28,216**	**26,531**	**24,004**	**19,366**	**20,227**
Annual change, per cent	-13.7	-6.0	-9.5	-19.3	4.4

Source: NSA

Table I.10 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Current prices - N$ million

Type of Asset	2017	2018	2019	2020	2021
Buildings	7,744	7,935	6,504	6,044	6,342
Construction works	7,328	6,557	6,781	5,167	4,740
Transport equipment	6,197	5,498	6,029	3,618	4,710
Machinery and other equipment	8,910	9,345	8,062	7,838	8,954
Mineral exploration	585	1,209	1,167	700	1,295
Total	**30,764**	**30,544**	**28,542**	**23,367**	**26,042**

Source: NSA

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Constant 2015 prices - N$ million

Type of Asset	2017	2018	2019	2020	2021
Buildings	7,255	7,051	5,677	5,318	5,120
Construction works	6,309	5,266	5,150	4,046	3,161
Transport equipment	5,901	4,736	5,074	2,852	3,538
Machinery and other equipment	8,164	8,288	6,954	6,493	7,205
Mineral exploration	588	1,191	1,149	657	1,203
Total	**28,216**	**26,531**	**24,004**	**19,366**	**20,227**

Source: NSA

Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Current prices - N$ million

Ownership	2017	2018	2019	2020	2021
Public	9,194	8,536	6,650	5,138	4,884
Producers of government services	5,127	4,858	4,616	4,091	3,929
Public corporations and enterprises	4,068	3,678	2,034	1,047	955
Private	21,570	22,008	21,893	18,229	21,158
Total	**30,764**	**30,544**	**28,542**	**23,367**	**26,042**

Source: NSA

Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Constant 2015 prices - N$ million

Ownership	2017	2018	2019	2020	2021
Public	6,468	6,894	5,076	4,025	3,357
Producers of government services	2,878	3,941	3,519	3,187	2,674
Public corporations and enterprises	3,591	2,953	1,557	838	683
Private	21,748	19,637	18,928	15,341	16,870
Total	**28,216**	**26,531**	**24,004**	**19,366**	**20,227**

Source: NSA

Table I.14 FIXED CAPITAL STOCK BY ACTIVITY

Current prices - N$ million

Industry	2017	2018	2019	2020	2021
Agriculture	10,449	10,872	11,249	11,782	12,007
Fishing	6,373	7,761	8,711	9,506	9,945
Mining and quarrying	75,834	76,680	76,839	78,433	79,302
Manufacturing	27,108	28,463	30,121	30,102	32,164
Electricity and water	17,287	18,323	20,511	19,565	21,867
Construction	2,243	2,156	2,123	1,960	1,956
Wholesale and retail trade; hotels, restaurants	10,806	10,839	11,374	11,115	11,916
Transport, and communication	38,131	43,570	44,069	41,480	46,667
Finance, real estate, professional, administrative	55,818	59,385	64,456	66,250	74,042
Arts, entertainment, other services;private households	1,594	1,765	1,929	2,017	2,321
Producers of government services	70,366	77,834	84,802	84,716	100,023
Total	**316,009**	**337,650**	**356,184**	**356,928**	**392,210**

Source: NSA

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY

Constant 2015 prices - N$ million

Industry	2017	2018	2019	2020	2021
Agriculture	9,665	9,554	9,443	9,345	9,255
Fishing	5,949	6,892	7,421	7,830	7,771
Mining and quarrying	72,787	71,102	69,559	69,898	66,325
Manufacturing	25,941	26,436	26,688	26,638	26,184
Electricity and water	14,840	14,804	15,276	15,074	14,822
Construction	2,183	2,071	1,962	1,789	1,611
Wholesale and retail trade; hotels, restaurants	10,340	10,030	10,027	9,812	9,701
Transport, and communication	34,021	35,061	33,845	32,670	31,433
Finance, real estate, professional, administrative	52,988	54,746	56,657	58,504	60,076
Arts, entertainment, other services;private households	1,458	1,516	1,577	1,641	1,709
Producers of government services	61,666	63,936	65,847	67,465	68,331
Total	**291,838**	**296,148**	**298,304**	**300,666**	**297,218**

Source: NSA

Table I.16 (a) NATIONAL CONSUMER PRICE INDEX (December 2012 = 100)

	Food & non alcoholic beverages	Alcoholic Beverages & tabacco	Clothing and foodwear	Housing, water, electricity, gas & others	Furnitures, household equipment & maintenance	Health	Transport	Communications	Recreation & culture	Education	Hotels, cafes & restaurands	Miscellaneous goods & services	All items	All Items Annual percentage changes
weights	**16.45**	**12.59**	**3.05**	**28.36**	**5.47**	**2.01**	**14.28**	**3.81**	**3.55**	**3.65**	**1.39**	**5.39**	**100.0**	
2016	**130.2**	**129.6**	**107.0**	**116.7**	**117.8**	**118.3**	**112.2**	**103.2**	**119.6**	**126.1**	**127.0**	**117.5**	**119.8**	**6.7**
2017	**137.5**	**135.5**	**106.6**	**127.4**	**123.3**	**125.0**	**117.9**	**106.9**	**124.5**	**135.9**	**136.3**	**124.0**	**127.2**	**6.2**
2018	**141.9**	**142.6**	**102.6**	**131.9**	**124.3**	**131.7**	**128.4**	**107.0**	**128.8**	**149.5**	**141.6**	**129.2**	**132.6**	**4.3**
2019														
Jan-19	148.1	147.1	103.3	135.1	125.2	133.9	131.3	108.2	131.4	167.4	145.9	131.1	136.6	4.7
Feb-19	148.7	147.4	102.7	133.6	125.3	134.4	132.3	108.3	132.8	166.4	146.5	131.1	136.5	4.4
Mar-19	148.7	148.7	102.7	133.9	125.2	135.5	132.0	108.1	133.4	166.4	146.7	131.4	136.8	4.5
Apr-19	148.4	151.0	102.7	133.9	125.8	134.9	133.0	108.1	133.7	167.3	147.5	131.8	137.2	4.5
May-19	147.9	149.3	102.5	134.0	125.9	135.2	134.1	108.2	134.9	167.3	148.0	131.7	137.2	4.1
Jun-19	147.3	149.2	103.3	134.1	126.4	135.3	135.6	108.1	134.5	167.3	148.2	131.7	137.3	3.9
Jul-19	146.4	149.1	103.4	135.3	126.4	135.6	136.2	108.1	134.1	167.3	148.0	132.1	137.7	3.6
Aug-19	147.1	149.3	103.4	135.0	127.8	135.9	136.3	107.6	134.6	167.3	147.8	132.2	137.8	3.7
Sep-19	148.0	149.7	104.0	135.1	128.2	136.1	136.6	108.8	136.2	167.3	147.2	132.5	138.2	3.3
Oct-19	148.4	151.0	104.2	135.1	127.7	136.2	136.9	108.8	136.7	167.3	148.6	132.3	138.5	3.0
Nov-19	149.0	150.9	104.4	135.2	127.9	135.9	137.4	108.3	137.5	167.3	148.5	132.4	138.7	2.5
Dec-19	148.2	150.7	103.6	135.2	127.9	136.4	137.5	108.5	138.3	167.3	148.9	131.7	138.5	2.6
An. Av	**148.0**	**149.5**	**103.4**	**134.6**	**126.7**	**135.4**	**134.9**	**108.2**	**134.8**	**167.2**	**147.6**	**131.8**	**137.6**	**3.7**
2020														
Jan-20	151.4	150.9	102.5	133.5	128.8	138.0	137.8	108.9	137.0	176.9	147.4	139.4	139.4	2.1
Feb-20	152.8	151.4	101.4	133.0	130.0	138.3	138.1	109.8	138.6	179.0	150.4	139.1	139.8	2.5
Mar-20	153.0	151.7	101.5	133.5	129.1	138.6	137.8	109.3	139.5	179.0	149.8	139.3	140.0	2.4
Apr-20	154.6	151.7	101.0	133.2	128.6	138.8	132.9	109.7	140.3	179.0	150.0	139.7	139.5	1.6
May-20	154.8	152.5	101.2	133.2	130.5	139.2	133.9	110.1	142.8	179.0	149.2	139.7	140.0	2.1
Jun-20	154.3	154.6	101.5	133.3	130.0	139.9	134.4	110.6	142.3	179.0	149.5	139.9	140.3	2.1
Jul-20	155.3	155.8	99.0	133.4	129.3	139.5	134.6	110.6	142.8	179.0	149.2	139.9	140.5	2.1
Aug-20	157.2	154.8	98.1	132.9	131.1	139.7	137.9	111.1	143.0	179.0	146.4	139.8	141.1	2.4
Sep-20	157.8	155.4	98.8	133.4	131.7	139.8	138.3	111.1	142.7	179.0	150.9	139.3	141.6	2.4
Oct-20	158.9	157.5	97.9	133.4	131.6	139.6	135.2	113.0	144.2	179.0	149.8	139.4	141.6	2.3
Nov-20	159.3	157.8	97.7	133.4	132.2	139.7	135.7	112.7	143.4	179.0	149.8	139.0	141.8	2.2
Dec-20	159.5	157.1	97.4	133.4	132.8	140.2	135.7	113.1	143.7	179.0	149.0	139.1	141.8	2.4
An. Av	**155.7**	**154.3**	**99.8**	**133.3**	**130.5**	**139.3**	**136.0**	**110.8**	**141.7**	**178.8**	**149.3**	**139.5**	**140.6**	**2.2**
2021														
Jan-21	159.3	158.4	96.8	134.9	134.3	143.1	136.7	113.4	144.5	179.4	149.2	148.5	143.2	2.7
Feb-21	161.2	157.8	96.8	134.9	134.6	143.7	138.4	113.2	143.4	180.5	149.1	148.4	143.7	2.7
Mar-21	163.1	157.4	97.7	134.9	134.4	143.7	141.2	112.9	144.2	180.5	149.6	148.3	144.4	3.1
Apr-21	163.8	158.1	97.3	134.9	135.4	144.0	142.9	113.1	143.9	180.5	149.7	148.9	144.9	3.9
May-21	165.0	157.8	96.8	134.9	136.4	144.3	143.7	112.6	145.3	180.5	150.0	149.1	145.3	3.8
Jun-21	165.5	158.4	97.0	135.0	137.3	144.6	147.3	112.1	144.9	180.5	150.1	148.9	146.0	4.1
Jul-21	164.8	159.6	96.0	135.0	136.8	144.4	148.8	112.4	145.8	180.5	150.6	148.7	146.2	4.0
Aug-21	165.4	159.3	95.4	135.1	137.1	144.6	146.4	112.4	146.6	180.5	150.7	148.6	146.0	3.4
Sep-21	165.6	160.1	95.8	135.1	138.0	144.7	148.6	112.1	146.6	180.5	151.2	148.5	146.5	3.5
Oct-21	167.1	159.1	96.0	134.9	138.6	144.0	149.6	112.2	147.3	180.5	151.9	148.6	146.8	3.6
Nov-21	167.6	162.2	96.0	135.0	138.1	145.2	151.9	112.2	147.7	180.5	151.3	148.6	147.6	4.1
Dec-21	167.6	163.0	95.4	135.1	138.6	145.5	155.1	112.1	147.3	180.5	151.9	148.6	148.2	4.5
An. Av	**164.7**	**159.3**	**96.4**	**135.0**	**136.6**	**144.3**	**145.9**	**112.6**	**145.6**	**180.4**	**150.4**	**148.6**	**145.7**	**3.6**

Source: NSA

Table 1.16 (b) NATIONAL CONSUMER PRICE INDEX (December 2012=100)

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
2016	**115.9**	**0.5**	**6.3**	**122.8**	**0.6**	**7.0**
2017	**125.4**	**0.7**	**8.2**	**128.6**	**0.3**	**4.7**
2018						
Jan-18	129.9	3.0	4.4	131.0	0.6	2.9
Feb-18	130.0	0.1	4.4	131.3	0.2	2.9
Mar-18	130.1	0.0	4.4	131.5	0.2	2.8
Apr-18	130.2	0.1	4.3	132.1	0.5	3.1
May-18	130.3	0.0	4.2	132.9	0.6	3.6
Jun-18	130.3	0.0	4.2	133.5	0.4	3.8
Jul-18	130.8	0.4	4.3	134.4	0.6	4.6
Aug-18	130.9	0.1	4.1	134.4	0.0	4.6
Sep-18	132.0	0.9	4.7	135.3	0.7	4.9
Oct-18	132.2	0.2	4.8	136.1	0.6	5.3
Nov-18	132.2	0.0	4.8	137.7	1.2	6.1
Dec-18	132.3	0.0	4.9	137.1	-0.4	5.3
An. Av	**130.9**	**0.4**	**4.5**	**133.9**	**0.4**	**4.2**
2019						
Jan-19	135.8	2.7	4.5	137.2	0.1	4.8
Feb-19	136.0	0.1	4.6	136.9	-0.3	4.3
Mar-19	136.1	0.0	4.6	137.3	0.3	4.4
Apr-19	136.3	0.2	4.7	138.0	0.5	4.4
May-19	136.3	0.0	4.6	137.8	-0.1	3.7
Jun-19	136.4	0.1	4.7	138.0	0.2	3.4
Jul-19	136.5	0.1	4.4	138.5	0.4	3.1
Aug-19	136.6	0.1	4.4	138.7	0.1	3.2
Sep-19	136.7	0.0	3.5	139.4	0.5	3.0
Oct-19	136.7	0.0	3.4	139.8	0.3	2.7
Nov-19	136.8	0.0	3.4	140.1	0.2	1.7
Dec-19	136.8	0.0	3.4	139.9	-0.2	2.0
An. Av	**136.4**	**0.3**	**4.2**	**138.5**	**0.2**	**3.4**
2020						
Jan-20	137.5	0.5	1.3	140.9	0.7	2.6
Feb-20	137.5	-0.0	1.1	141.7	0.6	3.5
Mar-20	137.5	0.0	1.0	141.9	0.2	3.3
Apr-20	137.5	0.0	0.9	141.0	-0.6	2.2
May-20	138.7	0.9	1.7	141.0	-0.0	2.3
Jun-20	138.7	-0.0	1.6	141.5	0.4	2.5
Jul-20	138.7	0.1	1.6	141.9	0.3	2.4
Aug-20	138.7	-0.1	1.5	143.0	0.8	3.1
Sep-20	138.8	0.1	1.5	143.7	0.5	3.1
Oct-20	137.9	-0.6	0.9	144.5	0.5	3.3
Nov-20	137.9	0.0	0.8	144.7	0.2	3.3
Dec-20	138.0	0.0	0.9	144.7	-0.0	3.5
An. Av	**138.1**	**0.1**	**1.2**	**142.5**	**0.3**	**2.9**
2021						
Jan-21	140.3	1.7	2.0	145.4	0.4	3.2
Feb-21	140.3	0.0	2.0	146.3	0.6	3.2
Mar-21	140.4	0.1	2.1	147.4	0.8	3.9
Apr-21	140.4	0.0	2.1	148.3	0.6	5.2
May-21	140.5	0.1	1.3	148.9	0.4	5.6
Jun-21	141.6	0.8	2.1	149.3	0.2	5.5
Jul-21	141.8	0.1	2.2	149.6	0.2	5.4
Aug-21	141.0	-0.5	1.7	149.8	0.1	4.8
Sep-21	141.1	0.1	1.7	150.6	0.5	4.8
Oct-21	141.2	0.1	2.4	151.0	0.3	4.5
Nov-21	141.2	0.0	2.4	152.5	1.0	5.4
Dec-21	141.7	0.3	2.7	153.2	0.5	5.8
An. Av	141.0	0.2	2.1	149.4	0.5	4.8

Source: NSA

Table II.1(a) Central bank survey (end of period in N$ million)

Assets	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Net foreign assets	**27,278**	**25,767**	**23,460**	**29,860**	**27,364**	**28,591**	**29,985**	**29,348**	**29,405**	**29,890**	**26,889**	**28,102**	**28,136**	**29,007**	**29,818**	**31,383**	**31,277**	**30,657**	**32,426**	**30,466**	**29,298**	**29,561**	**26,915**	**26,223**
Claims on nonresidents	**29,660**	**28,104**	**26,810**	**32,312**	**29,857**	**31,325**	**32,607**	**32,279**	**32,535**	**32,809**	**29,612**	**30,972**	**30,797**	**31,785**	**32,727**	**34,242**	**34,225**	**33,481**	**35,253**	**33,519**	**32,320**	**32,546**	**29,851**	**29,038**
Monetary gold and SDR holdings	107	105	106	109	109	95	88	99	95	97	94	62	58	53	56	54	49	47	47	50	49	49	36	34
Foreign currency	105	34	35	43	44	52	65	80	18	42	68	68	112	137	138	72	88	36	62	82	32	54	77	90
Deposits	8,094	8,282	9,717	9,101	8,726	10,382	9,024	10,059	10,411	10,698	9,543	9,512	9,284	9,589	11,595	11,976	12,309	12,758	10,966	12,013	12,899	11,726	11,505	12,241
Securities other than shares	20,132	18,484	16,951	22,430	20,337	20,794	23,428	22,040	22,011	21,970	19,904	21,327	21,339	22,003	20,935	22,137	21,775	20,637	24,175	21,371	19,337	20,714	18,230	16,670
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	1,222	1,199	1	629	640	1	1	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3
less: Liabilities to nonresidents	**2,382**	**2,337**	**3,350**	**2,452**	**2,493**	**2,734**	**2,622**	**2,931**	**3,131**	**2,919**	**2,724**	**2,870**	**2,660**	**2,778**	**2,909**	**2,859**	**2,948**	**2,824**	**2,827**	**3,053**	**3,022**	**2,985**	**2,936**	**2,815**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,382	2,337	3,350	2,452	2,493	2,734	2,622	2,931	3,131	2,919	2,724	2,870	2,660	2,778	2,909	2,859	2,948	2,824	2,827	3,053	3,022	2,985	2,936	2,815
Claims on other depository corporations	**923**	**768**	**298**	**203**	**59**	**236**	**304**	**446**	**207**	**494**	**442**	**1,898**	**2,348**	**707**	**541**	**448**	**470**	**451**	**459**	**515**	**269**	**64**	**349**	**1,811**
Net claims on central government	**-7,626**	**-6,875**	**-3,026**	**-6,363**	**-4,730**	**-5,807**	**-6,966**	**-6,038**	**-4,862**	**-5,079**	**-3,747**	**-7,225**	**-8,843**	**-7,367**	**-4,469**	**-7,996**	**-6,266**	**-6,676**	**-8,807**	**-7,075**	**-5,386**	**-6,550**	**-4,617**	**-4,513**
Claims on central government	0	0	1,159	0	77	0	0	0	235	583	634	411	0	0	927	0	0	0	0	0	1,536	662	1,476	1,365
Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**1,159**	**0**	**77**	**0**	**0**	**0**	**235**	**583**	**634**	**411**	**0**	**0**	**927**	**0**	**0**	**0**	**0**	**0**	**1,536**	**662**	**1,476**	**1,365**
less: Liabilities to central government	**7,626**	**6,875**	**4,185**	**6,363**	**4,807**	**5,807**	**6,966**	**6,038**	**5,097**	**5,662**	**4,381**	**7,636**	**8,843**	**7,367**	**5,396**	**7,996**	**6,266**	**6,676**	**8,807**	**7,075**	**6,923**	**7,213**	**6,093**	**5,878**
Deposits	7,626	6,875	4,185	6,363	4,807	5,807	6,966	6,038	5,097	5,662	4,381	7,636	8,843	7,367	5,396	7,996	6,266	6,676	8,807	7,075	6,923	7,213	6,093	5,878
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**47**	**48**	**49**	**50**	**50**	**54**	**55**	**55**	**56**	**58**	**58**	**63**	**63**	**66**	**66**	**65**	**70**	**70**	**75**	**81**	**80**	**82**	**83**	**87**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	47	48	49	50	50	54	55	55	56	58	58	63	63	66	66	65	70	70	75	81	80	82	83	87

Assets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Net foreign assets	**28,140**	**29,128**	**29,494**	**32,054**	**30,386**	**28,463**	**32,223**	**30,268**	**29,294**	**31,103**	**27,486**	**28,772**	**31,340**	**29,369**	**31,709**	**38,300**	**36,236**	**38,961**	**39,766**	**38,227**	**39,156**	**41,203**	**33,968**	**37,060**
Claims on nonresidents	**31,092**	**32,245**	**33,074**	**35,667**	**33,881**	**31,914**	**35,568**	**33,572**	**32,676**	**34,364**	**30,528**	**31,686**	**34,383**	**32,369**	**34,684**	**41,169**	**39,010**	**41,839**	**42,698**	**44,929**	**45,884**	**47,901**	**41,036**	**43,876**
Monetary gold and SDR holdings	36	32	37	37	34	34	33	33	33	32	29	28	30	29	28	27	26	27	27	3,989	3,938	3,925	4,142	3,972
Foreign currency	122	68	92	111	124	139	157	173	34	41	43	45	58	67	77	84	90	25	44	57	69	93	39	70
Deposits	11,846	13,130	16,845	16,260	12,853	12,418	10,121	9,611	10,799	9,724	9,066	9,664	10,352	9,987	10,525	13,469	12,975	13,470	14,689	13,795	14,872	14,896	7,911	7,884
Securities other than shares	19,085	19,011	16,096	19,255	20,866	19,320	25,252	23,751	21,807	24,564	21,386	21,946	23,940	22,282	24,051	27,587	25,916	28,314	27,935	27,086	27,002	28,985	28,940	31,946
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	3	3	4	4	4	4	4	3	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
less: Liabilities to nonresidents	**2,952**	**3,118**	**3,579**	**3,613**	**3,495**	**3,451**	**3,345**	**3,304**	**3,382**	**3,261**	**3,042**	**2,914**	**3,043**	**3,000**	**2,975**	**2,869**	**2,774**	**2,879**	**2,932**	**6,701**	**6,728**	**6,698**	**7,068**	**6,816**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,952	3,118	3,579	3,613	3,495	3,451	3,345	3,304	3,382	3,261	3,042	2,914	3,043	3,000	2,975	2,869	2,774	2,879	2,932	6,701	6,728	6,698	7,068	6,816
Claims on other depository corporations	**2,066**	**1,380**	**1,679**	**213**	**76**	**515**	**154**	**967**	**183**	**67**	**0**	**1,041**	**846**	**0**	**9**	**591**	**1,106**	**1,652**	**1,022**	**735**	**1,054**	**201**	**394**	**1**
Net claims on central government	**-7,655**	**-7,502**	**-4,884**	**-4,452**	**-2,586**	**-2,779**	**-7,682**	**-6,577**	**-3,885**	**-5,748**	**-3,224**	**-4,807**	**-7,311**	**-5,387**	**-2,866**	**-9,021**	**-7,784**	**-11,360**	**-10,648**	**-8,921**	**-9,611**	**-10,709**	**-1,967**	**-2,532**
Claims on central government	0	0	3,002	3,905	1,698	1,265	0	0	42	0	806	0	0	0	1,454	0	62	0	0	0	0	0	0	0
Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**3,002**	**3,905**	**1,698**	**1,265**	**0**	**0**	**42**	**0**	**806**	**0**	**0**	**0**	**1,454**	**0**	**62**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
less: Liabilities to central government	**7,655**	**7,502**	**7,886**	**8,358**	**4,284**	**4,044**	**7,682**	**6,577**	**3,927**	**5,748**	**4,030**	**4,807**	**7,311**	**5,387**	**4,320**	**9,021**	**7,846**	**11,360**	**10,648**	**8,921**	**9,611**	**10,709**	**1,967**	**2,532**
Deposits	7,655	7,502	7,886	8,358	4,284	4,044	7,682	6,577	3,927	5,748	4,030	4,807	7,311	5,387	4,320	9,021	7,846	11,360	10,648	8,921	9,611	10,709	1,967	2,532
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**89**	**89**	**89**	**87**	**88**	**87**	**89**	**90**	**92**	**95**	**98**	**100**	**99**	**101**	**104**	**103**	**104**	**104**	**103**	**104**	**106**	**107**	**108**	**114**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	89	89	89	87	88	87	89	90	92	95	98	99	99	101	104	103	104	104	103	104	106	107	108	114

Table II.1(b) Central bank survey (end of period in N$ million)

Liabilities	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Monetary base	7,419	6,725	7,354	8,712	8,753	7,656	8,038	7,310	8,603	7,647	7,188	8,256	7,596	7,199	9,943	8,002	8,241	6,838	8,021	7,252	7,066	7,043	7,121	7,081
Currency in circulation	4,095	3,932	4,126	3,998	3,955	3,946	4,047	4,244	4,197	4,119	4,361	4,521	4,095	3,953	3,980	4,082	4,132	4,014	4,048	4,214	4,048	4,149	4,413	4,518
Liabilities to other depository corporations	3,324	2,793	3,228	4,713	4,798	3,710	3,991	3,066	4,407	3,528	2,828	3,735	3,502	3,246	5,963	3,920	4,109	2,824	3,973	3,037	3,018	2,894	2,708	2,563
Reserve deposits	3,324	2,793	3,228	4,713	4,798	3,710	3,991	3,066	4,407	3,528	2,828	3,735	3,502	3,246	5,963	3,920	4,109	2,824	3,973	3,037	3,018	2,894	2,708	2,563
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, excluded from broad money	7,036	6,881	6,967	7,083	7,112	7,059	6,920	6,986	6,958	6,987	7,006	6,917	6,989	7,125	7,114	7,060	7,304	7,201	7,230	7,203	7,211	7,211	6,930	6,932
Of which: Other financial corporations	6,034	5,869	5,948	6,064	6,079	6,020	5,875	5,932	5,897	5,919	5,929	5,833	5,898	6,025	6,006	5,945	6,181	6,069	6,091	6,055	6,048	6,039	5,952	5,946
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	6,718	6,577	4,807	6,832	7,004	7,823	7,515	8,490	8,164	8,492	8,001	8,493	8,027	8,381	8,521	8,503	8,856	8,578	8,699	9,397	9,355	9,300	9,211	9,040
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	439	439	0	0	0	0	0	0	0	0	4	4	666	620	-7	-7	-7	-7	-7	-7	0	0	0	0
General and special reserves	6,141	5,981	4,613	6,587	6,724	7,486	7,125	8,087	7,644	7,899	7,322	7,778	7,220	7,589	8,305	8,211	8,528	8,145	8,198	8,836	8,737	8,639	8,461	8,130
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	98	117	153	205	239	297	350	363	480	553	635	671	102	132	184	259	295	400	468	528	579	621	711	870
Other items (net)	775	519	455	520	593	678	705	751	1,074	794	833	872	923	541	319	679	761	704	757	823	799	805	831	958
Unclassified Assets	1,009	751	697	729	762	794	826	852	900	904	967	1,007	1,049	714	764	820	893	864	899	924	950	989	1,026	1,050
Unclassified Liabilities	235	232	241	209	169	115	121	102	-174	110	134	135	125	173	446	141	132	161	142	101	152	183	194	92

Liabilities	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Monetary base	7,118	5,712	7,800	10,262	10,168	7,274	7,405	7,070	6,997	7,969	7,384	8,223	7,581	6,655	10,843	8,367	8,623	7,392	7,988	7,516	7,584	7,690	8,658	8,238
Currency in circulation	4,177	3,997	4,079	4,367	4,623	4,555	4,529	4,554	4,412	4,488	4,684	4,711	4,431	4,280	4,416	4,314	4,367	4,199	4,239	4,436	4,377	4,454	4,703	4,759
Liabilities to other depository corporations	2,941	1,714	3,721	5,895	5,545	2,719	2,876	2,516	2,585	3,482	2,700	3,512	3,150	2,375	6,426	4,053	4,255	3,192	3,749	3,080	3,207	3,236	3,955	3,479
Reserve deposits	2,941	1,714	3,721	5,895	5,545	2,719	2,876	2,516	2,585	3,482	2,700	3,512	3,150	2,375	6,426	4,053	4,255	3,192	3,749	3,080	3,207	3,236	3,955	3,479
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	1	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	6	7	6
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	6	7	6
Securities other than shares, excluded from broad money	6,948	6,970	6,585	6,420	7,040	7,557	7,291	7,394	7,395	7,394	7,561	7,781	7,986	8,195	8,248	12,818	12,834	13,339	13,038	13,129	13,197	13,332	13,372	15,812
Of which: Other financial corporations	5,955	5,970	5,586	5,444	6,060	6,578	6,411	6,508	6,510	6,473	6,630	6,849	7,044	7,252	7,306	11,868	11,884	12,385	12,080	12,165	12,292	12,427	12,459	14,894
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	9,510	10,059	11,079	11,145	10,858	10,695	10,478	10,446	10,671	10,361	9,756	9,408	9,795	9,748	9,391	9,054	8,776	9,097	9,326	9,391	9,690	9,742	10,376	10,351
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	815	850	0	0	0	0	0	0	0	0	0	0	441	535	0	0	0	0	0	0	0	0	0	0
General and special reserves	8,543	9,026	10,751	10,872	10,347	10,226	9,915	9,895	10,168	9,790	9,198	8,899	9,275	9,072	9,230	8,753	8,451	8,727	8,883	8,924	9,186	9,181	9,807	9,601
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	112	144	288	233	470	430	523	511	463	531	519	470	39	101	121	261	285	330	403	427	464	521	528	710
Other items (net)	1,029	794	836	890	897	888	861	864	930	930	796	868	894	1,001	756	545	604	649	817	586	572	622	608	798
Unclassified Assets	1,091	844	838	874	911	943	976	1,007	1,040	1,077	1,012	1,121	1,155	1,283	993	814	879	903	1,069	1,042	1,047	1,086	1,119	1,287
Unclassified Liabilities	62	50	2	-16	14	55	115	144	109	147	217	253	261	282	237	269	275	254	252	457	475	464	510	489

Table II.2(a) Other depository corporations survey (end of period in N$ million)

Assets	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Net foreign assets	**8,594**	**6,635**	**6,295**	**4,235**	**5,124**	**6,006**	**6,135**	**6,887**	**7,622**	**9,827**	**9,259**	**9,861**	**10,755**	**10,887**	**9,314**	**13,023**
Claims on nonresidents	15,154	13,546	12,715	10,682	11,564	12,597	13,179	13,942	15,005	17,617	15,735	16,868	18,177	17,901	17,205	19,654
Foreign currency	117	123	108	137	115	134	132	176	175	151	108	141	128	129	167	142
Deposits	9,096	7,710	7,603	5,826	6,778	7,816	8,115	8,512	9,085	10,264	7,750	8,043	8,279	8,496	7,861	10,452
Securities othe than shares	4,948	4,756	3,376	2,967	2,918	2,865	3,172	3,458	3,986	5,716	6,361	6,787	7,340	7,215	7,245	7,551
Loans	522	542	1,262	1,273	1,261	1,250	1,229	1,265	1,202	1,194	1,172	1,136	1,121	1,129	1,149	1,074
Financial derivatives	140	84	25	22	23	51	37	58	85	65	97	400	958	579	377	401
Other	331	331	341	458	469	481	495	473	472	227	246	361	351	353	406	36
less: Liabilities to nonresidents	**6,560**	**6,910**	**6,420**	**6,447**	**6,440**	**6,591**	**7,043**	**7,055**	**7,384**	**7,789**	**6,476**	**7,008**	**7,421**	**7,014**	**7,891**	**6,631**
Deposits	3,426	3,557	3,288	3,224	3,514	3,741	3,657	3,570	3,961	4,015	3,344	3,936	4,207	3,917	4,484	4,050
Securities other than shares	557	561	557	554	202	203	556	561	557	554	558	555	557	561	557	554
Loans	772	997	818	782	784	820	1,022	1,079	1,052	1,369	760	561	472	465	859	524
Financial derivatives	126	119	94	83	92	113	86	132	99	106	42	337	558	379	307	291
Other	1,679	1,676	1,662	1,804	1,848	1,713	1,721	1,714	1,714	1,746	1,772	1,619	1,628	1,692	1,683	1,212
Claims on central bank	**5,936**	**5,084**	**7,467**	**8,048**	**7,112**	**6,945**	**8,901**	**6,998**	**8,249**	**7,694**	**6,450**	**6,973**	**6,424**	**6,056**	**8,933**	**7,300**
Currency	1,273	1,128	1,270	1,180	1,206	969	1,160	1,217	1,059	1,164	1,236	1,585	1,320	1,224	1,084	1,256
Reserve deposits	3,327	2,603	4,140	4,825	4,140	3,799	4,961	2,987	4,366	3,500	2,804	3,706	3,400	3,120	6,136	3,914
Other claims	1,336	1,353	2,057	2,043	1,767	2,176	2,780	2,795	2,823	3,030	2,410	1,682	1,703	1,712	1,713	2,130
Net claims on central government	**13,828**	**14,569**	**14,856**	**14,980**	**15,429**	**15,735**	**16,637**	**16,951**	**17,107**	**16,796**	**17,347**	**17,154**	**16,764**	**17,220**	**17,753**	**17,795**
Claims on central government	15,555	16,328	16,753	16,914	17,448	17,713	18,465	18,739	18,903	18,597	18,928	18,927	19,262	19,258	19,585	20,107
Securities other than Shares	15,555	16,328	16,753	16,914	17,448	17,713	18,465	18,739	18,903	18,597	18,928	18,927	19,262	19,258	19,585	20,107
less: Liabilities to central government	1,727	1,759	1,896	1,934	2,019	1,978	1,828	1,788	1,795	1,801	1,580	1,773	2,499	2,038	1,832	2,312
Deposits	1,727	1,759	1,896	1,934	2,019	1,978	1,828	1,788	1,795	1,801	1,580	1,773	2,499	2,038	1,832	2,312
Claims on other sectors	**98,349**	**99,349**	**98,412**	**99,305**	**99,117**	**99,308**	**99,811**	**101,280**	**101,848**	**102,576**	**102,663**	**103,517**	**104,087**	**104,620**	**104,422**	**105,500**
Other financial corporations	4,373	4,374	4,937	5,265	5,152	4,686	4,917	5,041	5,097	5,488	4,898	4,999	5,527	5,843	3,899	5,581
State and local government	419	402	381	412	385	374	328	443	432	442	414	420	393	418	375	399
Public nonfinancial corporations	3,036	3,069	1,638	1,953	1,740	2,005	2,049	1,892	1,724	1,628	1,669	1,775	1,376	1,002	2,836	1,069
Other nonfinancial corporations	38,610	39,274	39,084	39,133	38,979	39,407	39,326	40,432	40,737	40,951	41,113	41,379	41,932	42,135	42,170	42,842
Other resident sectors	51,911	52,231	52,372	52,542	52,860	52,836	53,192	53,472	53,858	54,067	54,569	54,945	54,859	55,223	55,141	55,609

Assets	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Net foreign assets	**13,443**	**11,034**	**12,098**	**14,014**	**11,224**	**13,670**	**14,418**	**11,695**	**12,910**	**12,075**	**10,023**	**15,117**	**16,592**	**17,058**	**16,563**	**16,692**
Claims on nonresidents	19,935	17,350	18,302	20,493	19,063	19,690	20,969	18,663	19,757	19,708	18,464	23,486	24,174	23,977	23,613	23,849
Foreign currency	115	122	115	170	182	219	115	119	146	122	198	224	235	232	216	213
Deposits	10,703	8,750	9,720	10,871	9,954	10,372	9,594	7,792	9,051	9,155	7,886	12,540	13,131	12,471	12,948	13,608
Securities othe than shares	7,718	7,075	7,087	8,124	7,649	7,841	9,778	9,148	9,147	9,237	9,041	9,299	9,583	10,161	9,466	9,007
Loans	1,076	1,017	1,018	1,053	1,000	1,000	961	965	920	925	914	761	734	670	668	687
Financial derivatives	286	346	326	243	243	215	267	379	235	205	354	652	406	346	216	235
Other	36	39	35	31	34	44	254	259	258	64	71	11	85	97	100	99
less: Liabilities to nonresidents	**6,492**	**6,316**	**6,204**	**6,480**	**7,839**	**6,020**	**6,551**	**6,968**	**6,847**	**7,633**	**8,441**	**8,369**	**7,581**	**6,919**	**7,051**	**7,157**
Deposits	4,045	3,707	3,888	3,879	5,156	3,612	3,812	4,363	4,082	4,457	4,963	4,592	4,427	4,105	4,288	4,452
Securities other than shares	558	555	557	561	557	454	457	453	451	453	475	471	452	455	451	452
Loans	465	830	606	735	753	524	774	482	575	872	510	477	579	472	475	544
Financial derivatives	260	207	193	363	327	258	196	175	215	307	887	1,144	648	560	498	429
Other	1,163	1,018	960	942	1,046	1,172	1,312	1,494	1,523	1,544	1,607	1,684	1,474	1,326	1,338	1,280
Claims on central bank	**7,992**	**7,763**	**7,110**	**6,491**	**5,545**	**4,599**	**4,021**	**5,617**	**4,430**	**3,155**	**6,304**	**6,972**	**6,441**	**4,517**	**4,636**	**4,162**
Currency	1,218	1,019	1,208	1,201	1,211	1,500	1,321	1,644	1,535	1,400	1,461	1,502	1,449	1,508	1,582	1,526
Reserve deposits	4,144	4,290	3,980	2,975	4,084	2,899	2,700	3,973	2,894	1,755	4,843	5,470	4,791	2,810	2,704	2,436
Other claims	2,630	2,454	1,922	2,315	250	200	0	0	0	0	0	0	200	200	350	200
Net claims on central government	**18,009**	**18,352**	**18,888**	**19,167**	**20,947**	**21,120**	**21,333**	**21,857**	**22,051**	**21,701**	**21,931**	**22,221**	**23,314**	**24,853**	**25,778**	**26,660**
Claims on central government	20,234	20,487	21,075	21,153	23,139	23,344	23,432	23,858	24,040	23,650	23,977	24,404	25,502	27,031	28,095	29,203
Securities other than Shares	20,234	20,487	21,075	21,153	23,139	23,344	23,432	23,858	24,040	23,650	23,977	24,404	25,502	27,031	28,095	29,203
less: Liabilities to central government	2,224	2,135	2,187	1,986	2,192	2,225	2,099	2,001	1,989	1,949	2,046	2,183	2,188	2,179	2,317	2,543
Deposits	2,224	2,135	2,187	1,986	2,192	2,225	2,099	2,001	1,989	1,949	2,046	2,183	2,188	2,179	2,317	2,543
Claims on other sectors	**106,715**	**106,705**	**107,106**	**107,174**	**108,496**	**109,442**	**109,550**	**110,191**	**110,779**	**110,865**	**110,726**	**109,378**	**108,694**	**109,334**	**108,792**	**109,531**
Other financial corporations	5,417	5,332	5,610	5,272	5,819	6,426	6,279	5,563	5,850	6,199	5,674	5,501	5,100	5,395	5,597	5,447
State and local government	385	399	396	340	372	415	385	383	367	344	264	299	195	214	233	269
Public nonfinancial corporations	1,141	1,401	1,431	1,362	1,441	1,289	1,196	1,121	1,083	1,021	1,004	626	776	728	486	652
Other nonfinancial corporations	43,877	42,702	43,318	43,459	44,233	43,872	43,816	45,132	44,747	44,270	44,309	43,895	43,622	43,914	43,275	43,997
Other resident sectors	55,895	56,870	56,351	56,741	56,632	57,440	57,875	57,993	58,731	59,030	59,474	59,056	59,001	59,083	59,201	59,166

Assets	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Net foreign assets	**15,379**	**17,839**	**15,496**	**13,035**	**14,173**	**13,594**	**13,581**	**14,290**	**13,229**	**12,421**	**13,676**	**13,803**	**12,879**	**14,449**	**14,941**	**13,640**
Claims on nonresidents	23,109	24,911	22,693	19,634	20,484	19,622	19,990	20,252	19,068	18,524	19,235	19,265	18,532	19,856	21,678	19,751
Foreign currency	195	181	176	162	189	180	196	237	245	113	131	141	204	181	181	206
Deposits	12,758	13,677	12,420	10,569	11,868	10,888	11,563	11,768	10,802	10,459	9,751	9,871	9,306	11,106	10,955	10,526
Securities othe than shares	9,172	9,963	8,820	7,592	7,195	7,329	7,194	7,404	6,952	6,977	8,489	8,459	8,304	7,851	9,820	8,404
Loans	627	626	617	551	607	543	459	392	622	576	513	534	466	456	432	377
Financial derivatives	257	343	536	633	505	553	443	315	311	262	213	122	116	131	161	101
Other	99	121	124	128	118	130	136	135	136	137	137	138	136	131	130	135
less: Liabilities to nonresidents	**7,730**	**7,072**	**7,198**	**6,598**	**6,311**	**6,028**	**6,409**	**5,962**	**5,839**	**6,103**	**5,559**	**5,462**	**5,654**	**5,407**	**6,737**	**6,111**
Deposits	4,888	4,281	4,512	4,221	4,061	3,769	4,102	3,705	3,419	4,091	3,942	3,870	3,654	3,783	4,558	4,105
Securities other than shares	454	451	452	454	410	351	353	351	387	375	388	397	360	388	385	375
Loans	715	815	759	463	459	617	698	650	768	958	565	533	962	596	1,132	1,032
Financial derivatives	355	297	241	288	215	179	170	171	193	142	139	141	122	103	128	102
Other	1,319	1,228	1,234	1,172	1,165	1,112	1,087	1,085	1,071	537	524	521	556	537	534	497
Claims on central bank	**5,078**	**4,795**	**4,288**	**5,309**	**4,363**	**3,812**	**7,198**	**4,370**	**4,405**	**3,847**	**4,963**	**4,444**	**5,327**	**5,082**	**6,094**	**6,229**
Currency	1,418	1,401	1,605	1,797	1,399	1,273	1,637	1,385	1,465	1,294	1,206	1,424	1,343	1,273	1,485	1,631
Reserve deposits	3,661	3,394	2,683	3,512	2,964	2,389	5,487	2,985	2,940	2,553	3,757	2,889	3,984	3,808	4,609	4,598
Other claims	0	-0	0	0	0	150	74	0	0	0	0	131	0	0	0	0
Net claims on central government	**27,084**	**27,464**	**27,659**	**28,501**	**29,213**	**29,610**	**31,239**	**31,699**	**31,716**	**32,656**	**31,936**	**32,662**	**33,240**	**34,389**	**34,017**	**33,586**
Claims on central government	29,462	29,781	29,976	30,811	31,713	31,995	33,612	33,835	33,911	34,567	33,775	34,177	35,155	36,058	35,507	35,114
Securities other than Shares	29,462	29,781	29,976	30,811	31,713	31,995	33,612	33,835	33,911	34,567	33,775	34,177	35,155	36,058	35,507	35,114
less: Liabilities to central government	2,378	2,317	2,317	2,311	2,499	2,384	2,373	2,136	2,195	1,911	1,839	1,516	1,915	1,668	1,490	1,529
Deposits	2,378	2,317	2,317	2,311	2,499	2,384	2,373	2,136	2,195	1,911	1,839	1,516	1,915	1,668	1,490	1,529
Claims on other sectors	**109,312**	**109,183**	**110,828**	**111,140**	**111,017**	**110,953**	**110,731**	**110,685**	**109,409**	**110,081**	**109,451**	**109,900**	**110,930**	**111,610**	**112,488**	**112,257**
Other financial corporations	5,662	4,978	5,057	4,762	4,645	4,612	4,628	4,756	3,870	3,923	3,697	4,236	4,239	4,209	4,828	4,721
State and local government	106	96	246	248	252	204	259	164	141	185	182	147	170	164	186	235
Public nonfinancial corporations	499	396	324	561	453	447	441	351	496	585	432	587	701	687	527	641
Other nonfinancial corporations	43,598	43,816	44,841	44,941	45,495	45,176	44,658	44,316	43,714	44,065	43,864	43,242	44,247	45,041	45,119	44,832
Other resident sectors	59,447	59,897	60,361	60,628	60,172	60,514	60,745	61,099	61,188	61,324	61,275	61,689	61,573	61,508	61,828	61,827

Table II.2(b) Other depository corporations survey (end of period in N$ million)

Liabilities	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Liabilities to central bank	923	768	298	203	59	236	304	446	207	494	442	1,900	2,348	709	542	448	460	451	454	449	267	62	62	937
Deposits included in broad money	93,502	92,479	94,993	94,425	96,103	97,666	99,134	100,448	101,327	104,275	102,343	101,409	100,869	100,791	101,692	104,033	106,764	105,024	105,918	108,779	110,287	111,744	113,559	112,463
Transferable deposits	43,888	42,729	45,362	42,747	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317	51,535	53,119	54,676	54,093
Other financial corporations	7,765	7,130	6,732	6,598	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605	6,931	7,424	7,407	7,715
State and local government	900	945	1,033	969	921	869	900	907	944	987	846	856	849	849	865	762	785	736	760	783	739	786	800	759
Public nonfinancial corporations	3,917	3,181	3,863	3,032	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181	3,941	4,114	4,566	4,620
Other nonfinancial corporations	20,558	20,519	22,754	21,089	22,062	23,023	22,655	23,703	21,716	24,857	23,702	24,391	23,191	23,279	23,660	24,752	26,441	25,523	25,387	26,341	27,491	28,188	28,944	28,075
Other resident sectors	10,747	10,953	10,981	11,060	10,912	11,206	11,451	11,442	11,758	11,879	12,352	12,086	11,847	12,215	12,089	11,764	12,066	12,342	12,241	12,408	12,434	12,607	12,959	12,924
Other deposits	49,614	49,750	49,631	51,678	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462	58,752	58,625	58,883	58,370
Other financial corporations	3,602	3,860	3,731	4,058	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165	5,600	5,518	5,701	5,300
State and local government	231	213	230	242	241	280	246	256	309	316	313	320	353	361	354	435	455	475	479	478	514	516	523	545
Public nonfinancial corporations	3,643	3,126	3,426	3,283	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716	4,009	4,263	4,075	4,197
Other nonfinancial corporations	16,502	16,850	16,509	17,705	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334	19,508	19,149	19,129	19,400
Other resident sectors	25,636	25,700	25,734	26,391	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770	29,121	29,179	29,455	28,929
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	2,298	2,225	1,839	1,510	1,622	1,821	1,660	1,661	2,608	2,669	3,032	2,764	2,950	2,929	3,568	3,318	3,174	3,112	3,143	3,482	3,359	2,947	2,740	2,831
Securities other than shares, excluded from broad money	25,665	26,083	26,402	26,284	25,998	26,217	27,501	28,108	28,138	26,928	27,264	27,761	27,087	28,117	30,154	30,321	31,632	31,562	31,399	30,698	30,026	30,497	28,522	27,673
Of which: Other financial corporations	22,077	22,238	22,657	22,608	22,382	22,672	23,350	24,005	24,086	22,971	23,216	23,783	23,112	24,139	26,125	26,361	27,893	27,816	27,659	27,052	26,182	26,647	25,057	24,209
Loans	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	83	83	83	91	32	32	8	8	8
Financial derivatives	131	89	22	17	28	46	32	71	81	64	132	392	949	562	356	389	257	316	317	182	175	163	213	336
Shares and other equity	18,090	18,209	18,364	18,474	19,277	18,926	18,924	19,258	19,441	19,995	19,650	19,957	19,888	19,414	19,530	19,888	20,183	20,317	21,267	20,625	20,603	20,871	20,874	21,410
Funds contributed by owners	4,175	4,168	4,168	4,168	5,116	4,230	4,290	4,432	4,461	4,756	4,756	4,756	4,655	4,289	4,605	4,618	4,628	4,628	4,691	4,691	4,721	4,721	4,721	5,073
Retained earnings	8,796	8,735	8,747	8,637	8,360	8,675	8,936	9,123	9,174	9,127	9,424	9,274	9,921	9,530	9,462	9,429	9,668	9,519	10,934	10,946	10,940	10,818	11,068	11,210
General and special reserves	4,616	4,711	4,709	4,732	4,754	5,240	5,367	5,383	5,217	5,216	5,221	5,196	5,087	5,019	5,092	5,122	4,974	5,174	5,175	5,213	5,196	5,206	5,197	5,184
Valuation adjustment	14	19	23	13	5	-13	12	12	12	12	12	13	13	13	13	13	14	6	6	6	6	6	6	6
Current Year Result	488	576	718	923	1,042	794	319	309	577	883	236	719	211	562	358	705	900	991	462	-230	-261	119	-118	-63
Other items (net)	-13,904	-14,215	-14,888	-14,346	-16,306	-16,919	-16,070	-17,876	-16,978	-17,534	-17,145	-16,680	-16,062	-13,740	-15,421	-14,862	-16,394	-17,010	-17,388	-17,402	-18,537	-17,462	-16,657	-16,299
Consolidation adjustment	14,389	14,820	15,617	16,053	17,874	17,914	18,129	19,395	19,452	18,322	18,681	18,448	17,213	16,035	17,431	16,729	18,082	18,966	18,649	19,444	19,206	19,065	18,335	17,525
Unclassified Assets	-5,830	-5,762	-5,459	-4,866	-5,492	-5,418	-4,913	-5,826	-4,809	-6,156	-5,922	-5,137	-6,223	-6,053	-5,783	-6,652	-6,087	-5,525	-5,763	-5,579	-7,383	-5,698	-5,736	-6,173
Unclassified liabilities	6,314	6,367	6,188	6,573	7,060	6,413	6,972	7,345	7,283	6,944	7,458	6,905	7,374	8,348	7,793	8,519	7,776	7,482	7,024	7,621	8,053	7,300	7,413	7,398

Liabilities	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Liabilities to central bank	1,454	958	903	213	66	66	67	84	67	67	67	1,041	846	0	0	591	1,107	1,652	697	632	908	201	689	0
Deposits included in broad money	111,985	111,212	113,776	118,025	120,242	120,822	120,876	121,399	122,853	124,478	123,326	121,738	123,325	122,199	124,590	121,709	118,885	118,866	118,511	120,040	120,081	125,631	126,682	126,816
Transferable deposits	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	58,371	60,322	60,170	63,210	60,656	58,484	57,716	58,815	60,145	61,347	66,354	65,860	64,715
Other financial corporations	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207	9,451	9,593	9,316	9,058	9,284	8,516	9,172	10,466	10,229	10,993	10,581	10,845
State and local government	840	827	866	888	793	693	655	634	684	882	877	888	923	920	908	772	748	690	690	695	737	715	765	714
Public nonfinancial corporations	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	4,678	5,367	4,451	7,295	5,528	4,466	4,750	4,886	5,961	5,388	6,433	4,989	6,535
Other nonfinancial corporations	27,937	26,827	28,465	28,453	28,431	28,765	28,565	28,935	29,226	30,248	30,839	28,592	29,381	29,436	29,879	29,518	28,306	28,285	28,148	27,219	28,592	31,315	32,669	30,167
Other resident sectors	12,760	12,788	13,408	14,370	14,062	14,025	14,342	14,601	14,532	14,695	14,865	15,007	15,200	15,769	15,812	15,780	15,679	15,475	15,919	15,804	16,402	16,899	16,855	16,454
Other deposits	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367	63,003	62,029	61,380	61,052	60,401	61,149	59,696	59,895	58,734	59,277	60,822	62,102
Other financial corporations	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917	5,184	4,923	4,281	6,857	7,521	7,199	7,448	7,936	7,960	7,806	7,817	7,687
State and local government	545	532	575	577	746	753	738	737	594	609	591	578	565	550	565	671	670	693	648	656	649	481	427	448
Public nonfinancial corporations	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667	5,681	5,668	6,234	6,561	7,055	6,978	6,670	7,355	7,060	6,607	6,806	6,188
Other nonfinancial corporations	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249	19,693	20,397	20,815	24,501	23,204	23,370	22,582	21,534	20,713	22,016	22,320	24,969
Other resident sectors	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956	31,880	30,490	29,485	22,463	21,951	22,910	22,348	22,414	22,352	22,367	23,452	22,809
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	3,186	3,353	3,507	4,322	4,245	4,574	4,431	4,827	4,840	4,311	4,183	3,592	3,486	3,314	3,852	3,615	3,755	3,447	3,592	3,544	3,589	3,882	3,295	3,826
Securities other than shares, excluded from broad money	27,481	27,003	24,681	25,138	25,941	25,217	24,844	24,763	24,421	24,366	23,459	22,688	22,373	22,639	24,061	24,169	23,900	24,163	24,875	23,444	23,674	22,979	22,368	23,058
Of which: Other financial corporations	24,041	23,553	21,752	22,208	23,113	22,338	22,027	21,778	21,439	21,277	20,496	19,700	19,478	19,657	21,177	21,283	20,977	21,234	21,279	20,271	20,507	19,803	19,366	20,052
Loans	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	10	9	9	466	468
Financial derivatives	165	115	198	511	332	237	173	183	201	274	493	567	451	503	407	276	267	243	182	90	107	109	144	96
Shares and other equity	21,688	21,765	21,726	21,971	21,649	21,869	21,894	22,013	21,704	21,953	22,199	22,494	22,591	22,426	22,563	22,863	22,802	23,411	23,646	23,589	23,669	23,823	23,937	24,189
Funds contributed by owners	4,842	4,842	4,842	4,866	4,741	4,741	4,742	5,029	5,081	5,055	4,807	4,807	4,807	4,807	4,841	4,841	4,841	4,871	4,901	4,901	4,901	4,901	4,901	4,931
Retained earnings	11,452	11,473	11,458	11,359	10,981	11,180	10,742	10,504	10,353	10,335	10,559	10,797	10,934	10,937	10,944	10,996	10,943	10,891	11,555	11,561	11,471	11,480	11,473	11,321
General and special reserves	5,188	5,201	5,249	5,293	5,301	5,876	5,839	5,917	5,923	5,953	5,966	6,022	5,983	6,002	6,000	6,092	6,111	6,432	6,436	6,432	6,435	6,552	6,521	6,493
Valuation adjustment	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Current Year Result	200	243	170	447	620	66	566	556	341	604	860	861	861	673	772	929	901	1,211	749	689	856	885	1,035	1,438
Other items (net)	-15,797	-16,619	-15,816	-16,501	-17,442	-17,032	-16,526	-16,232	-17,242	-16,178	-15,465	-14,144	-14,315	-13,120	-12,734	-12,188	-11,967	-12,787	-11,487	-10,541	-9,663	-11,103	-10,041	-12,743
Consolidation adjustment	17,124	17,932	17,254	17,584	19,151	18,450	17,850	17,900	18,182	17,928	16,608	15,824	16,082	15,361	14,891	14,615	14,364	14,219	12,508	13,108	12,149	12,331	12,625	14,704
Unclassified Assets	-6,199	-6,067	-5,585	-6,178	-5,640	-6,537	-6,700	-6,472	-6,732	-5,469	-6,997	-5,957	-5,827	-5,636	-6,886	-6,020	-6,032	-7,023	-7,622	-6,272	-6,671	-6,841	-6,058	-6,337
Unclassified liabilities	7,525	7,380	7,022	7,261	7,349	7,955	8,025	8,140	7,672	7,220	8,140	7,637	7,594	7,876	9,042	8,446	8,430	8,455	8,642	8,838	9,156	8,069	8,642	8,298

Table II.3 Depository corporations survey (end of period in N$ million)

Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Net foreign assets	35,871	32,402	29,756	34,096	32,488	34,597	36,121	36,235	37,027	39,717	36,147	37,962	38,892	39,894	39,132	44,406	44,719	41,691	44,523	44,480	40,522	43,231	41,332	37,918
Claims on nonresidents	44,814	41,650	39,525	42,995	41,421	43,921	45,786	46,222	47,541	50,425	45,347	47,840	48,973	49,687	49,931	53,896	54,159	50,831	53,555	54,012	51,382	52,236	50,820	47,700
less: Liabilities to nonresidents	8,942	9,248	9,770	8,899	8,933	9,324	9,665	9,986	10,514	10,708	9,200	9,878	10,081	9,792	10,799	9,490	9,440	9,140	9,031	9,533	10,860	9,005	9,488	9,782
Domestic claims	104,598	107,092	110,292	107,972	109,866	109,290	109,537	112,249	114,149	114,350	116,321	113,509	112,070	114,539	117,771	115,365	118,528	118,452	117,261	119,346	124,136	124,093	126,348	127,622
Net claims on central government	6,202	7,694	11,830	8,617	10,699	9,928	9,671	10,914	12,245	11,716	13,600	9,929	7,920	9,853	13,284	9,799	11,744	11,676	10,081	12,092	15,560	14,569	16,715	17,344
Claims on central government	15,555	16,328	17,912	16,914	17,525	17,713	18,465	18,739	19,138	19,180	19,562	19,338	19,262	19,258	20,512	20,107	20,234	20,487	21,075	21,153	24,675	24,007	24,907	25,223
less: Liabilities to central government	9,353	8,634	6,081	8,297	6,826	7,785	8,794	7,825	6,893	7,464	5,961	9,409	11,342	9,405	7,228	10,308	8,490	8,811	10,995	9,061	9,115	9,437	8,192	7,879
Claims on other sectors	98,396	99,397	98,461	99,354	99,167	99,362	99,867	101,335	101,904	102,634	102,721	103,580	104,150	104,686	104,487	105,565	106,785	106,775	107,181	107,255	108,576	109,523	109,633	110,278
Other financial corporations	4,373	4,374	4,937	5,265	5,152	4,686	4,917	5,041	5,097	5,488	4,898	4,999	5,527	5,843	3,899	5,581	5,417	5,332	5,610	5,272	5,819	6,426	6,279	5,563
State and local government	419	402	381	412	385	374	328	443	432	442	414	420	393	418	375	399	385	399	396	340	372	415	385	383
Public nonfinancial corporations	3,036	3,069	1,638	1,953	1,740	2,005	2,049	1,892	1,724	1,628	1,669	1,775	1,376	1,002	2,836	1,069	1,141	1,401	1,431	1,362	1,441	1,289	1,196	1,121
Other nonfinancial corporations	38,610	39,274	39,084	39,133	38,979	39,407	39,326	40,432	40,737	40,951	41,113	41,379	41,932	42,135	42,170	42,842	43,877	42,702	43,318	43,459	44,233	43,872	43,816	45,132
Other resident sectors	51,958	52,279	52,421	52,592	52,910	52,890	53,247	53,528	53,913	54,125	54,627	55,007	54,922	55,290	55,207	55,674	55,965	56,940	56,425	56,821	56,712	57,522	57,958	58,079
Broad money liabilities	96,324	95,284	97,849	97,243	98,852	100,643	102,020	103,475	104,464	107,231	105,468	104,345	103,643	103,520	104,588	106,858	109,678	108,019	108,758	111,792	113,124	114,393	116,651	115,336
Currency outside depository corporations	2,823	2,805	2,856	2,818	2,749	2,976	2,887	3,027	3,137	2,955	3,125	2,936	2,774	2,729	2,896	2,825	2,914	2,995	2,840	3,013	2,836	2,649	3,092	2,873
Transferable deposits	43,888	42,729	45,362	42,747	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317	51,535	53,119	54,676	54,093
Other financial corporations	7,765	7,130	6,732	6,598	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605	6,931	7,424	7,407	7,715
State and local government	900	945	1,033	969	921	869	900	907	944	987	846	856	849	849	865	762	785	736	760	783	739	786	800	759
Public nonfinancial corporations	3,917	3,181	3,863	3,032	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181	3,941	4,114	4,566	4,620
Other nonfinancial corporations	20,558	20,519	22,754	21,089	22,062	23,023	22,655	23,703	21,716	24,857	23,702	24,391	23,191	23,279	23,660	24,752	26,441	25,523	25,387	26,341	27,491	28,188	28,944	28,075
Other resident sectors	10,747	10,953	10,981	11,060	10,912	11,206	11,451	11,442	11,758	11,879	12,352	12,086	11,847	12,215	12,089	11,764	12,066	12,342	12,241	12,408	12,434	12,607	12,959	12,924
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	49,614	49,750	49,631	51,678	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462	58,752	58,625	58,883	58,370
Other financial corporations	3,602	3,860	3,731	4,058	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165	5,600	5,518	5,701	5,300
State and local government	231	213	230	242	241	280	246	256	309	316	313	320	353	361	354	435	455	475	479	478	514	516	523	545
Public nonfinancial corporations	3,643	3,126	3,426	3,283	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716	4,009	4,263	4,075	4,197
Other nonfinancial corporations	16,502	16,850	16,509	17,705	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334	19,508	19,149	19,129	19,400
Other resident sectors	25,636	25,700	25,734	26,391	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770	29,121	29,179	29,455	28,929
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	2,298	2,225	1,839	1,510	1,622	1,821	1,660	1,661	2,608	2,669	3,032	2,764	2,950	2,929	3,568	3,318	3,174	3,112	3,143	3,482	3,359	2,947	2,740	2,832
Securities other than shares, excluded from broad money	32,701	32,964	33,368	33,367	33,110	33,276	34,421	35,094	35,096	33,915	34,270	34,678	34,077	35,242	37,268	37,381	38,936	38,763	38,629	37,901	37,237	37,708	35,452	34,605
Loans	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	83	83	83	91	32	32	8	8	8
Financial derivatives	131	89	22	17	28	46	32	71	81	64	132	392	949	562	356	389	257	316	317	182	175	163	213	336
Shares and other equity	24,808	24,786	23,171	25,306	26,280	26,749	26,438	27,748	27,606	28,486	27,651	28,450	27,915	27,795	28,051	28,390	29,040	28,895	29,966	30,022	29,958	30,171	30,086	30,450
Other items (net)	-15,794	-15,854	-16,203	-15,377	-17,541	-18,649	-18,914	-19,566	-18,680	-18,299	-18,085	-19,159	-18,572	-15,616	-16,928	-16,648	-17,920	-19,044	-19,120	-19,586	-19,226	-18,066	-17,470	-18,029
Consolidation adjustment	-1,138	-1,143	-878	-528	-660	-1,069	-2,158	-956	-646	11	-124	-1,615	-1,598	-1,345	-1,199	-1,116	-775	-1,339	-983	-1,368	100	195	14	-808
OIN	-752	-495	-437	-502	-575	-660	-687	-733	-1,056	-776	-816	-865	-912	-531	-308	-671	-750	-695	-749	-815	-790	-798	-826	-922
OIN	-13,904	-14,215	-14,888	-14,346	-16,306	-16,919	-16,070	-17,876	-16,978	-17,534	-17,145	-16,680	-16,062	-13,740	-15,421	-14,862	-16,394	-17,010	-17,388	-17,402	-18,537	-17,462	-16,657	-16,299

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Net foreign assets	41,050	41,203	39,517	47,171	46,979	45,522	48,786	46,960	44,673	48,941	42,982	41,807	45,513	42,964	45,290	52,590	49,466	51,382	53,442	52,030	52,034	55,652	48,909	50,700
Claims on nonresidents	50,849	51,953	51,538	59,153	58,055	55,891	59,181	57,421	55,786	59,274	53,221	51,320	54,867	51,991	54,674	61,421	58,078	60,364	61,933	64,193	64,416	67,757	62,714	63,626
less: Liabilities to nonresidents	9,799	10,750	12,020	11,982	11,076	10,370	10,395	10,461	11,112	10,333	10,239	9,512	9,354	9,027	9,384	8,832	8,612	8,982	8,491	12,163	12,382	12,105	13,805	12,927
Domestic claims	125,264	125,153	127,862	127,233	129,511	131,495	126,978	129,705	132,603	130,994	135,361	134,933	133,018	135,278	139,208	133,466	133,445	131,480	130,842	133,745	134,665	135,397	144,646	143,425
Net claims on central government	14,396	14,200	17,047	17,768	20,728	22,074	18,096	20,083	23,199	21,715	24,435	23,694	21,902	24,224	28,373	22,678	23,932	21,296	21,287	23,741	23,629	23,680	32,050	31,054
Claims on central government	24,040	23,650	26,979	28,309	27,200	28,297	28,095	29,203	29,504	29,781	30,782	30,811	31,713	31,995	35,065	33,835	33,972	34,567	33,775	34,177	35,155	36,058	35,507	35,114
less: Liabilities to central government	9,644	9,450	9,932	10,541	6,472	6,223	9,999	9,119	6,305	8,066	6,348	7,118	9,810	7,771	6,692	11,157	10,040	13,272	12,487	10,437	11,526	12,378	3,457	4,060
Claims on other sectors	110,868	110,953	110,815	109,465	108,782	109,421	108,881	109,621	109,404	109,279	110,927	111,239	111,115	111,054	110,835	110,788	109,513	110,185	109,554	110,004	111,036	111,717	112,596	112,371
Other financial corporations	5,850	6,199	5,674	5,501	5,100	5,395	5,597	5,447	5,662	4,978	5,057	4,762	4,645	4,612	4,628	4,756	3,870	3,923	3,697	4,236	4,239	4,209	4,828	4,721
State and local government	367	344	264	299	195	214	233	269	106	96	246	248	252	204	259	164	141	185	182	147	170	164	186	235
Public nonfinancial corporations	1,083	1,021	1,004	626	776	728	486	652	499	396	324	561	453	447	441	351	496	585	432	587	701	687	527	641
Other nonfinancial corporations	44,747	44,270	44,309	43,895	43,622	43,914	43,275	43,997	43,598	43,816	44,841	44,941	45,495	45,176	44,658	44,316	43,714	44,065	43,864	43,242	44,247	45,041	45,119	44,832
Other resident sectors	58,820	59,119	59,563	59,144	59,089	59,170	59,290	59,256	59,539	59,993	60,459	60,727	60,270	60,615	60,848	61,202	61,292	61,428	61,378	61,793	61,679	61,615	61,936	61,941
Broad money liabilities	114,626	113,810	116,394	120,891	123,415	123,869	123,823	124,426	125,848	127,565	126,405	124,652	126,356	125,206	127,369	124,638	121,787	121,771	121,544	123,052	123,116	128,812	129,900	129,944
Currency outside depository corporations	2,641	2,598	2,618	2,865	3,173	3,047	2,947	3,028	2,995	3,086	3,079	2,914	3,031	3,007	2,779	2,929	2,902	2,905	3,033	3,012	3,034	3,181	3,218	3,128
Transferable deposits	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	58,371	60,322	60,170	63,210	60,656	58,484	57,716	58,815	60,145	61,347	66,354	65,860	64,715
Other financial corporations	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207	9,451	9,593	9,316	9,058	9,284	8,516	9,172	10,466	10,229	10,993	10,581	10,845
State and local government	840	827	866	888	793	693	655	634	684	882	877	888	923	920	908	772	748	690	690	695	737	715	765	714
Public nonfinancial corporations	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	4,678	5,367	4,451	7,295	5,528	4,466	4,750	4,886	5,961	5,388	6,433	4,989	6,535
Other nonfinancial corporations	27,937	26,827	28,465	28,453	28,431	28,765	28,565	28,935	29,226	30,248	30,839	28,592	29,381	29,436	29,879	29,518	28,306	28,285	28,148	27,219	28,592	31,315	32,669	30,167
Other resident sectors	12,760	12,788	13,408	14,370	14,062	14,025	14,342	14,601	14,532	14,695	14,865	15,007	15,200	15,769	15,812	15,780	15,679	15,475	15,919	15,804	16,402	16,899	16,855	16,454
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367	63,003	62,029	61,380	61,052	60,401	61,149	59,696	59,895	58,734	59,277	60,822	62,102
Other financial corporations	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917	5,184	4,923	4,281	6,857	7,521	7,199	7,448	7,936	7,960	7,806	7,817	7,687
State and local government	545	532	575	577	746	753	738	737	594	609	591	578	565	550	565	671	670	693	648	656	649	481	427	448
Public nonfinancial corporations	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667	5,681	5,668	6,234	6,561	7,055	6,978	6,670	7,355	7,060	6,607	6,806	6,188
Other nonfinancial corporations	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249	19,693	20,397	20,815	24,501	23,204	23,370	22,582	21,534	20,713	22,016	22,320	24,969
Other resident sectors	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956	31,880	30,490	29,485	22,463	21,951	22,910	22,348	22,414	22,352	22,367	23,452	22,809
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	3,186	3,354	3,508	4,324	4,245	4,574	4,431	4,827	4,840	4,311	4,183	3,592	3,486	3,314	3,852	3,615	3,755	3,447	3,592	3,544	3,590	3,888	3,301	3,832
Securities other than shares, excluded from broad money	34,429	33,973	31,266	31,558	32,981	32,775	32,136	32,157	31,817	31,761	31,021	30,468	30,359	30,834	32,309	36,987	36,735	37,502	37,913	36,572	36,871	36,311	35,739	38,870
Loans	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	10	9	9	466	468
Financial derivatives	165	115	198	511	332	237	173	183	201	274	493	567	451	503	407	276	267	243	182	90	107	109	144	96
Shares and other equity	31,198	31,824	32,805	33,117	32,507	32,564	32,373	32,458	32,375	32,314	31,955	31,902	32,387	32,174	31,955	31,917	31,578	32,508	32,972	32,979	33,359	33,565	34,312	34,451
Other items (net)	-17,299	-16,728	-16,801	-16,003	-16,999	-17,011	-17,181	-17,396	-17,812	-16,297	-15,723	-14,451	-14,517	-13,798	-11,404	-11,386	-11,221	-12,618	-11,929	-10,473	-10,353	-11,646	-10,308	-13,626
Consolidation adjustment	-478	681	-157	1,380	1,322	890	186	-319	338	789	511	514	655	290	2,005	1,313	1,319	785	326	603	-164	36	293	-150
OIN	-1,023	-789	-827	-882	-879	-869	-842	-845	-908	-908	-769	-820	-857	-967	-675	-511	-573	-616	-768	-535	-525	-579	-560	-733
OIN	-15,797	-16,619	-15,816	-16,501	-17,442	-17,032	-16,526	-16,232	-17,242	-16,178	-15,465	-14,144	-14,315	-13,120	-12,734	-12,188	-11,967	-12,787	-11,487	-10,541	-9,663	-11,103	-10,041	-12,743

Table II.4 Other depository corporations' claims on private sectors (end of period in N$ million)

Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Loans	**95,188**	**96,286**	**96,389**	**96,909**	**96,665**	**96,858**	**97,355**	**98,585**	**98,955**	**99,550**	**99,538**	**100,185**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	28	27	27	27	26	34	21	21	20	33	22	25
Other financial corporations	1,155	1,294	2,144	2,016	1,880	1,556	1,818	1,727	1,776	1,875	1,146	1,361
Central government	4	3	3	53	55	3	4	3	3	4	4	11
State and local government	403	387	368	400	375	357	314	428	416	431	405	412
Public non-financial corporations	2,704	2,657	1,227	1,547	1,339	1,599	1,615	1,459	1,291	1,195	1,236	1,343
Other non-financial corporations (Businesses)	**38,514**	**39,180**	**39,009**	**39,053**	**38,895**	**39,247**	**39,178**	**40,256**	**40,571**	**40,777**	**41,012**	**40,966**
Loans and Advances	33,824	34,517	34,383	34,515	34,374	34,736	34,684	35,736	36,116	36,370	36,667	36,664
Farm mortgage loans	584	593	587	591	599	592	592	583	584	590	601	589
Other mortgage loans	11,958	11,978	11,942	12,152	11,988	12,273	12,063	12,063	12,156	11,985	12,006	12,205
Dwellings	2,678	2,615	2,554	2,569	2,528	2,703	2,708	2,605	2,614	2,516	2,539	2,618
Other	9,280	9,364	9,388	9,583	9,460	9,570	9,355	9,458	9,542	9,468	9,467	9,587
Overdrafts	9,388	9,563	9,748	9,508	9,670	9,505	9,357	9,504	9,696	9,637	10,395	9,926
Other loans and advances	11,894	12,383	12,106	12,264	12,117	12,366	12,671	13,586	13,680	14,159	13,666	13,944
Instalment and leasing	4,690	4,663	4,627	4,539	4,522	4,511	4,494	4,520	4,455	4,407	4,345	4,303
Other resident sectors (Individuals)	**51,858**	**52,195**	**52,348**	**52,541**	**52,833**	**52,813**	**53,177**	**53,424**	**53,675**	**54,042**	**54,541**	**54,931**
Loans and Advances	44,326	44,689	44,908	45,169	45,484	45,558	45,927	46,218	46,463	46,819	47,364	47,742
Farm mortgage loans	1,998	2,013	2,041	2,053	2,054	2,069	2,047	2,057	2,062	2,094	2,154	2,117
Other mortgage loans	32,970	33,256	33,445	33,638	33,877	33,897	34,283	34,697	34,885	35,150	35,472	35,719
Dwellings	32,968	33,253	33,442	33,632	33,870	33,887	34,271	34,685	34,873	35,137	35,459	35,706
Other	3	3	3	7	7	10	12	12	12	12	13	13
Overdrafts	2,062	2,075	2,062	2,098	2,113	2,099	2,019	1,973	1,969	1,959	1,982	2,060
Other loans and advances	7,295	7,345	7,360	7,379	7,440	7,492	7,578	7,491	7,546	7,617	7,756	7,846
Instalment and leasing	7,532	7,506	7,441	7,372	7,349	7,255	7,250	7,206	7,212	7,223	7,177	7,190
Nonresidents	**522**	**542**	**1,262**	**1,273**	**1,261**	**1,250**	**1,229**	**1,265**	**1,202**	**1,194**	**1,172**	**1,136**
Loans and Advances	522	542	1,262	1,273	1,261	1,250	1,229	1,265	1,202	1,194	1,172	1,136
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	320	320	317	315	312	306	307	307	303	297	294	295
Dwellings	320	320	317	315	312	306	307	307	303	297	294	295
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	155	159	156	159	158	157	158	161	161	161	158	155
Other loans and advances	47	63	790	799	791	786	763	798	738	735	720	686
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Loans	**100,818**	**101,454**	**101,182**	**102,222**	**103,524**	**103,531**	**103,857**	**103,982**	**104,876**	**105,782**	**106,002**	**107,150**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	21	23	18	22	14	48	4	96	35	4	4	4
Other financial corporations	2,077	2,314	303	1,965	1,853	1,773	2,028	1,755	1,954	2,485	2,358	2,163
Central government	9	10	10	10	11	14	16	16	14	15	17	12
State and local government	388	414	371	396	382	389	386	333	368	411	379	372
Public non-financial corporations	1,051	668	2,502	736	810	1,069	1,099	1,029	1,108	960	936	860
Other non-financial corporations (Businesses)	**41,338**	**41,685**	**41,676**	**42,436**	**43,525**	**42,385**	**42,991**	**43,057**	**43,858**	**43,536**	**43,540**	**44,853**
Loans and Advances	37,016	37,410	37,436	38,286	39,347	38,378	38,874	38,946	39,659	39,351	39,382	40,674
Farm mortgage loans	609	576	574	570	594	551	664	684	696	694	688	705
Other mortgage loans	12,243	12,111	12,274	12,161	12,670	12,627	12,743	12,651	12,897	12,619	12,656	12,830
Dwellings	2,714	2,672	2,777	2,676	2,650	2,612	2,756	2,586	2,879	2,669	2,694	2,970
Other	9,529	9,439	9,497	9,485	10,020	10,015	9,987	10,065	10,017	9,950	9,962	9,860
Overdrafts	10,300	10,712	10,004	10,380	10,673	10,185	10,212	9,919	10,199	10,040	9,646	10,120
Other loans and advances	13,864	14,011	14,584	15,176	15,410	15,015	15,255	15,692	15,869	15,998	16,391	17,019
Instalment and leasing	4,323	4,275	4,240	4,150	4,178	4,007	4,117	4,111	4,199	4,186	4,159	4,179
Other resident sectors (Individuals)	**54,813**	**55,210**	**55,152**	**55,583**	**55,853**	**56,835**	**56,315**	**56,643**	**56,539**	**57,371**	**57,806**	**57,921**
Loans and Advances	47,746	48,180	48,167	48,665	48,976	49,768	49,425	49,854	49,835	50,647	51,144	51,262
Farm mortgage loans	2,095	2,119	2,110	2,122	2,124	2,221	2,160	2,182	2,205	2,207	2,242	2,250
Other mortgage loans	35,656	35,885	36,036	36,215	36,384	36,676	36,737	37,046	37,016	37,468	37,625	37,568
Dwellings	35,643	35,870	36,020	36,200	36,369	36,660	36,720	37,029	36,999	37,451	37,608	37,551
Other	13	15	15	15	16	16	17	17	17	17	17	17
Overdrafts	2,160	2,171	2,078	2,163	2,168	2,251	2,187	2,214	2,208	2,245	2,249	2,256
Other loans and advances	7,836	8,005	7,943	8,164	8,299	8,620	8,341	8,412	8,405	8,726	9,027	9,187
Instalment and leasing	7,067	7,030	6,985	6,918	6,877	7,068	6,890	6,789	6,704	6,724	6,662	6,659
Nonresidents	**1,121**	**1,129**	**1,149**	**1,074**	**1,076**	**1,017**	**1,018**	**1,053**	**1,000**	**1,000**	**961**	**965**
Loans and Advances	1,121	1,129	1,149	1,074	1,076	1,017	1,018	1,053	1,000	1,000	961	965
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	291	291	285	280	278	277	272	271	269	268	261	261
Dwellings	291	291	285	280	278	277	272	271	269	268	261	261
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	160	159	154	155	154	150	153	152	151	151	150	152
Other loans and advances	669	680	710	639	644	590	593	630	580	581	550	552
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Loans	**107,715**	**107,247**	**107,171**	**104,938**	**104,698**	**105,123**	**104,539**	**105,456**	**105,042**	**105,005**	**106,459**	**106,963**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	36	7	16	4	4	4	4	4	4	4	7	2
Other financial corporations	2,447	2,352	2,393	1,736	1,577	1,643	1,642	1,583	1,583	932	809	801
Central government	9	11	10	6	9	7	8	8	9	10	11	9
State and local government	358	338	260	295	191	197	218	255	94	83	237	240
Public non-financial corporations	822	759	835	481	631	583	454	620	472	369	298	535
Other non-financial corporations (Businesses)	**44,456**	**43,919**	**43,593**	**42,922**	**42,777**	**43,121**	**42,476**	**43,246**	**42,914**	**43,173**	**44,231**	**44,307**
Loans and Advances	40,362	40,034	39,727	39,113	39,028	39,384	38,798	39,610	39,372	39,712	40,725	40,789
Farm mortgage loans	711	657	689	676	680	688	692	696	693	684	670	677
Other mortgage loans	12,405	12,205	12,196	12,040	12,089	11,728	11,904	11,805	11,688	11,592	11,708	11,686
Dwellings	2,557	2,306	2,355	2,218	2,249	1,923	1,963	1,929	2,019	1,923	1,959	2,021
Other	9,849	9,900	9,841	9,822	9,840	9,805	9,941	9,876	9,669	9,669	9,749	9,666
Overdrafts	10,338	10,286	9,888	9,933	9,811	10,170	9,932	10,581	10,580	10,509	11,280	11,393
Other loans and advances	16,908	16,887	16,954	16,464	16,448	16,799	16,271	16,529	16,411	16,927	17,067	17,033
Instalment and leasing	4,093	3,884	3,866	3,808	3,749	3,737	3,678	3,635	3,542	3,462	3,506	3,517
Other resident sectors (Individuals)	**58,668**	**58,935**	**59,149**	**58,733**	**58,775**	**58,899**	**59,069**	**59,055**	**59,338**	**59,807**	**60,248**	**60,518**
Loans and Advances	52,046	52,254	52,494	52,298	52,384	52,511	52,681	52,695	52,979	53,448	53,849	54,031
Farm mortgage loans	2,272	2,320	2,365	2,371	2,393	2,400	2,403	2,422	2,433	2,452	2,491	2,504
Other mortgage loans	37,931	37,849	38,039	37,973	38,052	38,203	38,451	38,536	38,664	38,985	39,166	39,368
Dwellings	37,914	37,832	38,022	37,955	38,036	38,187	38,438	38,523	38,651	38,971	39,153	39,355
Other	17	17	17	17	16	16	13	13	13	13	13	13
Overdrafts	2,354	2,423	2,400	2,379	2,385	2,367	2,287	2,284	2,300	2,331	2,455	2,451
Other loans and advances	9,489	9,662	9,689	9,575	9,554	9,541	9,539	9,454	9,582	9,681	9,737	9,708
Instalment and leasing	6,622	6,682	6,655	6,435	6,392	6,388	6,388	6,360	6,359	6,359	6,399	6,487
Nonresidents	**920**	**925**	**914**	**761**	**734**	**670**	**668**	**687**	**627**	**626**	**617**	**551**
Loans and Advances	920	925	914	761	734	670	668	687	627	626	617	551
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	262	262	258	255	253	250	249	247	243	243	238	234
Dwellings	262	262	258	255	253	250	249	247	243	243	238	234
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	156	160	161	10	10	7	10	13	15	16	16	15
Other loans and advances	502	504	496	496	471	412	409	427	369	367	363	301
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Loans	**107,050**	**106,802**	**106,556**	**106,290**	**106,084**	**106,618**	**106,138**	**106,662**	**107,615**	**108,272**	**108,460**	**108,187**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	2	5	17	2	12	2	2	3	3	3	7	4
Other financial corporations	770	571	596	561	442	446	455	1,044	1,055	1,039	1,021	901
Central government	7	8	11	17	11	10	10	11	16	13	16	12
State and local government	244	194	252	164	139	185	180	146	170	160	181	228
Public non-financial corporations	427	421	415	325	470	559	407	561	676	662	502	616
Other non-financial corporations (Businesses)	**44,884**	**44,606**	**44,137**	**43,801**	**43,275**	**43,564**	**43,334**	**42,712**	**43,691**	**44,468**	**44,517**	**44,258**
Loans and Advances	41,313	41,076	40,646	40,422	39,920	40,098	39,842	39,172	40,141	40,833	40,734	40,544
Farm mortgage loans	664	646	646	639	659	665	660	678	708	718	742	748
Other mortgage loans	12,034	11,789	11,770	11,822	11,774	11,892	11,681	11,876	12,017	12,306	12,389	12,338
Dwellings	2,047	2,020	2,062	2,088	2,081	2,003	1,918	1,906	1,905	2,171	1,988	2,251
Other	9,987	9,770	9,709	9,734	9,693	9,889	9,763	9,970	10,112	10,135	10,401	10,088
Overdrafts	11,810	11,517	11,169	11,275	10,810	10,790	10,833	10,251	10,550	10,724	10,478	9,897
Other loans and advances	16,806	17,124	17,060	16,686	16,677	16,751	16,669	16,367	16,867	17,086	17,125	17,560
Instalment and leasing	3,571	3,530	3,492	3,380	3,355	3,467	3,492	3,540	3,551	3,636	3,783	3,714
Other resident sectors (Individuals)	**60,108**	**60,454**	**60,669**	**61,027**	**61,113**	**61,276**	**61,237**	**61,652**	**61,538**	**61,471**	**61,785**	**61,791**
Loans and Advances	53,708	54,045	54,250	54,561	54,625	54,824	54,809	55,218	55,094	55,075	55,412	55,306
Farm mortgage loans	2,500	2,521	2,570	2,602	2,591	2,627	2,607	2,606	2,611	2,623	2,640	2,655
Other mortgage loans	39,160	39,471	39,613	39,827	39,850	39,953	40,049	40,249	40,272	40,157	40,451	40,304
Dwellings	39,147	39,458	39,600	39,814	39,837	39,940	40,036	40,236	40,259	40,144	40,438	40,291
Other	13	13	13	13	13	13	13	13	13	13	13	13
Overdrafts	2,409	2,415	2,436	2,480	2,507	2,487	2,489	2,491	2,410	2,358	2,361	2,369
Other loans and advances	9,640	9,638	9,630	9,653	9,677	9,757	9,664	9,872	9,801	9,937	9,960	9,978
Instalment and leasing	6,400	6,409	6,420	6,466	6,489	6,452	6,428	6,434	6,444	6,396	6,373	6,485
Nonresidents	**607**	**543**	**459**	**392**	**622**	**576**	**513**	**534**	**466**	**456**	**432**	**377**
Loans and Advances	607	543	459	392	622	576	513	534	466	456	432	377
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	229	220	206	141	229	229	219	221	226	227	224	224
Dwellings	229	220	206	141	229	229	219	221	226	227	224	224
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	11	11	13	14	60	58	55	57	48	54	32	49
Other loans and advances	367	311	240	237	333	289	239	255	192	174	176	104
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

*Other loans and advances comprises personal loans for businesses and individuals and nonresidents.

Table II.5 Deposits with other depository corporations (end period in N$ million)

Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Total Deposits	**106,105**	**104,526**	**106,829**	**105,773**	**108,336**	**110,000**	**111,809**	**112,712**	**115,487**	**118,718**	**115,532**	**115,936**
Deposits included in broad money	**93,502**	**92,479**	**94,993**	**94,425**	**96,103**	**97,666**	**99,134**	**100,448**	**101,327**	**104,275**	**102,343**	**101,409**
Transferable deposits	43,888	42,729	45,362	42,747	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474
In national currency	41,278	40,259	42,721	41,295	43,133	43,955	45,011	46,294	45,286	47,581	47,016	47,098
Other financial corporations	7,765	7,130	6,732	6,598	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157
State and local government	900	945	1,033	969	921	869	900	907	944	987	846	856
Public non-financial corporations	3,917	3,181	3,863	3,032	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984
Other non-financial corporations	17,949	18,050	20,112	19,637	20,806	21,874	21,443	22,276	20,447	22,545	22,314	23,016
Other resident sectors	10,747	10,953	10,981	11,060	10,912	11,206	11,451	11,442	11,758	11,878	12,351	12,084
In foreign currency	**2,610**	**2,470**	**2,642**	**1,452**	**1,256**	**1,149**	**1,211**	**1,427**	**1,269**	**2,313**	**1,390**	**1,377**
Other deposits	49,614	49,750	49,631	51,678	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935
In national currency	49,614	49,750	49,631	51,678	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935
Other financial corporations	3,602	3,860	3,731	4,058	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306
State and local government	231	213	230	242	241	280	246	256	309	316	313	320
Public nonfinancial corporations	3,643	3,126	3,426	3,283	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378
Other nonfinancial corporations	16,502	16,850	16,509	17,705	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302
Other resident sectors	25,636	25,700	25,734	26,391	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**12,603**	**12,047**	**11,836**	**11,348**	**12,233**	**12,334**	**12,675**	**12,264**	**14,160**	**14,442**	**13,188**	**14,527**
Transferable deposits	6,782	6,370	5,899	5,891	6,445	6,804	6,846	6,459	7,635	7,392	6,704	7,060
In national currency	4,244	3,806	4,038	4,159	4,175	4,733	4,641	4,423	4,955	4,839	4,351	5,196
In foreign currency	2,537	2,565	1,862	1,732	2,269	2,072	2,205	2,036	2,680	2,554	2,353	1,864
Other deposits	5,822	5,677	5,937	5,457	5,788	5,530	5,830	5,805	6,525	7,050	6,484	7,467
In national currency	4,275	4,233	4,635	4,385	4,868	4,347	4,690	4,568	4,614	5,043	4,192	5,058
In foreign currency	1,547	1,444	1,302	1,072	920	1,183	1,140	1,236	1,911	2,007	2,292	2,408

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total Deposits	**116,099**	**115,685**	**117,299**	**120,254**	**122,886**	**119,981**	**121,653**	**124,515**	**126,981**	**126,749**	**128,526**	**128,455**
Deposits included in broad money	**100,869**	**100,791**	**101,692**	**104,033**	**106,764**	**105,024**	**105,918**	**108,779**	**110,287**	**111,744**	**113,559**	**112,463**
Transferable deposits	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317	51,535	53,119	54,676	54,093
In national currency	46,195	47,519	47,363	47,579	49,050	46,929	47,611	48,365	49,377	51,339	52,636	52,339
Other financial corporations	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605	6,931	7,424	7,407	7,715
State and local government	849	849	865	761	785	736	760	783	739	786	800	759
Public non-financial corporations	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181	3,941	4,114	4,566	4,620
Other non-financial corporations	21,639	21,879	22,253	23,161	24,614	23,220	23,491	24,390	25,334	26,410	26,905	26,322
Other resident sectors	11,845	12,213	12,088	11,762	12,064	12,341	12,240	12,407	12,433	12,606	12,958	12,923
In foreign currency	**1,553**	**1,401**	**1,408**	**1,593**	**1,829**	**2,304**	**1,897**	**1,952**	**2,159**	**1,780**	**2,040**	**1,754**
Other deposits	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462	58,752	58,625	58,883	58,370
In national currency	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462	58,752	58,625	58,883	58,370
Other financial corporations	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165	5,600	5,518	5,701	5,300
State and local government	353	361	354	435	455	475	479	478	514	516	523	545
Public nonfinancial corporations	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716	4,009	4,263	4,075	4,197
Other nonfinancial corporations	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334	19,508	19,149	19,129	19,400
Other resident sectors	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770	29,121	29,179	29,455	28,929
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**15,231**	**14,894**	**15,607**	**16,221**	**16,122**	**14,957**	**15,735**	**15,736**	**16,693**	**15,005**	**14,967**	**15,992**
Transferable deposits	8,710	8,158	7,748	7,848	9,123	8,290	8,700	9,128	9,809	8,209	8,634	9,879
In national currency	5,616	4,989	4,796	5,029	5,814	5,493	5,765	6,139	5,621	5,597	6,002	6,626
In foreign currency	3,094	3,169	2,952	2,820	3,309	2,798	2,936	2,989	4,188	2,613	2,632	3,253
Other deposits	6,521	6,737	7,859	8,373	6,999	6,667	7,034	6,608	6,884	6,796	6,333	6,113
In national currency	4,194	4,708	5,071	5,854	4,672	4,275	4,552	3,963	4,278	4,632	4,314	3,963
In foreign currency	2,327	2,029	2,788	2,519	2,326	2,392	2,482	2,645	2,606	2,164	2,019	2,150

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total Deposits	**128,137**	**127,090**	**130,568**	**134,412**	**137,352**	**138,004**	**138,294**	**139,623**	**140,664**	**141,325**	**141,321**	**139,063**
Deposits included in broad money	**111,985**	**111,212**	**113,776**	**118,025**	**120,242**	**120,822**	**120,876**	**121,399**	**122,853**	**124,478**	**123,326**	**121,738**
Transferable deposits	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	58,371
In national currency	51,966	49,837	52,884	56,512	55,437	54,796	55,614	56,430	57,971	57,929	56,856	56,358
Other financial corporations	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207
State and local government	839	826	865	888	793	693	655	634	684	882	877	888
Public non-financial corporations	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	4,678
Other non-financial corporations	26,300	25,295	26,622	26,554	26,390	26,583	26,262	26,910	27,083	28,242	27,886	26,578
Other resident sectors	12,759	12,787	13,408	14,369	14,062	14,024	14,342	14,601	14,532	14,695	14,865	15,007
In foreign currency	**1,638**	**1,533**	**1,844**	**1,899**	**2,041**	**2,183**	**2,304**	**2,025**	**2,144**	**2,007**	**2,953**	**2,013**
Other deposits	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367
In national currency	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367
Other financial corporations	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917
State and local government	545	532	575	577	746	753	738	737	594	609	591	578
Public nonfinancial corporations	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667
Other nonfinancial corporations	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249
Other resident sectors	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**16,152**	**15,877**	**16,792**	**16,387**	**17,110**	**17,182**	**17,418**	**18,224**	**17,811**	**16,847**	**17,996**	**17,325**
Transferable deposits	9,469	9,009	9,059	8,162	8,644	8,661	9,166	9,029	8,998	8,319	9,670	8,603
In national currency	6,837	5,963	5,770	4,939	5,362	5,909	6,369	6,120	5,312	5,228	6,069	5,958
In foreign currency	2,632	3,046	3,289	3,223	3,281	2,752	2,797	2,909	3,686	3,090	3,601	2,645
Other deposits	6,683	6,869	7,733	8,225	8,466	8,521	8,252	9,195	8,813	8,528	8,326	8,722
In national currency	4,035	4,069	5,264	5,074	5,597	5,132	5,029	5,614	5,408	5,276	5,478	6,194
In foreign currency	2,648	2,800	2,469	3,151	2,869	3,388	3,223	3,581	3,404	3,252	2,847	2,528

Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Total Deposits	**139,884**	**138,719**	**141,512**	**137,490**	**135,537**	**135,057**	**134,153**	**135,696**	**135,355**	**139,927**	**142,099**	**141,765**
Deposits included in broad money	**123,325**	**122,199**	**124,590**	**121,709**	**118,885**	**118,866**	**118,511**	**120,040**	**120,081**	**125,631**	**126,682**	**126,816**
Transferable deposits	60,322	60,170	63,210	60,656	58,484	57,716	58,815	60,145	61,347	66,354	65,860	64,715
In national currency	57,905	58,395	61,258	58,469	56,982	56,347	57,183	58,709	60,170	64,896	63,972	63,018
Other financial corporations	9,451	9,593	9,316	9,058	9,284	8,516	9,172	10,466	10,229	10,993	10,581	10,845
State and local government	923	920	908	772	748	690	690	695	737	715	765	714
Public non-financial corporations	5,367	4,451	7,295	5,528	4,466	4,750	4,886	5,961	5,388	6,433	4,989	6,535
Other non-financial corporations	26,964	27,661	27,927	27,331	26,805	26,916	26,516	25,783	27,414	29,857	30,781	28,470
Other resident sectors	15,200	15,769	15,812	15,780	15,679	15,475	15,919	15,804	16,402	16,899	16,855	16,454
In foreign currency	**2,417**	**1,775**	**1,951**	**2,188**	**1,501**	**1,370**	**1,632**	**1,436**	**1,177**	**1,458**	**1,888**	**1,696**
Other deposits	63,003	62,029	61,380	61,052	60,401	61,149	59,696	59,895	58,734	59,277	60,822	62,102
In national currency	63,003	62,029	61,380	61,052	60,401	61,149	59,696	59,895	58,734	59,277	60,822	62,102
Other financial corporations	5,184	4,923	4,281	6,857	7,521	7,199	7,448	7,936	7,960	7,806	7,817	7,687
State and local government	565	550	565	671	670	693	648	656	649	481	427	448
Public nonfinancial corporations	5,681	5,668	6,234	6,561	7,055	6,978	6,670	7,355	7,060	6,607	6,806	6,188
Other nonfinancial corporations	19,693	20,397	20,815	24,501	23,204	23,370	22,582	21,534	20,713	22,016	22,320	24,969
Other resident sectors	31,880	30,490	29,485	22,463	21,951	22,910	22,348	22,414	22,352	22,367	23,452	22,809
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**16,559**	**16,520**	**16,922**	**15,781**	**16,652**	**16,191**	**15,642**	**15,655**	**15,274**	**14,296**	**15,417**	**14,948**
Transferable deposits	8,686	9,231	8,832	8,231	8,675	8,621	8,761	8,790	8,164	7,784	8,034	6,775
In national currency	5,951	6,409	5,708	5,632	6,387	6,219	5,913	5,760	5,284	4,421	4,527	3,889
In foreign currency	2,735	2,822	3,124	2,599	2,288	2,402	2,848	3,030	2,880	3,363	3,507	2,885
Other deposits	7,873	7,290	8,090	7,550	7,977	7,570	6,882	6,865	7,110	6,512	7,383	8,174
In national currency	5,426	5,095	5,709	5,234	5,533	5,303	4,822	5,009	5,111	4,448	5,540	5,567
In foreign currency	2,447	2,195	2,381	2,316	2,444	2,267	2,059	1,856	2,000	2,065	1,843	2,607

Table II.6 Monetary aggregates (end of period in N$ million)

		Currency in circulation	Transferable deposits	Narrow money (M1)	Other deposits	Securities included in M2	Broad money supply (M2)
		1	2	1+2 = 3	4	5	3+4+5=6
2018	**Jan**	**2,823**	**43,888**	**46,711**	**49,614**	**0**	**96,324**
	Feb	2,805	42,729	45,534	49,750	0	95,284
	Mar	2,856	45,362	48,219	49,631	0	97,849
	Apr	2,818	42,747	45,565	51,678	0	97,243
	May	2,749	44,390	47,139	51,713	0	98,852
	Jun	2,976	45,103	48,080	52,563	0	100,643
	Jul	2,887	46,222	49,109	52,911	0	102,020
	Aug	3,027	47,721	50,748	52,727	0	103,475
	Sep	3,137	46,555	49,692	54,772	0	104,464
	Oct	2,955	49,893	52,849	54,382	0	107,231
	Nov	3,125	48,406	51,531	53,938	0	105,468
	Dec	2,936	48,474	51,411	52,935	0	104,345
2019	**Jan**	**2,774**	**47,748**	**50,522**	**53,121**	**0**	**103,643**
	Feb	2,729	48,920	51,649	51,871	0	103,520
	Mar	2,896	48,771	51,666	52,922	0	104,588
	Apr	2,825	49,172	51,998	54,861	0	106,858
	May	2,914	50,879	53,793	55,885	0	109,678
	Jun	2,995	49,233	52,229	55,790	0	108,019
	Jul	2,840	49,508	52,349	56,410	0	108,758
	Aug	3,013	50,317	53,330	58,462	0	111,792
	Sep	2,836	51,535	54,372	58,752	0	113,124
	Oct	2,649	53,119	55,768	58,625	0	114,393
	Nov	3,092	54,676	57,768	58,883	0	116,651
	Dec	2,873	54,093	56,966	58,370	0	115,336
2020	**Jan**	**2,641**	**53,604**	**56,245**	**58,380**	**0**	**114,626**
	Feb	2,598	51,370	53,967	59,842	0	113,810
	Mar	2,618	54,729	57,347	59,047	0	116,394
	Apr	2,865	58,411	61,276	59,614	0	120,891
	May	3,173	57,479	60,652	62,763	0	123,415
	Jun	3,047	56,978	60,025	63,844	0	123,869
	Jul	2,947	57,918	60,864	62,959	0	123,823
	Aug	3,028	58,455	61,482	62,944	0	124,426
	Sep	2,995	60,114	63,109	62,738	0	125,848
	Oct	3,086	59,936	63,022	64,543	0	127,565
	Nov	3,079	59,808	62,888	63,518	0	126,405
	Dec	2,914	58,371	61,286	63,367	0	124,652
2021	**Jan**	**3,031**	**60,322**	**63,353**	**63,003**	**0**	**126,356**
	Feb	3,007	60,170	63,176	62,029	0	125,206
	Mar	2,779	63,210	65,989	61,380	0	127,369
	Apr	2,929	60,656	63,586	61,052	0	124,638
	May	2,902	58,484	61,386	60,401	0	121,787
	Jun	2,905	57,716	60,622	61,149	0	121,771
	Jul	3,033	58,815	61,848	59,696	0	121,544
	Aug	3,012	60,145	63,157	59,895	0	123,052
	Sep	3,034	61,347	64,382	58,734	0	123,116
	Oct	3,181	66,354	69,535	59,277	0	128,812
	Nov	3,218	65,860	69,078	60,822	0	129,900
	Dec	3,128	64,715	67,843	62,102	0	129,944

Table II.7 Monetary analysis (end of period in N$ million)

			Determinants of money supply						
				Claims on the Central Government					
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Gross claims	Government deposits	Other liabilities	Net claims on Government	Claims on other sectors	Other items net
2018	**Jan**	**96,324**	**35,871**	**15,555**	**9,353**	**0**	**6,202**	**98,396**	**-44,145**
	Feb	95,284	32,402	16,328	8,634	0	7,694	99,397	-44,210
	Mar	97,849	29,756	17,912	6,081	0	11,830	98,461	-42,198
	Apr	97,243	34,096	16,914	8,297	0	8,617	99,354	-44,824
	May	98,852	32,488	17,525	6,826	0	10,699	99,167	-43,502
	Jun	100,643	34,597	17,713	7,785	0	9,928	99,362	-43,244
	Jul	102,020	36,121	18,465	8,794	0	9,671	99,867	-43,638
	Aug	103,475	36,235	18,739	7,825	0	10,914	101,335	-45,009
	Sep	104,464	37,027	19,138	6,893	0	12,245	101,904	-46,712
	Oct	107,231	39,717	19,180	7,464	0	11,716	102,634	-46,836
	Nov	105,468	36,147	19,562	5,961	0	13,600	102,721	-47,000
	Dec	104,345	37,962	19,338	9,409	0	9,929	103,580	-47,126
2019	**Jan**	**103,643**	**38,892**	**19,262**	**11,342**	**0**	**7,920**	**104,150**	**-47,319**
	Feb	103,520	39,894	19,258	9,405	0	9,853	104,686	-50,913
	Mar	104,588	39,132	20,512	7,228	0	13,284	104,487	-52,316
	Apr	106,858	44,406	20,107	10,308	0	9,799	105,565	-52,912
	May	109,678	44,719	20,234	8,490	0	11,744	106,785	-53,570
	Jun	108,019	41,691	20,487	8,811	0	11,676	106,775	-52,124
	Jul	108,758	44,523	21,075	10,995	0	10,081	107,181	-53,026
	Aug	111,792	44,480	21,153	9,061	0	12,092	107,255	-52,033
	Sep	113,124	40,522	24,675	9,115	0	15,560	108,576	-51,534
	Oct	114,393	43,231	24,007	9,437	0	14,569	109,523	-52,931
	Nov	116,651	41,332	24,907	8,192	0	16,715	109,633	-51,030
	Dec	115,336	37,918	25,223	7,879	0	17,344	110,278	-50,203
2020	**Jan**	**114,626**	**41,050**	**24,040**	**9,644**	**0**	**14,396**	**110,868**	**-51,688**
	Feb	113,810	41,203	23,650	9,450	0	14,200	110,953	-52,546
	Mar	116,394	39,517	26,979	9,932	0	17,047	110,815	-50,986
	Apr	120,891	47,171	28,309	10,541	0	17,768	109,465	-53,514
	May	123,415	46,979	27,200	6,472	0	20,728	108,782	-53,074
	Jun	123,869	45,522	28,297	6,223	0	22,074	109,421	-53,147
	Jul	123,823	48,786	28,095	9,999	0	18,096	108,881	-51,940
	Aug	124,426	46,960	29,203	9,119	0	20,083	109,621	-52,238
	Sep	125,848	44,673	29,504	6,305	0	23,199	109,404	-51,429
	Oct	127,565	48,941	29,781	8,066	0	21,715	109,279	-52,371
	Nov	126,405	42,982	30,782	6,348	0	24,435	110,927	-51,938
	Dec	124,652	41,807	30,811	7,118	0	23,694	111,239	-52,088
2021	**Jan**	**126,356**	**45,513**	**31,713**	**9,810**	**0**	**21,902**	**111,115**	**-52,175**
	Feb	125,206	42,964	31,995	7,771	0	24,224	111,054	-53,036
	Mar	127,369	45,290	35,065	6,692	0	28,373	110,835	-57,128
	Apr	124,638	52,590	33,835	11,157	0	22,678	110,788	-61,418
	May	121,787	49,466	33,972	10,040	0	23,932	109,513	-61,124
	Jun	121,771	51,382	34,567	13,272	0	21,296	110,185	-61,092
	Jul	121,544	53,442	33,775	12,487	0	21,287	109,554	-62,740
	Aug	123,052	52,030	34,177	10,437	0	23,741	110,004	-62,723
	Sep	123,116	52,032	35,155	11,526	0	23,629	111,036	-63,584
	Oct	128,812	55,652	36,058	12,378	0	23,680	111,717	-62,237
	Nov	129,900	48,909	35,507	3,457	0	32,050	112,596	-63,655
	Dec	129,944	50,700	35,114	4,060	0	31,054	112,371	-64,180

Table II.8 Changes in determinants of money supply (monthly in N$ million)

			Determinants of money supply						
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Claims on the Central Government				Claims on other sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2018	**Jan**	**-1,753**	**1,878**	**-56**	**2,762**	**0**	**-2,818**	**1,859**	**-2,672**
	Feb	-1,040	-3,469	774	-719	0	1,492	1,001	-65
	Mar	2,565	-2,647	1,584	-2,552	0	4,136	-936	2,012
	Apr	-606	4,340	-998	2,215	0	-3,213	893	-2,626
	May	1,609	-1,608	610	-1,471	0	2,081	-187	1,323
	Jun	1,790	2,109	189	959	0	-771	195	257
	Jul	1,378	1,524	752	1,009	0	-257	505	-393
	Aug	1,455	114	274	-969	0	1,243	1,468	-1,371
	Sep	989	792	399	-933	0	1,332	569	-1,704
	Oct	2,767	2,690	42	571	0	-529	730	-124
	Nov	-1,763	-3,570	382	-1,502	0	1,884	87	-164
	Dec	-1,123	1,815	-224	3,447	0	-3,671	859	-126
2019	**Jan**	**-702**	**929**	**-75**	**1,933**	**0**	**-2,009**	**570**	**-193**
	Feb	-123	1,003	-4	-1,937	0	1,932	536	-3,594
	Mar	1,068	-762	1,254	-2,177	0	3,431	-199	-1,402
	Apr	2,271	5,274	-405	3,080	0	-3,485	1,078	-597
	May	2,820	313	127	-1,818	0	1,944	1,219	-657
	Jun	-1,659	-3,028	253	320	0	-67	-10	1,446
	Jul	739	2,832	588	2,184	0	-1,596	405	-902
	Aug	3,034	-44	77	-1,933	0	2,011	74	993
	Sep	1,331	-3,958	3,523	54	0	3,469	1,321	499
	Oct	1,269	2,709	-669	323	0	-991	948	-1,397
	Nov	2,258	-1,899	901	-1,245	0	2,146	110	1,901
	Dec	-1,314	-3,414	315	-313	0	629	645	827
2020	**Jan**	**-711**	**3,132**	**-1,183**	**1,765**	**0**	**-2,948**	**590**	**-1,484**
	Feb	-816	153	-390	-193	0	-196	86	-858
	Mar	2,584	-1,685	3,329	482	0	2,848	-138	1,560
	Apr	4,496	7,654	1,330	609	0	721	-1,350	-2,529
	May	2,525	-193	-1,109	-4,069	0	2,960	-682	440
	Jun	454	-1,457	1,097	-249	0	1,345	639	-73
	Jul	-46	3,264	-202	3,776	0	-3,977	-540	1,207
	Aug	603	-1,826	1,107	-880	0	1,987	740	-298
	Sep	1,421	-2,287	302	-2,814	0	3,116	-217	809
	Oct	1,717	4,268	277	1,761	0	-1,484	-125	-942
	Nov	-1,159	-5,959	1,001	-1,718	0	2,719	1,648	433
	Dec	-1,753	-1,175	29	770	0	-741	313	-150
2021	**Jan**	**1,704**	**3,706**	**901**	**2,693**	**0**	**-1,791**	**-124**	**-87**
	Feb	-1,151	-2,550	282	-2,039	0	2,321	-61	-861
	Mar	2,164	2,326	3,071	-1,079	0	4,149	-219	-4,093
	Apr	-2,731	7,300	-1,230	4,464	0	-5,695	-46	-4,290
	May	-2,851	-3,124	137	-1,117	0	1,254	-1,275	294
	Jun	-17	1,917	595	3,231	0	-2,637	672	32
	Jul	-227	2,060	-793	-784	0	-8	-631	-1,648
	Aug	1,508	-1,412	403	-2,050	0	2,453	450	17
	Sep	64	4	978	1,089	0	-112	1,032	-861
	Oct	5,697	3,618	902	852	0	51	681	1,347
	Nov	1,088	-6,743	-551	-8,921	0	8,370	879	-1,418
	Dec	48	1,791	-392	604	0	-996	-226	-525

Table II.9 Selected interest rates: Namibia and South Africa

		Repo rate		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Average deposit rates		Government bond yield (10 year)	
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
2018	**Jan**	**6.75**	**6.75**	**10.50**	**10.25**	**10.17**	**10.70**	**7.62**	**7.21**	**6.21**	**7.16**	**10.47**	**8.99**
	Feb	6.75	6.75	10.50	10.25	10.14	10.65	8.06	7.04	6.45	7.11	10.16	8.73
	Mar	6.75	6.50	10.50	10.00	10.04	10.61	8.11	6.87	6.45	7.05	9.91	8.49
	Apr	6.75	6.50	10.50	10.00	10.07	10.47	8.20	7.01	6.60	6.95	9.90	8.49
	May	6.75	6.50	10.50	10.00	10.27	10.49	8.27	7.03	5.73	6.91	10.29	8.86
	Jun	6.75	6.50	10.50	10.00	10.12	10.50	8.18	7.07	5.68	6.92	10.67	9.33
	Jul	6.75	6.50	10.50	10.00	10.19	10.50	7.92	7.09	5.70	6.95	10.61	9.16
	Aug	6.75	6.50	10.50	10.00	10.11	10.49	7.91	7.16	5.58	6.96	10.86	9.28
	Sep	6.75	6.50	10.50	10.00	10.09	10.46	7.90	7.12	5.52	6.86	11.01	9.54
	Oct	6.75	6.50	10.50	10.00	10.23	10.66	7.90	7.27	5.73	6.89	11.10	9.63
	Nov	6.75	6.75	10.50	10.25	10.09	10.61	7.95	7.43	5.56	7.09	11.00	9.52
	Dec	6.75	6.75	10.50	10.25	10.19	10.64	7.92	7.61	5.57	7.13	10.87	9.55
2019	**Jan**	**6.75**	**6.75**	**10.50**	**10.25**	**10.11**	**10.66**	**7.90**	**7.39**	**5.63**	**7.16**	**10.59**	**9.30**
	Feb	6.75	6.75	10.50	10.25	10.01	10.57	7.88	7.13	5.61	7.12	10.43	9.25
	Mar	6.75	6.75	10.50	10.25	10.08	10.63	7.88	6.98	5.93	7.15	10.36	9.24
	Apr	6.75	6.75	10.50	10.25	9.91	10.63	7.77	7.23	5.98	7.17	10.11	9.06
	May	6.75	6.75	10.50	10.25	9.91	10.62	7.77	7.13	5.75	7.03	10.05	9.10
	Jun	6.75	6.75	10.50	10.25	10.04	10.63	7.67	7.10	5.95	7.15	9.98	9.02
	Jul	6.75	6.50	10.50	10.00	10.06	10.53	7.55	6.99	5.81	7.00	9.69	8.80
	Aug	6.50	6.50	10.25	10.00	9.77	10.45	7.39	6.94	5.77	6.98	9.79	9.04
	Sep	6.50	6.50	10.25	10.00	9.74	10.49	7.30	6.74	5.55	6.92	9.54	8.90
	Oct	6.50	6.50	10.25	10.00	9.79	10.57	7.25	6.90	5.52	6.76	9.54	8.93
	Nov	6.50	6.50	10.25	10.00	9.53	10.55	7.41	7.06	5.49	6.88	9.73	9.14
	Dec	6.50	6.50	10.25	10.00	9.70	10.60	7.64	7.16	5.45	6.78	9.91	9.15
2020	**Jan**	**6.50**	**6.25**	**10.25**	**9.75**	**9.83**	**10.49**	**7.89**	**6.45**	**5.50**	**6.80**	**9.77**	**9.02**
	Feb	6.25	6.25	10.00	9.75	9.63	10.52	7.66	6.20	5.45	6.72	9.82	9.28
	Mar	5.25	5.25	9.00	8.75	9.37	9.83	7.67	5.60	5.30	6.14	11.40	10.92
	Apr	4.25	4.25	8.00	7.75	8.11	9.16	5.88	4.24	4.62	5.25	11.62	11.27
	May	4.25	3.75	8.00	7.25	7.53	8.70	4.99	4.17	4.22	4.77	10.10	10.14
	Jun	4.00	3.75	7.75	7.25	7.62	8.43	4.58	4.02	3.95	4.51	9.71	9.97
	Jul	4.00	3.50	7.75	7.00	7.39	8.47	4.35	3.88	3.81	4.37	9.81	10.25
	Aug	3.75	3.50	7.50	7.00	7.09	8.38	4.21	3.45	3.70	4.22	9.58	10.19
	Sep	3.75	3.50	7.50	7.00	6.90	8.02	4.01	3.43	3.44	4.08	9.55	10.19
	Oct	3.75	3.50	7.50	7.00	7.07	7.86	3.86	3.48	3.37	3.94	9.60	10.37
	Nov	3.75	3.50	7.50	7.00	6.97	7.92	3.75	3.71	3.28	3.89	9.21	9.96
	Dec	3.75	3.50	7.50	7.00	6.92	8.03	4.04	3.87	3.29	3.92	8.94	9.83
2021	**Jan**	**3.75**	**3.50**	**7.50**	**7.00**	**6.66**	**8.07**	**4.29**	**3.76**	**3.24**	**3.80**	**9.65**	**9.72**
	Feb	3.75	3.50	7.50	7.00	6.73	8.00	4.35	3.79	3.59	3.75	9.50	9.52
	Mar	3.75	3.50	7.50	7.00	6.65	8.07	4.36	3.81	3.49	3.74	10.12	10.11
	Apr	3.75	3.50	7.50	7.00	6.64	8.06	4.26	3.56	3.67	3.77	10.08	10.05
	May	3.75	3.50	7.50	7.00	6.93	8.02	4.34	3.71	3.91	3.79	9.91	9.81
	Jun	3.75	3.50	7.50	7.00	6.65	8.05	4.54	3.82	4.14	3.80	10.00	9.56
	Jul	3.75	3.50	7.50	7.00	7.08	8.04	4.78	3.95	4.35	3.79	10.22	9.63
	Aug	3.75	3.50	7.50	7.00	7.05	8.01	4.76	3.90	4.34	3.78	10.22	9.56
	Sep	3.75	3.50	7.50	7.00	7.12	8.00	4.73	3.79	4.36	3.80	10.36	9.66
	Oct	3.75	3.50	7.50	7.00	6.95	8.00	4.69	3.74	4.39	3.81	10.89	10.10
	Nov	3.75	3.75	7.50	7.25	7.12	8.00	4.83	3.89	4.36	3.97	11.37	10.00
	Dec	3.75	3.75	7.50	7.25	7.06	8.13	4.88	3.85	4.38	3.98	11.34	10.00

Table III.1(a) Treasury Bill auctions - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	**2021**				
	Jan	500.0	546.4	46.4	4.29
	Jan	500.0	621.7	121.7	4.30
	Feb	500.0	692.0	192.0	4.35
	Mar	500.0	913.2	413.2	4.36
	Mar	500.0	932.9	432.9	4.36
	Apr	550.0	1,332.0	782.0	4.28
	Apr	500.0	1,088.1	588.1	4.24
	May	500.0	577.7	77.6	4.34
	Jun	550.0	591.1	41.1	4.47
	Jun	500.0	785.7	285.7	4.60
	Jul	550.0	645.0	95.0	4.75
	Jul	500.0	979.0	479.0	4.81
	Aug	500.0	1,257.5	757.5	4.76
	Sep	550.0	884.7	334.7	4.75
	Sep	500.0	911.2	411.2	4.72
	Oct	550.0	871.8	321.8	4.70
	Oct	550.0	738.3	188.3	4.68
	Nov	550.0	815.9	265.9	4.83
	Dec	550.0	586.6	36.6	4.92
	Dec	550.0	789.6	239.6	4.83
182 days	**2021**				
	Jan	500.0	802.5	302.5	4.34
	Jan	500.0	719.6	219.6	4.34
	Jan	500.0	828.1	328.1	4.35
	Feb	500.0	702.2	202.2	4.35
	Mar	500.0	815.8	315.8	4.36
	Apr	550.0	768.5	218.5	4.41
	Apr	550.0	827.3	277.3	4.46
	May	500.0	1,072.9	572.9	4.47
	Jun	620.0	900.7	280.7	4.65
	Jul	500.0	683.9	183.9	4.95
	Jul	550.0	739.4	189.4	5.11
	Jul	500.0	655.9	155.9	5.14
	Aug	550.0	1,264.6	714.6	5.13
	Sep	550.0	736.5	186.5	5.11
	Sep	550.0	427.9	(122.1)	5.19
	Oct	550.0	928.6	378.6	5.20
	Oct	550.0	638.8	88.8	5.05
	Nov	500.0	422.3	(77.7)	5.30
	Dec	620.0	381.3	(238.8)	5.53
273 days	**2021**				
	Jan	500.0	800.5	300.5	4.50
	Jan	500.0	941.6	441.6	4.50
	Feb	500.0	463.8	(36.3)	4.47
	Feb	500.0	655.8	155.8	4.55
	Mar	500.0	913.9	413.9	4.53
	Mar	500.0	684.2	184.2	4.64
	Apr	500.0	1,042.2	542.2	4.64
	May	550.0	1,024.5	474.5	4.61
	May	550.0	808.7	258.7	4.57
	Jun	550.0	551.0	1.0	4.85
	Jun	550.0	682.2	132.2	4.89
	Jul	550.0	713.5	163.5	5.04
	Jul	550.0	594.0	44.0	5.28
	Jul	500.0	624.3	124.3	5.40
	Aug	550.0	1,046.1	496.1	5.41
	Aug	550.0	1,332.8	782.8	5.30
	Sep	560.0	926.4	366.4	5.20
	Oct	500.0	392.5	(107.5)	5.40
	Oct	600.0	526.9	(73.1)	5.49
	Nov	600.0	731.0	131.0	5.56
	Nov	550.0	715.5	165.5	5.68
	Dec	550.0	714.4	164.4	5.86
	Dec	550.0	914.6	364.6	5.88
365 days	**2021**				
	Jan	500.0	1,195.2	695.2	4.43
	Jan	500.0	1,006.3	506.3	4.43
	Feb	500.0	1,427.5	927.5	4.43
	Feb	500.0	1,391.1	891.1	4.43
	Mar	530.0	1,247.8	717.8	4.43
	Apr	550.0	985.5	435.5	4.63
	May	550.0	1,455.3	905.3	4.69
	May	550.0	1,144.3	594.3	4.70
	May	550.0	943.5	393.5	4.77
	Jun	550.0	925.6	375.6	4.93
	Jun	550.0	883.8	333.8	5.07
	Jul	550.0	981.9	431.9	5.11
	Jul	500.0	681.4	181.4	5.26
	Jul	500.0	532.4	32.4	5.42
	Aug	550.0	1,615.5	1,065.5	5.38
	Aug	550.0	1,572.3	1,022.3	5.40
	Sep	550.0	1,091.8	541.8	5.36
	Sep	550.0	944.8	394.8	5.34
	Oct	600.0	1,024.8	424.8	5.32
	Oct	550.0	840.2	290.2	5.48
	Nov	600.0	823.5	223.5	5.55
	Nov	550.0	898.5	348.5	5.59
	Nov	550.0	979.7	429.7	5.69
	Dec	550.0	1,101.1	551.1	5.78
	Dec	690.0	910.8	220.8	5.87

Table III.1 (b) Allotment of Government of Namibia Treasury Bills - N$ ‘000

Date issued 2020	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount outstanding
Jan	04/21	90,000	28,500	118,500	374,620	0	6,880	500,000	27,330,000
Jan	04/21	68,270	22,090	90,360	409,640	0	0	500,000	27,330,000
Jan*	07/20	130,020	0	130,020	369,980	0	0	500,000	27,330,000
Jan*	07/20	465,500	0	465,500	34,500	0	0	500,000	27,330,000
Jan*	07/20	471,480	14,740	486,220	13,780	0	0	500,000	27,330,000
Jan***	10/21	285,950		285,950	214,050	0	0	500,000	27,380,000
Jan***	10/21	70,000	15,000	85,000	315,280	99,720	0	500,000	27,430,000
Jan**	01/22	254,850	0	254,850	245,150	0	0	500,000	27,480,000
Jan**	01/22	465,690	0	465,690	32,600	0	1,710	500,000	27,530,000
Feb	05/21	80,150	88,050	168,200	331,800	0	0	500,000	27,530,000
Feb*	08/20	398,600	0	398,600	101,400	0	0	500,000	27,530,000
Feb***	11/21	314,500	30,000	344,500	119,250	0	0	463,750	27,493,750
Feb***	11/21	350,000	3,750	353,750	146,250	0	0	500,000	27,493,750
Feb**	02/22	491,930	0	491,930	8,070	0	0	500,000	27,493,750
Feb**	02/22	444,000	0	444,000	56,000	0	0	500,000	27,493,750
Mar	06/21	440,000	45,000	485,000	15,000	0	0	500,000	27,556,250
Mar	06/21	325,000	0	325,000	175,000	0	0	500,000	27,556,250
Mar*	09/20	413,490	0	413,490	86,510	0	0	500,000	27,556,250
Mar***	12/21	346,930	0	346,930	153,070	0	0	500,000	27,556,250
Mar***	12/21	125,000	0	125,000	375,000	0	0	500,000	27,556,250
Mar**	03/22	480,000	0	480,000	50,000	0	0	530,000	27,556,250
Apr	07/21	455,870		455,870	44,130	0	0	500,000	27,556,250
Apr	07/21	343,130	0	343,130	200,000	0	6,870	550,000	27,606,250
Apr*	10/20	285,000	0	285,000	265,000	0	0	550,000	27,656,250
Apr*	10/20	356,740	0	356,740	193,260	0	0	550,000	27,706,250
Apr***	01/22	356,740	0	259,070	240,930	0	0	500,000	27,824,250
Apr**	04/22	530,480	0	530,480	19,520	0	0	550,000	27,924,250
Apr**	04/22	415,000	0	415,000	135,000	0	0	550,000	28,024,250
May	08/21	100,150	78,000	178,150	321,850	0	0	500,000	28,024,250
May*	11/20	470,000	15,000	485,000	15,000	0	0	500,000	28,024,250
May***	02/22	318,500	0	318,500	231,500	0	0	550,000	28,074,250
May***	02/22	468,680	25,000	493,680	55,220		1,100	550,000	28,124,250
May***	02/22	291,000	0	291,000	0	209,000		500,000	28,124,250
May**	05/22	245,000	0	245,000	305,000	0	0	550,000	28,174,250
May**	05/22	365,750	75,000	440,750	108,150	0	1,100	550,000	28,224,250
May**	05/22	345,630	22,000	367,630	182,370	0	0	550,000	28,274,250
Jun	09/21	305,100	0	305,100	244,900	0	0	550,000	28,324,250
Jun	09/21	242,660	76,710	319,370	180,630	0		500,000	28,324,250
Jun*	12/20	433,050	80,000	513,050	106,950	0	0	620,000	28,324,250
Jun***	03/22	210,000	0	210,000	340,000	0	0	550,000	28,374,250
Jun***	03/22	420,000	30,000	450,000	100,000	0	0	550,000	28,424,250
Jun**	06/22	470,640	0	470,640	59,460	19,900	0	550,000	28,474,250
Jun**	06/22	368,290	22,290	390,580	159,420	0	0	550,000	28,524,250
Jul	10/21	259,000	50,000	309,000	241,000	0	0	550,000	28,574,250
Jul	10/21	510,000	8,880	518,880	22,230	0	8,890	550,000	28,574,250
Jul*	01/22	298,500	17,950	316,450	183,550	0	0	500,000	28,574,250
Jul*	01/22	415,000	0	415,000	133,500	0	1,500	550,000	28,624,250
Jul*	01/22	156,180	0	156,180	343,820	0	0	500,000	28,624,250
Jul***	04/22	265,000	15,000	280,000	270,000	0	0	550,000	28,674,250
Jul***	04/22	372,000	64,000	436,000	114,000	0	0	550,000	28,724,250
Jul***	04/22	206,000	0	206,000	294,000	0	0	500,000	29,224,250
Jul**	07/22	484,000	5,500	489,500	60,500	0	0	550,000	29,274,250
Jul**	07/22	395,470	1,000	396,470	103,530	0	0	500,000	29,274,250
Jul**	07/22	189,620	0	189,620	310,380	0	0	500,000	29,274,250
Aug	11/21	320,000	0	320,000	20,500	209,500	0	550,000	29,324,250
Aug*	02/22	407,880	11,120	419,000	131,000	0	0	550,000	29,374,250
Aug***	05/22	288,140	32,500	320,640	229,360	0	0	550,000	29,424,250
Aug***	05/22	516,370	7,000	523,370	26,630	0	0	550,000	29,474,250
Aug**	08/22	260,000	0	260,000	290,000	0	0	550,000	29,524,250
Aug**	08/22	169,000	2,000	171,000	379,000	0	0	550,000	29,574,250
Sep	12/21	272,060	61,500	333,560	216,080		360	550,000	29,574,250
Sep	12/21	273,500	118,500	392,000	108,000		0	500,000	29,574,250
Sep*	03/22	219,840	22,980	242,820	307,180	0	0	550,000	29,624,250
Sep*	03/22	98,600	61,000	159,600	260,260	0	8,000	427,860	30,052,110
Sep***	06/22	308,000	0	308,000	252,000	0	0	560,000	30,141,610
Sep**	09/22	277,000	5,000	282,000	268,000	0	0	550,000	30,191,610
Sep**	09/22	176,160	0	176,160	373,840	0	0	550,000	30,741,610
Oct	01/22	446,000	0	446,000	104,000	0	0	550,000	30,741,610
Oct	01/22	475,630	10,000	485,630	60,370	0	4,000	550,000	30,741,610
Oct*	04/22	431,920	0	431,920	48,630	69,450	0	550,000	30,741,610
Oct*	04/22	406,680	10,000	416,680	0	133,320	0	550,000	30,741,610
Oct***	07/22	60,000	0	60,000	332,510	0	0	392,510	30,634,120
Oct***	07/22	300,500	11,000	311,500	215,420	0	0	526,920	30,661,040
Oct**	10/22	349,700	0	349,700	250,300	0	0	600,000	30,761,040
Oct**	10/22	430,000	0	430,000	120,000	0	0	550,000	31,311,040
Nov	02/22	540,000	62,000	602,000	5,500	0	26,940	634,440	31,395,480
Nov*	04/22	165,000	20,000	185,000	237,310	0	20	422,330	31,317,810
Nov***	08/22	345,000	0	345,000	205,000	0	0	550,000	31,404,060
Nov***	08/22	324,000	0	324,000	276,000	0	0	600,000	31,504,060
Nov**	11/22	508,960	0	508,960	91,040	0	0	600,000	31,604,060
Nov**	11/22	304,000	0	304,000	246,000	0	0	550,000	31,654,060
Nov**	11/22	420,940	0	420,940	129,060	0	0	550,000	31,704,060
Dec	03/22	276,360	0	276,360	273,640	0	0	550,000	31,704,060
Dec	03/22	379,470	149,230	528,700	71,300	0	0	600,000	31,804,060
Dec*	04/22	140,250	0	140,250	241,000	0	0	381,250	31,565,310
Dec***	09/22	349,200	75,000	424,200	135,730	40,070		600,000	31,665,310
Dec***	09/22	366,910	0	366,910	183,090	0	0	550,000	31,715,310
Dec**	12/22	358,000	0	358,000	192,000	0	0	550,000	31,575,310
Dec**	12/22	492,320	0	492,320	197,530	0	150	690,000	31,765,310

91 days
*182 days
***274 days
**365 days

Table III. 2 (a) Internal Registered Stock auctions - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC23 (8.85%)	**2021**				
	Jan	50.0	136.6	86.6	4.91
	Feb	50.0	193.3	143.3	5.00
	Mar	50.0	133.6	83.6	5.73
	Mar	100.0	298.7	198.7	5.80
	Apr	70.0	368.0	298.0	5.29
	May	70.0	193.1	123.1	5.01
	Jun	240.0	426.5	186.5	5.81
	Jul	70.0	297.7	227.7	5.88
	Aug	70.0	117.2	47.2	5.81
	Sep	240.0	35.0	-205.0	5.60
	Oct	240.0	342.2	102.2	7.07
	Nov	70.0	117.7	47.7	6.93
	Dec	70.0	258.3	188.3	6.54
GC24 (10.50%)	**2021**				
	Jun	70.0	566.8	496.8	7.03
	Sep	70.0	127.8	57.8	6.93
	Oct	70.0	152.1	82.1	7.35
GC25 (8.50%)	**2021**				
	Jun	80.0	401.9	321.9	7.19
	Sep	80.0	108.5	28.5	7.12
	Oct	80.0	137.7	57.7	7.72
GI26 (8.50%)	**2021**				
	Jan	60.0	228.0	168.0	6.57
	Feb	60.0	152.6	92.6	6.77
	Mar	60.0	186.8	126.8	7.50
	Mar	150.0	407.0	257.0	7.63
	Apr	80.0	427.0	347.0	7.44
	May	80.0	236.2	156.2	7.45
	Jun	250.0	355.1	105.1	7.67
	Jul	80.0	396.2	316.2	7.97
	Aug	80.0	81.8	1.8	7.85
	Sep	250.0	345.7	95.7	7.78
	Oct	250.0	509.7	259.7	8.41
	Nov	80.0	116.7	36.7	8.28
	Dec	80.0	246.8	166.8	8.35
GC27 (8.00%)	**2021**				
	Jun	50.0	180.5	130.5	8.12
	Sep	50.0	78.5	28.5	8.05
	Oct	80.0	170.1	90.1	8.65
GI27 (4.00%)	**2021**				
	Jun	100.0	219.8	119.8	4.99
	Jul	25.0	112.7	87.7	4.92
	Aug	25.0	124.3	99.3	4.81
	Sep	100.0	202.7	102.7	4.80
	Oct	100.0	251.3	151.3	4.85
	Nov	25.0	48.8	23.8	5.11
	Dec	25.0	65.8	40.8	5.14
GI29 (4.5%)	**2021**				
	Jan	15.0	41.5	26.5	5.73
	Feb	15.0	24.6	9.6	5.69
	Mar	15.0	51.1	36.1	5.69
	Apr	25.0	55.7	30.7	5.69
	May	25.0	62.4	37.4	5.64
	Jun	100.0	43.3	-56.7	6.08
	Jul	25.0	64.1	39.1	6.19
	Aug	25.0	59.7	34.7	6.12
	Sep	100.0	186.1	86.1	6.16
	Oct	100.0	224.4	124.4	6.03
	Nov	25.0	26.2	1.2	5.99
	Dec	25.0	11.3	-13.7	6.00
GC30 (8.00%)	**2021**				
	Jan	45.0	123.1	78.1	8.83
	Feb	45.0	146.6	101.6	8.53
	Mar	45.0	151.7	106.7	9.08
	Mar	90.0	327.6	237.6	9.38
	Apr	70.0	202.4	132.4	9.21
	May	70.0	157.8	87.8	8.97
	Jun	200.0	317.2	117.2	9.29
	Jul	70.0	300.6	230.6	9.74
	Aug	70.0	219.9	149.9	9.77
	Sep	200.0	226.1	26.1	9.66
	Oct	250.0	427.6	177.6	10.46
	Nov	70.0	150.5	80.5	10.52
	Dec	70.0	108.3	38.3	10.38
GC32 (9.00%)	**2021**				
	Jan	50.0	123.4	73.4	9.62
	Feb	50.0	95.0	45.0	9.43
	Mar	50.0	30.3	-19.7	9.73
	Mar	100.0	189.6	89.6	10.03
	Apr	65.0	51.4	-13.6	9.97
	May	65.0	49.4	-15.6	9.84
	Jun	180.0	81.2	-98.8	9.87
	Jul	65.0	112.9	47.9	10.34
	Aug	65.0	75.5	10.5	10.24
	Sep	180.0	263.4	83.4	10.21
	Oct	180.0	299.0	119.0	10.84
	Nov	65.0	32.4	-32.6	11.25
	Dec	65.0	43.8	-21.2	11.44
GI33 (4.50%)	**2021**				
	Jan	15.0	24.0	9.0	7.27
	Feb	15.0	26.1	11.1	6.80
	Mar	15.0	43.1	28.1	6.79
	Apr	25.0	29.7	4.7	6.80
	May	25.0	56.6	31.6	5.82
	Jun	100.0	29.9	-70.1	6.91
	Jul	25.0	37.3	12.3	6.91
	Aug	25.0	15.8	-9.3	7.32
	Sep	100.0	125.2	25.2	7.92
	Oct	100.0	264.5	164.5	7.84
	Nov	25.0	118.8	93.8	7.82
	Dec	25.0	92.8	67.8	7.64
GC35 (9.50%)	**2021**				
	Jan	50.0	113.8	63.8	11.20
	Feb	50.0	76.2	26.2	10.78
	Mar	50.0	30.9	-19.2	10.87
	Mar	110.0	223.1	113.1	11.51
	Apr	65.0	83.1	18.1	11.31
	May	65.0	77.0	12.0	11.54
	Jun	120.0	77.4	-42.6	11.40
	Jul	65.0	196.7	131.7	11.71
	Aug	65.0	100.9	35.9	11.61
	Sep	120.0	148.1	28.1	11.32
	Oct	120.0	268.0	148.0	11.69
	Nov	65.0	62.0	-3.0	11.85
	Dec	65.0	54.9	-10.1	11.90
GI36 (4.8%)	**2021**				
	Jan	15.0	9.0	-6.0	6.82
	Feb	15.0	10.0	-5.0	7.35
	Mar	15.0	39.3	24.3	7.35
	Apr	25.0	27.2	2.2	7.35
	May	25.0	25.2	0.2	7.38
	Jun	100.0	42.6	-57.4	7.58
	Jul	25.0	66.8	41.8	7.61
	Aug	25.0	29.1	4.1	7.59
	Sep	100.0	119.5	19.5	7.71
	Oct	100.0	115.5	15.5	8.05
	Nov	25.0	68.6	43.6	8.01
	Dec	25.0	30.3	5.3	8.02
GC37 (9.50%)	**2021**				
	Jan	40.0	91.4	51.4	11.92
	Feb	40.0	80.7	40.7	11.37
	Mar	40.0	64.8	24.8	11.52
	Mar	110.0	199.1	89.1	12.07
	Apr	55.0	105.7	50.7	11.74
	May	55.0	122.8	67.8	11.65
	Jun	100.0	25.0	-75.0	11.71
	Jul	55.0	103.4	48.4	12.26
	Aug	55.0	17.7	-37.3	12.22
	Sep	100.0	123.0	23.0	12.03
	Oct	100.0	170.7	70.7	12.51
	Nov	55.0	26.9	-28.1	12.70
	Dec	55.0	26.8	-28.3	12.97
GC40 (9.80%)	**2021**				
	Jan	40.0	119.1	79.1	12.58
	Feb	40.0	90.6	50.6	12.18
	Mar	40.0	102.7	62.7	12.51
	Mar	90.0	209.9	119.9	13.01
	Apr	55.0	48.8	-6.2	12.84
	May	55.0	72.0	17.0	13.02
	Jun	80.0	63.8	-16.2	12.67
	Jul	55.0	104.1	49.1	13.11
	Aug	55.0	26.2	-28.8	13.16
	Sep	80.0	113.9	33.9	12.85
	Oct	80.0	226.5	146.5	13.24
	Nov	55.0	165.3	110.3	13.29
	Dec	55.0	115.6	60.6	13.03
GC43 (10.0%)	**2021**				
	Jan	45.0	101.9	56.9	13.11
	Feb	45.0	84.2	39.2	12.54
	Mar	45.0	69.9	24.9	12.74
	Mar	90.0	188.9	98.9	13.14
	Apr	55.0	67.9	12.9	12.86
	May	55.0	129.8	74.8	12.81
	Jun	80.0	32.5	-47.5	12.84
	Jul	55.0	134.2	79.2	13.13
	Aug	55.0	32.5	-22.6	13.14
	Sep	80.0	209.0	129.0	13.02
	Oct	80.0	197.9	117.9	13.29
	Nov	55.0	66.3	11.3	13.17
	Dec	55.0	76.0	21.0	13.34
GC45 (9.85%)	**2021**				
	Jan	40.0	118.5	78.5	13.20
	Feb	40.0	149.4	109.4	12.73
	Mar	40.0	76.9	36.9	13.03
	Mar	80.0	237.8	157.8	13.23
	Apr	55.0	100.9	45.9	12.90
	May	55.0	95.2	40.2	13.08
	Jun	60.0	22.1	-37.9	13.09
	Jul	55.0	163.3	108.3	13.33
	Aug	55.0	55.4	0.4	13.30
	Sep	60.0	95.1	35.1	12.99
	Oct	60.0	149.7	89.7	13.33
	Nov	55.0	20.9	-34.1	13.51
	Dec	55.0	34.9	-20.1	13.57
GC48 (10.00%)	**2021**				
	Jun	100.0	62.0	-38.0	12.90
	Jul	50.0	128.4	78.4	12.90
	Aug	50.0	72.6	22.6	13.14
	Sep	60.0	156.5	96.5	13.03
	Oct	60.0	164.6	104.6	13.44
	Nov	50.0	71.1	21.1	13.29
	Dec	50.0	43.3	-6.7	13.66
GC50 (10.25%)	**2021**				
	Jan	45.0	102.6	57.6	13.41
	Feb	45.0	112.3	67.3	13.04
	Mar	45.0	166.4	121.4	13.23
	Mar	80.0	314.6	234.6	13.61
	Apr	50.0	159.0	109.0	13.28
	May	50.0	108.1	58.1	13.39
	Jun	60.0	67.5	7.5	12.99
	Jul	50.0	160.0	110.0	13.40
	Aug	50.0	125.0	75.0	13.25
	Sep	60.0	101.0	41.0	13.11
	Oct	60.0	207.5	147.5	13.49
	Nov	50.0	72.0	22.0	13.75
	Dec	50.0	132.2	82.2	13.62

Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ '000

Date issued	Date due	Coupon rate	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2021										
Jan	10/23	8.85	0	0	0	42,950	0	7,050	50,000	46,493,485
Jan	04/26	8.50	0	0	0	20,000	40,000	0	60,000	46,553,485
Jan	01/29	8.00	0	0	0	15,000	0	0	15,000	46,568,485
Jan	01/30	8.00	0	0	0	45,000	0	0	45,000	46,613,485
Jan	04/32	9.00	0	0	0	1,000	49,000	0	50,000	46,663,485
Jan	04/33	4.50	0	0	0	15,000	0	0	15,000	46,678,485
Jan	07/35	9.50	0	0	0	50,000	0	0	50,000	46,728,485
Jan	07/36	4.80	0	0	0	9,000	0	0	9,000	46,737,485
Jan	07/37	9.50	0	0	0	40,000	0	0	40,000	46,777,485
Jan	10/40	9.85	0	0	0	40,000	0	0	40,000	46,817,485
Jan	07/43	10.00	0	0	0	45,000	0	0	45,000	46,862,485
Jan	07/45	9.85	0	0	0	40,000	0	0	40,000	46,902,485
Jan	07/50	9.85	0	0	0	45,000	0	0	45,000	46,947,485
Feb	01/22	8.75							(731,470)	46,216,015
Feb	10/23	8.85	6,000	0	6,000	44,000	0	0	50,000	46,266,015
Feb	04/26	8.50	0	0	0	60,000	0	0	60,000	46,326,015
Feb*	04/26	8.50	174,880	48,950	223,830	108,630	0	0	332,460	46,658,475
Feb	01/29	8.00	15,000	0	15,000	0	0	0	15,000	46,673,475
Feb	01/30	8.00	5,000		5,000	40,000	0	0	45,000	46,718,475
Feb*	01/30	8.00	33,290	11,170	44,460	23,890	0	0	68,350	46,786,825
Feb	04/32	9.00	2,950	0	2,950	47,050	0	0	50,000	46,836,825
Feb*	04/32	9.00	16,150	0	16,150	19,400	0	0	35,550	46,872,375
Feb	04/33	4.50	10,000	0	10,000	5,000	0	0	15,000	46,887,375
Feb	07/35	9.50	0	0	0	50,000	0	0	50,000	46,937,375
Feb*	07/35	9.50	0	0	0	1,080	0	0	1,080	46,938,455
Feb	07/36	4.80	10,000	0	10,000	0	0	0	10,000	46,948,455
Feb	07/37	9.50	5,250	0	5,250	34,750	0	0	40,000	46,988,455
Feb*	07/37	9.50	0	0	0	37,840	0	0	37,840	47,026,295
Feb	10/40	9.85	0	0	0	40,000	0	0	40,000	47,066,295
Feb*	10/40	9.85	12,570	0	12,570	2,760	0	0	15,330	47,081,625
Feb	07/43	10.00	44,650	0	44,650	350	0	0	45,000	47,126,625
Feb*	07/43	10.00	6,590	0	6,590	103,720	0	0	110,310	47,236,935
Feb	07/45	9.85	0	0	0	40,000	0	0	40,000	47,276,935
Feb*	07/45	9.85	0	0	0	111,740	0	0	111,740	47,388,675
Feb	07/50	9.85	0	0	0	45,000	0	0	45,000	47,433,675
Feb*	07/50	9.85	6,690	0	6,690	106,920	0	0	113,610	47,547,285
Mar	10/23	8.85	38,640	0	38,640	11,360	0	0	50,000	47,597,285
Mar	10/23	8.85	89,670	0	89,670	10,330	0	0	100,000	47,697,285
Mar	04/26	8.50	33,730	0	33,730	26,270	0	0	60,000	47,757,285
Mar	04/26	8.50	24,050	0	24,050	158,800	0	7,150	190,000	47,947,285
Mar	01/29	8.00	0	0	0	15,000	0	0	15,000	47,962,285
Mar	01/30	8.00	44,340	0	44,340	0	0	660	45,000	48,007,285
Mar	01/30	8.00	65,950	0	65,950	54,050	0	0	120,000	48,127,285
Mar	04/32	9.00	4,500	0	4,500	15,800	0	0	20,300	48,147,585
Mar	04/32	9.00	20,070	0	20,070	89,930	0	0	110,000	48,257,585
Mar	04/33	4.50	0	0	0	15,000	0	0	15,000	48,272,585
Mar	07/35	9.50	2,750	0	2,750	28,100	0	0	30,850	48,303,435
Mar	07/35	9.50	15,420	0	15,420	134,580	0	0	150,000	48,453,435
Mar	07/36	4.80	500	0	500	14,500	0	0	15,000	48,468,435
Mar	07/37	9.50	4,520	0	4,520	35,480	0	0	40,000	48,508,435
Mar	07/37	9.50	5,800	0	5,800	154,200	0	0	160,000	48,668,435
Mar	10/40	9.85	15,590	0	15,590	24,410	0	0	40,000	48,708,435
Mar	10/40	9.85	2,530	0	2,530	167,470	0	0	170,000	48,878,435
Mar	07/43	10.00	45,000	0	45,000	0	0	0	45,000	48,923,435
Mar	07/43	10.00	7,080	0	7,080	142,920	0	0	150,000	49,073,435
Mar	07/45	9.85	0	0	0	40,000	0	0	40,000	49,113,435
Mar	07/45	9.85	69,450	0	69,450	10,550	0	0	80,000	49,193,435
Mar	07/50	9.85	20,620	0	20,620	24,260	0	120	45,000	49,238,435
Mar	07/50	9.85	71,190	0	71,190	98,810	0	0	170,000	49,408,435
Apr	10/23	8.85	70,000	0	70,000	60,000	0	0	130,000	49,538,435
Apr	04/26	8.50	30,000	0	30,000	59,300	0	30,700	120,000	49,658,435
Apr	01/29	8.00	0	0	0	25,000	0	0	25,000	49,683,435
Apr	01/30	8.00	60,750	0	60,750	3,250	0	6,000	70,000	49,753,435
Apr	04/32	9.00	7,000	0	7,000	4,400	0	0	11,400	49,764,835
Apr	04/33	4.50	0	0	0	19,700	0	0	19,700	49,784,535
Apr	07/35	9.50	11,540	0	11,540	41,550	0	0	53,090	49,837,625
Apr	07/36	4.80	1,200	0	1,200	23,800	0	0	25,000	49,862,625
Apr	07/37	9.50	2,940	0	2,940	52,070	0	0	55,010	49,917,635
Apr	10/40	9.85	5,000	0	5,000	43,800	0	0	48,800	49,966,435
Apr	07/43	10.00	5,000	0	5,000	50,000	0	0	55,000	50,021,435
Apr	07/45	9.85	15,000	0	15,000	50,000	0	0	65,000	50,086,435
Apr	07/50	9.85	10,760	0	10,760	81,040	0	200	92,000	50,178,435
May	10/23	8.85	0	0	0	59,900	0	10,100	70,000	50,248,435
May	04/26	8.50	5,000	0	5,000	64,500	0	10,500	80,000	50,328,435
May	01/29	4.80	80	0	80	34,920	0	0	35,000	50,363,435
May	01/30	8.00	11,640	0	11,640	28,840	29,520	0	70,000	50,433,435
May	04/32	9.00	6,760	0	6,760	32,600	0	0	39,360	50,472,795
May	04/33	4.50	0	0	0	20,000	0	0	20,000	50,492,795
May	07/35	9.50	0	0	0	65,000	0	0	65,000	50,557,795
May	07/36	4.80	0	0	0	25,000	0	0	25,000	50,582,795
May	07/37	9.50	5,000	0	5,000	50,000	0	0	55,000	50,637,795
May	10/40	9.85	0	0	0	51,000	0	0	51,000	50,688,795
May	07/43	10.00	0	0	0	55,000	0	0	55,000	50,743,795
May	07/45	9.85	0	0	0	55,000	0	0	55,000	50,798,795
May	07/50	10.25	0	0	0	50,000	0	0	50,000	50,848,795
Jun	01/22	8.75	0	0	0	0	0	0	(397,790)	50,451,005
Jun	10/23	8.85	20,000	153,530	173,530	66,470	0	0	240,000	50,691,005
Jun	10/24	10.50	70,000	70,000	140,000	3,600	0	0	143,600	50,834,605
Jun	10/25	8.50	80,000	0	80,000	0	0	0	80,000	50,914,605
Jun	04/26	8.50	10,000	140,000	150,000	99,900	0	100	250,000	51,164,605
Jun*	04/26	4.80	78,340	14,700	93,040	490	0	0	93,530	51,258,135
Jun	01/27	8.00	0	60,000	60,000	70,520	0	0	130,520	51,388,655
Jun*	01/27	8.00	22,140	0	22,140	77,860	0	0	100,000	51,488,655
Jun	01/29	4.80	31,330	0	31,330	12,000	0	0	43,330	51,531,985
Jun	01/30	8.00	7,200	125,260	132,460	67,540	0	0	200,000	51,731,985
Jun*	01/30	8.00	171,570	56,510	228,080	0	0	1,470	229,550	51,961,535
Jun	04/32	9.00	0	0	0	62,220	0	0	62,220	52,023,755
Jun*	04/32	9.00	50	0	50	0	0	10,870	10,920	52,034,675
Jun	04/33	4.50	13,800	0	13,800	16,120	0	0	29,920	52,064,595
Jun	07/35	9.50	12,600	0	12,600	64,800	0	0	77,400	52,141,995
Jun	07/36	4.80	30,590	0	30,590	5,000	0	0	35,590	52,177,585
Jun	07/37	9.50	1,000	0	1,000	2,000	0	0	3,000	52,180,585
Jun*	07/37	9.50	0	0	0	12,480	0	0	12,480	52,193,065
Jun	10/40	9.85	21,820	0	21,820	30,000	0	0	51,820	52,244,885
Jun*	10/40	9.85	0	0	0	48,250	0	0	48,250	52,293,135
Jun	07/43	10.00	7,170	0	7,170	13,290	0	0	20,460	52,313,595
Jun	07/45	9.85	5,000	0	5,000	12,100	0	0	17,100	52,330,695
Jun*	07/45	9.85	6,860	0	6,860	37,210	0	0	44,070	52,374,765
Jun	10/48	10.00	0	0	0	50,000	0	0	50,000	52,424,765
Jun*	10/48	10.00	0	0	0	12,930	0	0	12,930	52,437,695
Jun	07/50	10.25	12,660	0	12,660	37,240	0	100	50,000	52,487,695
Jul	10/23	8.85	0	0	0	149,430	0	570	150,000	52,637,695
Jul	04/26	8.50	10,260	0	10,260	69,740	0	0	80,000	52,717,695
Jul	01/27	8.00	15,680	0	15,680	9,320	0	0	25,000	52,742,695
Jul	01/29	4.80	0	0	0	25,000	0	0	25,000	52,767,695
Jul	01/30	8.00	25,000	0	25,000	124,850	0	150	150,000	52,917,695

Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ ‘000 (cont...)

Jul	04/32	9.00	2,070	0	2,070	62,930	0	0	65,000	52,982,695
Jul	04/33	4.50	340	0	340	24,660	0	0	25,000	53,007,695
Jul	07/35	9.50	0	0	0	130,000	0	0	130,000	53,137,695
Jul	07/36	4.80	20,400	0	20,400	4,600	0	0	25,000	53,162,695
Aug	07/37	9.50	0	0	0	55,000	0	0	55,000	53,217,695
Jul	10/40	9.85	0	0	0	90,000	0	0	90,000	53,307,695
Jul	07/43	10.00	14,180	0	14,180	90,730	0	90	105,000	53,412,695
Jul	07/45	9.85	0	0	0	55,000	0	0	55,000	53,467,695
Jul	10/48	10.00	0	0	0	100,000	0	0	100,000	53,567,695
Jul	07/50	10.25	7,460	0	7,460	121,540	0	1,000	130,000	53,697,695
Aug	10/23	8.85	46,930	15,000	61,930	7,820	0	250	70,000	53,767,695
Aug	04/26	8.50	61,110	0	61,110	15,650	0	3,000	79,760	53,847,455
Aug	01/27	8.00	10,790	0	10,790	11,210	0	3,000	25,000	53,872,455
Aug	01/29	4.80	3,750	0	3,750	21,250	0	0	25,000	53,897,455
Aug	01/30	8.00	51,500	0	51,500	11,000	0	7,500	70,000	53,967,455
Aug	04/32	9.00	56,330	0	56,330	8,670	0	2,500	67,500	54,034,955
Aug	04/33	4.50	750	0	750	15,000	0	0	15,750	54,050,705
Aug	07/35	9.50	0	38,530	38,530	26,470	0	0	65,000	54,115,705
Aug	07/36	4.80	0	6,740	6,740	0	0	18,260	25,000	54,140,705
Aug	07/37	9.50	0	10,480	10,480	6,000	0	1,200	17,680	54,158,385
Aug	10/40	9.85	0	1,000	1,000	20,200	0	0	21,200	54,179,585
Aug	07/43	10.00	0	18,560	18,560	13,890	0	0	32,450	54,212,035
Aug	07/45	9.85	0	23,760	23,760	31,240	0	0	55,000	54,267,035
Aug	10/48	10.00	0	9,000	9,000	41,000	0	0	50,000	54,317,035
Aug	07/50	10.25	0	0	0	50,000	0	0	50,000	54,367,035
Sep	01/22	8.75	0	0	0	0	0	0	(189,800)	54,177,235
Sep	10/23	8.85	0	0	0	240,000	0	0	240,000	54,417,235
Sep	10/24	10.50	0	0	0	58,900	0	11,100	70,000	54,487,235
Sep	10/25	8.50	0	0	0	80	0	0	80,000	54,567,235
Sep	04/26	8.50	0	0	0	250,000	0	0	250,000	54,817,235
Sep*	04/26	4.80	17,180	0	17,180	18,440	0	0	35,620	54,852,855
Sep	01/27	8.00	0	0	0	50,000	0	0	50,000	54,902,855
Sep*	01/27	8.00	0	0	0	100,000	0	0	100,000	55,002,855
Sep	01/29	4.80	0	0	0	100,000	0	0	100,000	55,102,855
Sep	01/30	8.00	0	0	0	200	0	0	200,000	55,302,855
Sep*	01/30	8.00	35,760	0	35,760	370	0	0	36,130	55,338,985
Sep	04/32	9.00	0	0	0	180,000	0	0	180,000	55,518,985
Sep*	04/32	9.00	0	0	0	0	68,430	0	68,430	55,587,415
Sep	04/33	4.50	0	0	0	100,000	0	0	100,000	55,687,415
Sep	07/35	9.50	0	0	0	120,000	0	0	120,000	55,807,415
Sep	07/35	9.50	0	0	0	23,480	0	0	23,480	55,830,895
Sep	07/36	4.80	0	0	0	4,000	0	0	4,000	55,834,895
Sep	07/37	9.50	0	0	0	100,000	0	0	100,000	55,934,895
Sep*	07/37	9.50	0	0	0	80,000	0	0	80,000	56,014,895
Sep	10/40	9.85	0	0	0	27,310	0	0	27,310	56,042,205
Sep*	10/40	9.85	0	0	0	80,000	0	0	80,000	56,122,205
Sep	07/43	10.00	0	0	0	60,000	0	0	60,000	56,182,205
Sep	07/45	9.85	0	0	0	740	0	0	740	56,182,945
Sep*	07/45	9.85	0	0	0	60,000	0	0	60,000	56,242,945
Sep	10/48	10.00	0	0	0	23,340	0	0	23,340	56,266,285
Sep*	10/48	10.00	0	0	0	60,000	0	0	60,000	56,326,285
Sep	07/50	10.25	0	0	0	6,550	0	0	6,550	56,332,835
Oct	10/21	8.75	0	0	0	0	0	0	(168,535)	56,164,300
Oct	01/22	8.75	0	0	0	0	0	0	(330,000)	55,834,300
Oct	10/23	8.85	0	0	0	239,800	0	200	240,000	56,074,300
Oct	10/24	10.50	6,070	0	6,070	39,100	0	24,830	70,000	56,144,300
Oct	10/25	8.50	0	0	0	80,000	0	0	80,000	56,224,300
Oct	04/26	8.50	5,000	0	5,000	341,030	0	3,970	350,000	56,574,300
Oct	01/27	8.00	15,730	0	15,730	64,220	0	50	80,000	56,654,300
Oct	01/27	8.00	0	0	0	175,860	0	0	175,860	56,830,160
Oct*	01/27	8.00	44,280	0	44,280	47,570	0	8,150	100,000	56,930,160
Oct	01/29	4.80	1,840	0	1,840	98,160	0	0	100,000	57,030,160
Oct	01/29	4.80	0	0	0	61,680	0	0	61,680	57,091,840
Oct	01/30	8.00	85,330	0	85,330	164,670	0	0	250,000	57,341,840
Oct	04/32	9.00	22,780	0	22,780	156,770	0	450	180,000	57,521,840
Oct	04/33	4.50	44,790	0	44,790	155,210	0	0	200,000	57,721,840
Oct	04/33	4.50	0	0	0	110,010	0	0	110,010	57,831,850
Oct	07/35	9.50	20,160	0	20,160	99,840	0	0	120,000	57,951,850
Oct	07/36	4.80	8,480	0	8,480	91,520	0	0	100,000	58,051,850
Oct	07/36	4.80	0	0	0	134,420	0	0	134,420	58,186,270
Oct	07/37	9.50	8,600	0	8,600	91,400	0	0	100,000	58,286,270
Oct	10/40	9.85	0	0	0	80,000	0	0	80,000	58,366,270
Oct	07/43	10.00	47,490	0	47,490	32,510	0	0	80,000	58,446,270
Oct	07/45	9.85	2,900	0	2,900	57,100	0	0	60,000	58,506,270
Oct	10/48	10.00	6,500	0	6,500	53,500	0	0	60,000	58,566,270
Oct	07/50	10.25	0	0	0	0	60,000	0	60,000	58,626,270
Nov	01/22	8.75	0	0	0	0	0	0	(104,890)	58,521,380
Nov	10/23	8.85	44,720	0	44,720	73,000	0	0	117,720	58,639,100
Nov	04/26	8.50	0	0	0	82,360	0	4,340	86,700	58,725,800
Nov*	04/26	4.80	0	0	0	48,640	0	0	48,640	58,774,440
Nov	01/27	8.00	0	0	0	16,900	0	8,100	25,000	58,799,440
Nov	01/29	4.80	3,440	0	3,440	21,560	0	0	25,000	58,824,440
Nov	01/30	8.00	18,780	0	18,780	51,120	0	100	70,000	58,894,440
Nov	04/32	9.00	7,080	0	7,080	24,660	0	650	32,390	58,926,830
Nov	04/33	4.50	220	0	220	24,780	0	0	25,000	58,951,830
Nov	07/35	9.50	14,860	0	14,860	24,150	0	0	39,010	58,990,840
Nov	07/35	9.50	0	0	0	11,760	0	0	11,760	59,002,600
Nov	07/36	4.80	14,750	0	14,750	10,250	0	0	25,000	59,027,600
Nov	07/37	9.50	4,720	0	4,720	22,000	0	150	26,870	59,054,470
Nov	10/40	9.85	18,200	0	18,200	36,800	0	0	55,000	59,109,470
Nov	07/43	10.00	10,850	0	10,850	44,150	0	0	55,000	59,164,470
Nov	07/43	10.00	0	0	0	1,290	0	0	1,290	59,165,760
Nov	07/45	9.85	13,730	0	13,730	7,200	0	0	20,930	59,186,690
Nov*	07/45	9.85	8,750	0	8,750	0	0	0	8,750	59,195,440
Nov	10/48	10.00	0	0	0	50,000	0	0	50,000	59,245,440
Nov	07/50	10.25	15,000	0	15,000	17,000	0	0	32,000	59,277,440
Nov	07/50	10.25	0	0	0	55,550	0	0	55,550	59,332,990
Dec	10/23	8.85	27,720	0	27,720	42,280	0	0	70,000	59,402,990
Dec	04/26	8.50	57,090	0	57,090	14,810	0	8,100	80,000	59,482,990
Dec	01/27	8.00	0	0	0	29,000	0	6,000	35,000	59,517,990
Dec	01/29	4.80	470	0	470	10,850	0	0	11,320	59,529,310
Dec	01/30	8.00	63,520	0	63,520	6,270	0	210	70,000	59,599,310
Dec	04/32	9.00	13,890	0	13,890	29,020	0	900	43,810	59,643,120
Dec	04/33	4.50	220	0	220	24,780	0	0	25,000	59,668,120
Dec	07/35	9.50	15,870	0	15,870	32,650	0	1,350	49,870	59,717,990
Dec	07/36	4.80	0	0	0	25,000	0	0	25,000	59,742,990
Dec	07/37	9.50	0	0	0	23,050	0	700	23,750	59,766,740
Dec	10/40	9.85	85,000	0	85,000	14,450	0	550	100,000	59,866,740
Dec	07/43	10.00	0	0	0	26,400	0	28,600	55,000	59,921,740
Dec	07/45	9.85	0	0	0	34,780	0	120	34,900	59,956,640
Dec	10/48	10.00	0	0	0	120	0	42,000	42,120	59,998,760
Dec	07/50	10.25	23,830	0	23,830	54,130	0	2,170	80,130	60,078,890

*Switch auctions

Table III.3 Government Foreign Debt by Type and Currency (N$ million)

End of period	2017	2018	2019	2020	2021
Multilateral	**5,163.6**	**8,198.0**	**7,582.7**	**9,941.9**	**15,738.2**
Euro	1,065.8	1,116.9	739.7	774.3	713.2
US Dollar	174.6	191.1	166.9	166.4	175.8
Pound	0.0	0.0	0.0	0.0	0.0
Rand	3,234.2	6,205.2	6,253.3	8,675.0	10,605.5
Franc	35.0	39.6	37.3	42.0	42.0
Dinar	55.6	57.1	48.6	50.7	47.5
SDR	0.0	0.0	0.0	0.0	4,123.2
Yen	598.4	588.1	336.9	233.4	31.1
Billateral	**2,879.0**	**3,027.0**	**2,722.7**	**2,803.9**	**2,792.3**
Euro	832.6	852.7	746.5	766.4	685.7
Yuan	2,046.5	2,174.4	1,976.2	2,037.6	2,106.6
Eurobonds	**15,491.3**	**18,038.6**	**17,654.3**	**18,277.2**	**11,929.8**
US Dollar	15,491.3	18,038.6	17,654.3	18,277.2	11,929.8
JSE listed bonds	**2,892.0**	**2,892.0**	**2,892.0**	**2,042.0**	**2,042.0**
ZAR	2,892.0	2,892.0	2,892.0	2,042.0	2,042.0
Foreign debt stock	**26,425.9**	**32,155.6**	**30,851.7**	**33,065.0**	**32,502.4**
Euro	1,898.4	1,969.6	1,486.2	1,540.6	1,398.9
US Dollar	15,665.8	18,229.6	17,821.2	18,443.6	12,105.6
Pound	0.0	0.0	0.0	0.0	0.0
Rand	6,126.2	9,097.2	9,145.3	10,717.0	12,647.5
Franc	35.0	39.6	37.3	42.0	42.0
Dinar	55.6	57.1	48.6	50.7	47.5
SDR	0.0	0.0	0.0	0.0	4123.2
Yen	598.4	588.1	336.9	233.4	31.1
RMB	2046.5	2174.4	1976.2	2037.6	2106.6
Exchange Rates (End of period) - Namibia Dollar per foreign currency					
Euro	14.806	16.492	15.825	17.972	17.992
US Dollar	12.393	14.431	14.123	14.622	15.906
Pound	16.679	18.309	18.522	19.914	21.739
Rand	1.000	1.000	1.000	1.000	1.000
Franc	12.674	14.652	14.599	16.584	17.575
Dinar	41.020	47.408	46.094	48.145	50.519
SDR	17.606	20.080	19.531	21.053	21.739
Yen	0.110	0.131	0.130	0.142	0.138
RMB	1.901	2.098	2.025	2.239	2.496

Source: BoN and MoF

Table III.4 (a) Government Domestic Loan Guarantees by Sector (N$ million)

	2017	2018	2019	2020	2021
Sectoral allocation					
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0
Tourism	91.1	91.3	84.3	86.3	105.2
Agriculture	623.2	484.0	356.0	327.7	653.0
Finance	0.0	234.8	498.6	0.0	150.0
Transport	0.0	0.0	395.1	354.0	1.1
Communication	0.0	0.0	0.0	0.0	0.0
Fisheries	65.2	66.3	63.9	61.9	61.1
Education	294.5	202.5	0.0	0.0	0.0
Energy	671.0	671.6	672.6	742.5	671.0
Total domestic loan guarantees	**1,744.9**	**1,750.4**	**2,070.5**	**1,572.5**	**1,641.3**
Proportion of domestic guarantees by sector					
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0
Tourism	5.2	4.3	4.1	5.5	6.4
Agriculture	35.7	32.6	17.2	20.8	39.8
Finance	0.0	24.7	24.1	0.0	9.1
Transport	0.0	0.9	19.1	22.5	0.1
Communication	0.0	0.0	0.0	0.0	0.0
Fisheries	3.7	2.3	3.1	3.9	3.7
Education	16.9	0.0	0.0	0.0	0.0
Energy	38.5	35.2	32.5	47.2	40.9
Total domestic loan guarantees	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

Table III.4 (b) Government Foreign Loan Guarantees by Sector and Currency (N$ million)

Sectoral allocation	2017	2018	2019	2020	2021
Energy	**168.8**	**86.1**	**54.6**	**29.8**	**-**
NAD and ZAR	168.8	86.1	54.6	29.8	-
USD	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0
Transport	**4,434.0**	**4,351.5**	**4,189.6**	**3,897.0**	**2,561.7**
NAD and ZAR	2,196.3	2,196.3	2,790.3	2,842.0	2,561.7
USD	2,237.6	2,155.2	1,399.4	1,055.1	-
Communication	**44.8**	**49.9**	**47.9**	**379.4**	**379.3**
NAD and ZAR	0.0	0.0	0.0	325.0	325.0
USD	0.0	0.0	0.0	0.0	0.0
EUR	44.8	49.9	47.9	54.4	54.3
Finance	**3,947.4**	**4,641.2**	**4,944.9**	**4,997.2**	**5,838.9**
NAD and ZAR	3,947.4	4,641.2	4,944.9	4,997.2	5,838.9
Total foreign loan guarantees	**8,594.9**	**9,128.7**	**9,237.0**	**9,303.4**	**8,779.9**
Proportion of foreign loan guarantees by sector					
Energy	**2.0**	**0.9**	**0.6**	**0.3**	**0.0**
NAD and ZAR	2.0	0.9	0.6	0.3	0.0
USD	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0
Transport	**51.6**	**47.7**	**45.4**	**41.9**	**29.2**
NAD and ZAR	25.6	24.1	30.2	30.5	29.2
USD	26.0	23.6	15.1	11.3	0.0
Communication	**0.5**	**0.5**	**0.5**	**4.1**	**4.3**
NAD and ZAR	0.0	0.0	0.0	3.5	3.7
USD	0.0	0.0	0.0	0.0	0.0
EUR	0.5	0.5	0.5	0.6	0.6
Finance	**45.9**	**50.8**	**53.5**	**53.7**	**66.5**
NAD and ZAR	45.9	50.8	53.5	53.7	66.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign loan guarantees per currency					
NAD and ZAR	6,312.5	6,923.6	7,789.7	8,194.0	8,725.7
USD	2,237.6	2,155.2	1,399.4	1,055.1	-
EUR	44.8	49.9	47.9	54.4	54.3
Total foreign loan guarantees	**8,594.9**	**9,128.7**	**9,237.0**	**9,303.4**	**8,779.9**
Currency composition of foreign loan guarantees					
NAD and ZAR	73.4	75.8	84.3	88.1	99.4
USD	26.0	23.6	15.1	11.3	0.0
EUR	0.5	0.5	0.6	0.6	0.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

Table IV.A1 Balance of Payments aggregates [1] (N$ million)

	2017	2018	2019 (p)	2020 (p)	2021 (p)
CURRENT ACCOUNT	**-7,600**	**-6,200**	**-3,151**	**4,893**	**-16,503**
GOODS AND SERVICES	**-22,436**	**-18,149**	**-17,639**	**-16,780**	**-30,968**
Total credit	59,714	65,702	66,156	58,393	58,560
Total debit	82,149	83,851	83,795	75,172	89,528
Goods	**-24,115**	**-20,447**	**-18,823**	**-15,734**	**-28,399**
Export (fob) [2]	**49,865**	**55,575**	**56,063**	**51,704**	**52,453**
Diamonds	9,744	11,014	9,364	7,068	8,366
Other mineral products	11,209	14,784	16,421	19,807	19,095
Food and live animals	3,858	3,774	3,382	2,583	2,964
Manufactured products	21,886	22,931	23,741	19,475	18,957
of which Processed fish	9,234	10,055	10,154	10,001	10,578
Other commodities	1,524	1,679	1,911	1,867	2,254
Re-exports	1,645	1,394	1,243	904	817
Imports (fob) [2]	**73,980**	**76,023**	**74,886**	**67,438**	**80,852**
Consumer goods	20,748	20,671	21,570	21,197	23,503
Mineral fuels, oils and products of their distillation	8,894	11,961	12,747	9,290	12,310
Vehicles, aircraft, vessels	8,746	8,726	8,371	7,690	9,041
Machinery, mechanical, electrical appliances	11,455	11,903	10,378	10,060	11,690
Base metals and articles of base Metal	4,614	4,600	4,412	4,114	5,396
Products of the chemical industries	7,018	7,514	6,976	7,488	8,686
Other imports	12,507	10,649	10,432	7,599	10,224
Services	**1,679**	**2,298**	**1,185**	**-1,046**	**-2,569**
Total credit	9,848	10,126	10,093	6,688	6,108
Total debit	8,169	7,828	8,908	7,734	8,676
Manufacturing services (net)	1,769	1,824	1,731	2,117	1,477
Maintenance and repair services (net)	63	-56	67	129	316
Transportation (net)	-262	-467	-385	-994	-1,907
Travel (net)	3,347	4,325	3,502	733	1,152
Insurance and pension (net)	-222	-199	-289	-186	-247
Other private services* (net)	-2,988	-2,912	-3,210	-2,661	-3,180
Government services, n.i.e. (net)	-28	-217	-232	-184	-180
PRIMARY INCOME	**-4,295**	**-6,687**	**-4,447**	**-710**	**-2,952**
Compensation of employees (net)	-117	-10	-5	-83	-135
Investment income (net)	-4,075	-6,562	-4,330	-522	-2,815
Other primary income (net)	-102	-115	-111	-104	-2
	0	0	0	0	0
SECONDARY INCOME	**19,131**	**18,636**	**18,934**	**22,382**	**17,417**
General government (net)	18,349	17,963	18,664	21,635	16,606
Current taxes on income, wealth etc.	224	205	320	110	313
Current international cooperation (Include: SACU)	18,126	17,758	18,344	21,525	16,293
of which SACU receipts	18,216	17,931	18,535	21,419	16,626
of which SACU pool payments	1,257	1,381	1,485	1,127	1,583
Financial corporations, non-financial corporations, households and NPISHs (net)	782	673	270	747	811
Personal transfers	-154	-51	-436	-559	-491
Other current transfers	935	724	705	1,306	1,302
CAPITAL ACCOUNT	**2,428**	**1,732**	**1,518**	**1,658**	**1,449**
Gross acuisitions/ disposals of non-produced nonfinancial assets (net)	7	5	28	3	2
Capital transfers (net)	2,422	1,727	1,490	1,655	1,447
Net lending to (+)/borrowing from (-) rest of world	**-5,172**	**-4,469**	**-1,633**	**6,550**	**-15,053**

[1] Data for the previous three years are provisional and subject to revision.
[2] Published merchandise trade data from NSA adjusted for BOP purposes.

Table IV.A2 Balance of Payments aggregates (N$ million) [1]

FINANCIAL ACCOUNT [inflow (-)/ Outflow (+)]	2017 -3,919	2018 -3,644	2019(p) -214	2020(p) 4,686	2021(p) -13,778
NET DIRECT INVESTMENT [inflow (-)/ Outflow (+)]	**-4,601**	**-1,457**	**2,717**	**3,418**	**-5,825**
Net acquisition of financial assets [2]	**-874**	**1,303**	**132**	**851**	**258**
Equity and investment fund shares	-357	724	-48	265	142
Equity other than reinvestment of earnings	-469	762	3	237	-115
Reinvestment of earnings	112	-38	-51	28	49
Debt instruments	-517	579	180	586	324
Net incurrence of financial liabilities [3]	**3,727**	**2,760**	**-2,585**	**-2,567**	**6,083**
Equity and investment fund shares	1,146	1,393	-735	-1,644	1,247
Equity other than reinvestment of earnings	709	-1,675	-25	-43	614
Reinvestment of earnings	436	3,068	-710	-1,600	633
Debt instruments	2,581	1,367	-1,850	-923	4,836
NET PORTFOLIO INVESTMENT [inflow (-)/ Outflow (+)]	**6,168**	**3,041**	**1,810**	**-954**	**-6,278**
Net acquisition of financial liabilities [2]	**5,547**	**2,787**	**1,697**	**-2,535**	**-14,052**
Equity and investment fund shares	4,060	1,692	903	-1,804	-7,829
Debt securities	1,488	1,095	794	-731	-6,223
Net incurrence of financial liabilities [3]	**-621**	**-255**	**-113**	**-1,581**	**-7,774**
Equity and investment fund shares	28	29	139	46	41
Debt securities	-649	-283	-252	-1,628	-7,815
Net FINANCIAL DERIVATIVES & EMPLOYEE STOCK OPTION [inflow (-)/ Outflow (+)]	**3**	**133**	**140**	**141**	**-344**
Net acquisition of financial assets [2]	**-5**	**343**	**-21**	**254**	**-531**
Net incurrence of financial liabilities [3]	**-7**	**209**	**-162**	**113**	**-187**
NET OTHER INVESTMENT [inflow (-)/ Outflow (+)]	**-10,454**	**-6,383**	**-1,713**	**1,560**	**-11,488**
Net acquisition of financial assets [2]	**871**	**1,712**	**-3,670**	**3,536**	**-774**
Other Equity	-	-	-	-	-
Currency and Deposits	132	-698	-3,759	3,531	-810
Loans	498	1,758	281	277	570
Insurance, pension,standardised guarantees	-	-	-	-	-
Trade Credits and Advances	358	371	(59)	138	45
Other Accounts Receivable	-117	281	-134	-410	-579
Net incurrence of liabilities[3]	**11,325**	**8,095**	**-1,957**	**1,976**	**10,714**
Other equity	-	-	-	-	-
Currency and deposits	1,209	1,170	240	80	-672
Loans	9,040	4,403	-807	1,771	7,597
Insurance, pension,standardised guarantees	-	-	-	-	-
Trade Credits and Advances	1,235	1,831	-850	145	-241
Other Accounts Payable	-159	690	-541	-19	92
Special Drawing Rights	-	-	-	-	3,938
RESERVE ASSETS (Increase (+)/decrease (-))	**4,965**	**1,020**	**-3,169**	**521**	**10,158**
NET ERRORS AND OMISSIONS	**1,253**	**824**	**1,419**	**-1,864**	**1,275**

[1] Data for the previous three years are provisional and subject to revision
[2] A net acquisition of assets (outflow of capital) is indicated by a positive (+) sign. A net disposal of assests (inflow of capital) is indicated by a negative (-) sign.
[3] A net incurrence of liabilities (inflow of capital) is indicated by a positive (+) sign. A net disposal of liabilities (outflow of capital) is indicated by a negative (-) sign.

Table IV.B Supplementary table: Balance of Payments - services (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
SERVICES, NET	**1,679**	**2,298**	**1,185**	**-1,046**	**-2,569**
Credit	**9,848**	**10,126**	**10,093**	**6,688**	**6,108**
Manufacturing services	1,775	1,829	1,737	2,125	1,484
Maintenance & repair services	348	395	497	417	470
Transport services	1,540	1,530	1,573	677	129
Passenger	1,432	1,428	1,476	599	95
Other	109	102	98	79	34
Travel Services	4,540	5,066	5,052	1,885	2,025
Business	84	110	334	292	365
Personal	4,456	4,956	4,719	1,593	1,661
Construction services	56	124	131	362	832
Insurance and pension services	0	0	0	0	0
Financial services	363	388	345	279	118
Charges for the use of intellectual property	4	18	8	35	31
Telecommunications, computer & information	495	237	209	183	283
Other business services	95	70	69	36	21
Personal, cultural & recreational services	53	67	25	25	68
Government services, n.i.e.	580	402	446	665	646
Debit	**8,169**	**7,828**	**8,908**	**7,734**	**8,676**
Manufacturing services	6	5	6	7	7
Maintenance & repair services	284	451	430	288	154
Transport services	1,803	1,996	1,958	1,671	2,036
Passenger	28	176	165	81	122
Other	1,775	1,820	1,793	1,590	1,914
Travel services	1,193	741	1,550	1,152	873
Business	188	170	376	209	202
Personal	1,005	571	1,174	942	671
Construction services	867	880	268	106	123
Insurance and pension services	222	199	289	186	247
Financial services	116	92	55	62	14
Charges for the use of intellectual property	32	18	37	15	12
Telecommunications, computer & information	626	658	564	990	1,315
Other business services	2,439	2,165	3,067	2,293	3,057
Personal, cultural & recreational services	5	3	5	115	13
Government services, n.i.e.	608	619	678	849	826

Table IV.C Supplementary table: Balance of Payments - primary income (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
PRIMARY INCOME, NET	**-4,295**	**-6,687**	**-4,447**	**-710**	**-2,952**
Credit	3,827	4,535	4,457	3,999	5,089
Debit	8,122	11,222	8,904	4,709	8,041
Compensation of employees, net	**-117**	**-10**	**-5**	**-83**	**-135**
Credit	365	402	401	328	384
Debit	482	412	406	411	519
Investment income, net	**-4,075**	**-6,562**	**-4,330**	**-522**	**-2,815**
Credit	**3,462**	**4,133**	**4,057**	**3,672**	**4,705**
Direct investment	120	-24	-19	35	57
Dividends	6	6	6	6	6
Reinvested earnngs	112	-38	-51	28	49
Interest	2	8	26	1	2
Portfolio investment	2,452	2,947	2,867	2,869	3,925
Dividends	1,656	2,038	1,908	1,481	2,209
Interest	796	909	959	1,388	1,715
Other investment	262	436	376	221	214
Reserve assets	629	774	834	547	509
Debit	**7,537**	**10,694**	**8,387**	**4,194**	**7,520**
Direct investment	4,020	6,842	4,452	988	4,521
Dividends	2,275	2,093	3,239	1,141	3,170
Reinvested earnngs	436	3,068	-710	-1,600	633
Interest	1,308	1,681	1,922	1,448	717
Portfolio investment	2,310	2,345	2,359	2,198	1,910
Dividends	11	11	11	11	11
Interest	2,299	2,334	2,348	2,187	1,899
Other investment	1,208	1,508	1,576	1,008	1,089
Other primary income, net	**-102**	**-115**	**-111**	**-104**	**-2**
Credit	0	0	0	0	0
Debit	102	115	111	104	2

Table IV.D Supplementary table: Balance of Payments - secondary income (N$ million)

	2017	2018	2019(p)	2020(p)	2021 (p)
Secondary income, net	**19,131**	**18,636**	**18,934**	**22,382**	**17,417**
Credit	**20,997**	**20,566**	**21,688**	**25,019**	**19,998**
General government	19,714	19,437	20,238	22,902	18,282
Current taxes on income, wealth etc.	228	209	324	114	317
Social contributions	-	-	-	-	-
Social benefits	-	-	-	-	-
Current international cooperation (include:SACU)	19,486	19,228	19,914	22,848	17,965
of which receipts from SACU	18,216	17,931	18,535	21,419	16,626
Financial corporations, nonfinancial corporations, households, and NPISHs	1,283.3	1,129.0	1,450.8	2,117.0	1,715.6
Personal transfers (current transfers between resident and nonresident households)	277	306	550	728	303
Other current transfers	1,006.5	823.0	900.7	1,389.0	1,412.9
Debit	**1,867**	**1,931**	**2,755**	**2,697**	**2,581**
General government	1,365	1,474	1,573	1,327	1,677
Current taxes on income, wealth etc.	4.0	4.0	4.0	4.0	4.0
Social contributions	-	-	-	-	-
Social benefits	-	-	-	-	-
Current international cooperation (include:SACU)	1,361	1,470	1,569	1,323	1,673
of which SACU pool payments	1,257	1,381	1,485	1,127	1,583
Financial corporations, nonfinancial corporation, households and NPISHs	502	456	1,181	1,370	904
Personal transfers (current transfers between resident and nonresident households)	430	357	986	1,287	794
Other current transfers	71	99	196	83	110

Table IV.E Supplementary table: Balance of Payments - capital account (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
Capital account balance	**2,428**	**1,732**	**1,518**	**1,658**	**1,449**
Credit	**2,489**	**1,913**	**1,692**	**1,680**	**1,494**
Gross disposals of nonproduced nonfinancial assets	**7**	**5**	**28**	**3**	**2**
Capital transfers	**2,482**	**1,908**	**1,664**	**1,677**	**1,492**
General government	1,541	1,532	1,584	1,663	1,477
Debt forgiveness	-	-	-	-	-
Other capital transfers	1,541	1,532	1,584	1,663	1,477
Financial corporations, nonfinancial corporations, households, and NPISHs	941	377	80	15	15
Debt forgiveness	477	-	-	-	-
Other capital transfers	464	377	80	15	15
Debit	**60**	**182**	**174**	**23**	**45**
Gross acquisitions of nonproduced nonfinancial assets	**0**	**0**	**-**	**-**	**-**
Capital transfers	**60**	**182**	**174**	**23**	**45**
General government	17	26	73	12	43
Debt forgiveness	-	-	-	-	-
Other capital transfers	17	26	73	12	43
Financial corporations, nonfinancial corporations, households, and NPISHs	43	155	101	10	2
Debt forgiveness	-	-	-	-	-
Other capital transfers	43	155	101	10	2

Table IV.F Supplementary table: Balance of Payments - direct investment (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
DIRECT INVESTMENT, NET	**-4,601**	**-1,457**	**2,717**	**3,418**	**-5,825**
Net acquisition of financial assets	**-874**	**1,303**	**132**	**851**	**258**
Equity and investment fund shares	**-357**	**724**	**-48**	**265**	**-66**
Equity other than reinvestment of earnings	-469	762	3	237	-115
Direct investor in Direct investment enterprise	-469	762	3	237	-115
Direct investment enterprise in direct investor (reverse investment)	0	0	0	0	0
Between fellow enterprises	0	0	0	0	0
Reinvestment of earnings	**112**	**-38**	**-51**	**28**	**49**
Debt instruments	**-517**	**579**	**180**	**586**	**324**
Short-term	**-190**	**443**	**197**	**811**	**324**
Direct investor in Direct investment enterprise	-192	423	201	811	324
Direct investment enterprise in direct investor (reverse investment)	0	0	10	0	0
Between fellow enterprises	2	20	-14	0	0
Long-term	**-327**	**136**	**-17**	**-225**	**0**
Direct investor in Direct investment enterprise	-327	1	0	2	0
Direct investment enterprise in direct investor (reverse investment)	0	105	0	0	0
Between fellow enterprises	0	29	-17	-226	0
Net incurrence of liabilities	**3,727**	**2,760**	**-2,585**	**-2,567**	**6,083**
Equity and investment fund shares	**1,146**	**1,393**	**-735**	**-1,644**	**1,247**
Equity other than reinvestment of earnings	709	-1,675	-25	-43	614
Direct investor in Direct investment enterprise	710	-1,673	-25	-43	614
Direct investment enterprise in direct investor (reverse investment)	0	0	0	0	0
Between fellow enterprises	0	-2	0	0	0
Reinvestment of earnings	**436**	**3,068**	**-710**	**-1,600**	**633**
Debt instruments	**2,581**	**1,367**	**-1,850**	**-923**	**4,836**
Short-term	**270**	**603**	**-89**	**613**	**280**
Direct investor in Direct investment enterprise	314	562	-67	637	278
Direct investment enterprise in direct investor (reverse investment)	0	0	0	0	0
Between fellow enterprises	-43	42	-22	-24	2
Long-term	**2,311**	**764**	**-1,762**	**-1,535**	**4,556**
Direct investor in Direct investment enterprise	327	1,002	-278	955	-14
Direct investment enterprise in direct investor (reverse investment)	0	-48	-7	-8	0
Between fellow enterprises	1,984	-190	-1,476	-2,482	4,569

Table IV.G Supplementary table: Balance of Payments - portfolio investment (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
PORTFOLIO INVESTMENT, NET	**6,168**	**3,041**	**1,810**	**-954**	**-6,278**
Net acquisition of financial assets	**5,547**	**2,787**	**1,697**	**-2,535**	**-14,052**
Equity and investment fund shares	**4,060**	**1,692**	**903**	**-1,804**	**-7,829**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	4,060	1,692	903	-1,804	-7,829
Debt Securities	**1,488**	**1,095**	**794**	**-731**	**-6,223**
Short-term	**-105**	**80**	**8**	**42**	**18**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	-105	80	8	42	18
Other sectors	0	0	0	0	0
Long-term	**1,593**	**1,015**	**786**	**-773**	**-6,241**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	-168	-69	16	0	-5
Other sectors	1,761	1,084	771	-772	-6,236
Net incurrence of liabilities	**-621**	**-255**	**-113**	**-1,581**	**-7,774**
Equity and investment fund shares	**28**	**29**	**139**	**46**	**41**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	28	29	139	46	41
Debt Securities	**-649**	**-283**	**-252**	**-1,628**	**-7,815**
Short-term	**0**	**0**	**0**	**0**	**0**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	0	0	0	0	0
Long-term	**-649**	**-283**	**-252**	**-1,628**	**-7,815**
Central Bank	0	0	0	0	0
General government	10	10	10	-830	-7,854
Deposit-taking corporations except central bank	-660	-294	-262	-298	39
Other sectors	0	0	0	-500	0
Financial derivatives and employee stock options, net	**3**	**133**	**140**	**141**	**-344**
Net acquisition of assets	-5	343	-21	254	-531
Net incurrence of liabilities	-7	209	-162	113	-187

Table IV.H Supplementary table: balance of payments - other investment (N$ million)

	2017	2018	2019(p)	2020(p)	2021(p)
OTHER INVESTMENT, NET	**-10,454**	**-6,383**	**-1,713**	**1,560**	**-11,488**
Net acquisition of financial assets	**871**	**1,712**	**-3,670**	**3,536**	**-774**
Other equity	**0**	**0**	**0**	**0**	**0**
Currency and Deposits	**132**	**-698**	**-3,759**	**3,531**	**-810**
Deposit taking except Central Bank	-567	2,411	45	878	471
Other sectors	699	-3,108	-3,804	2,654	-1,281
Loans	**498**	**1,758**	**281**	**277**	**570**
Loans - long term	**123**	**1,491**	**-12**	**410**	**-379**
General Government	40	40	40	40	40
Deposit taking except Central Bank	84	1,452	-52	299	-407
Other sectors	0	0	0	72	-11
Loans - short term	**374**	**267**	**294**	**-133**	**949**
General Government	0	0	0	0	0
Deposit taking except Central Bank	374	267	294	-133	949
Other sectors	0	0	0	0	0
Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
Trade Credits and Advances	**358**	**371**	**-59**	**138**	**45**
Central Bank	0	0	0	0	0
Deposit taking except Central Bank	0	0	0	0	0
General Government	0	0	0	0	0
Other sectors	358	371	-59	138	45
Other Accounts Receivable	**-117**	**281**	**-134**	**-410**	**-579**
Net incurrence of liabilities	**11,325**	**8,095**	**-1,957**	**1,976**	**10,714**
Other Equity	**0**	**0**	**0**	**0**	**0**
Currency and Deposits	**1,209**	**1,170**	**240**	**80**	**-672**
Deposit taking except Central Bank	1,209	1,170	240	80	-672
Other sectors	0	0	0	0	0
Loans	**9,040**	**4,403**	**-807**	**1,771**	**7,597**
Loans - long term	**8,263**	**4,473**	**-1,136**	**1,919**	**7,585**
General Government	2,703	2,692	-253	1,475	5,654
Deposit taking except Central Bank	177	-486	-165	-290	520
Other sectors	5,384	2,267	-718	734	1,412
Loans - short term	**777**	**-70**	**329**	**-148**	**12**
General Government	0	0	0	0	0
Deposit taking except Central Bank	-32	-86	0	0	0
Other sectors	809	16	329	-148	12
Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
Trade Credits and Advances	**1,235**	**1,831**	**-850**	**145**	**-241**
Central Bank	0	0	0	0	0
Deposit taking except Central Bank	-1	-1	0	0	5
General Government	0	0	0	0	0
Other sectors	1,236	1,832	-850	145	-246
Other Accounts Payable	**-159**	**690**	**-541**	**-19**	**92**
Special Drawing Rights	**0**	**0**	**0**	**0**	**3,938**

Table IV.I International foreign exchange reserves stock (including valuation adjustments) (N$ million)

End of	2017	2018	2019	2020	2021
January	24,631.3	28,333.7	30,666.7	30,961.1	34,372.2
February	22,710.7	26,872.1	31,637.6	32,168.7	32,355.7
March	22,576.4	26,778.1	32,574.0	32,973.9	34,673.5
April	25,675.9	30,680.2	34,158.3	35,548.5	41,167.0
May	25,413.4	28,168.5	34,124.6	33,743.2	39,008.0
June	28,510.3	29,626.4	33,433.6	31,759.0	41,836.3
July	33,674.0	30,843.4	35,179.2	35,399.6	42,696.1
August	30,621.5	32,195.6	33,425.1	33,384.8	44,927.2
September	31,463.5	32,516.7	32,266.1	32,665.8	45,876.4
October	31,601.8	31,111.0	32,469.7	34,353.8	47,894.9
November	28,545.7	29,542.8	29,752.4	30,517.7	41,027.9
December	30,177.1	31,023.7	28,940.9	31,744.5	43,868.6

Table IV.J (a) International Investment Position - N$ million

	2017	2018	2019(p)	2020(p)	2021(p)
FOREIGN ASSETS	**143,213**	**143,350**	**147,274**	**155,498**	**167,013**
1. Direct investment	**16,983**	**13,760**	**15,380**	**15,443**	**13,497**
1.1. Equity and investment fund shares	**14,461**	**8,449**	**10,017**	**9,300**	**7,688**
1.1.1. Direct investor in direct investment enterprises	14,461	8,449	10,017	9,300	7,688
1.1.2. Direct investment enterprise in direct investor (reverse)	-	-	-	-	-
1.1.3. Between fellow enterprises	-	-	-	-	-
1.2. Debt instruments	**2,523**	**5,311**	**5,362**	**6,142**	**5,809**
1.2.1. Direct investor in direct investment enterprises	2,305	4,941	5,007	6,007	5,673
Short-term	1,136	628	794	1,510	2,030
Long-term	1,169	4,313	4,213	4,497	3,643
1.2.2. Direct investment enterprises in direct investor (reverse)	30	105	105	105	105
Short-term	30	0	-	-	-
Long-term	-	105	105	105	105
1.2.3. Between fellow enterprises	188	264	250	30	31
Short-term	2	33	19	19	20
Long-term	187	231	231	11	11
2. Portfolio investment	**83,492**	**83,662**	**90,537**	**91,931**	**91,419**
2.1. Equity and investment fund shares	**56,298**	**54,953**	**60,624**	**48,799**	**51,809**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	56,298	54,953	60,624	48,799	51,809
2.2. Debt securities	**27,195**	**28,709**	**29,914**	**43,132**	**39,610**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	757	768	792	833	846
iii) General government	-	-	-	-	-
iv) Other sectors	26,437	27,941	29,122	42,298	38,764
3. Financial derivatives and employee stock options,net	**57**	**400**	**379**	**633**	**101**
4. Other investment	**12,503**	**14,504**	**12,037**	**15,740**	**16,125**
4.1. Other equity	**-**	**-**	**-**	**-**	**-**
4.2. Currency and deposits	**6,396**	**7,638**	**5,270**	**8,286**	**7,941**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	1,990	4,400	4,445	5,323	5,794
iii) General government	-	-	-	-	-
iv) Other sectors	4,406	3,237	825	2,963	2,148
4.3. Loans	**1,383**	**3,101**	**3,343**	**3,580**	**4,111**
Short-term	**570**	**836**	**1,130**	**997**	**1,946**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	570	836	1,130	997	1,946
iii) General government	-	-	-	-	-
iv) Other sectors	-	-	-	-	-
Long-term	**813**	**2,265**	**2,213**	**2,584**	**2,165**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	813	2,265	2,213	2,512	2,105
iii) General government	-	-	-	-	-
iv) Other sectors	-	-	-	72	61
4.4. Insurance, pension,standardised guarantees	**-**	**-**	**-**	**-**	**-**
4.5. Trade credit and advances	**725**	**1,077**	**1,018**	**1,161**	**965**
Short-term	**724**	**1,070**	**998**	**1,083**	**965**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	724	1,070	998	1,083	965
Long-term	**1**	**8**	**20**	**78**	**-**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	1	8	20	78	-
4.6. Other accounts receivable	**4,000**	**2,689**	**2,407**	**2,714**	**3,107**
5. Reserve assets	**30,177**	**31,024**	**28,941**	**31,752**	**43,871**
5.1. Monetary gold	-	-	-	-	-
5.2. Special drawing rights	112	62	34	28	3,972
5.3. Reserve position in the IMF	-	-	-	-	-
5.4. Other reserve assets	30,065	30,962	28,907	31,723	39,898

Table IV.J (b) International Investment Position - N$ million

FOREIGN LIABILITIES	2017	2018	2019(p)	2020(p)	2021(p)
FOREIGN LIABILITIES	**150,103**	**168,694**	**161,755**	**163,100**	**169,910**
1. Direct investment	**89,742**	**99,663**	**96,427**	**96,934**	**100,973**
1.1. Equity and investment fund shares	**46,584**	**46,772**	**44,364**	**42,332**	**39,893**
1.1.1. Direct investor in direct investment enterprises	46,582	46,772	44,364	42,332	39,893
1.1.2. Direct investment enterprises in direct investor (reverse)	0	0	0	0	0
1.1.3. Between fellow enterprises	2	0	0	0	0
1.2. Debt instruments	**43,158**	**52,891**	**52,063**	**54,602**	**61,080**
1.2.1. Direct investor in direct investment enterprises	12,602	15,595	15,383	17,717	16,560
Short-term	1,682	2,252	2,185	2,115	2,338
Long-term	10,920	13,343	13,198	15,602	14,222
1.2.2. Direct investment enterprises in direct investor (reverse)	0	45	33	29	29
Short-term	0	0	0	0	0
Long-term	0	45	33	29	29
1.2.3. Between fellow enterprises	30,556	37,251	36,647	36,856	44,491
Short-term	86	131	126	102	103
Long-term	30,471	37,120	36,521	36,754	44,388
2. Portfolio investment	**21,448**	**23,678**	**23,141**	**22,120**	**15,815**
2.1. Equity and investment fund shares	**557**	**533**	**643**	**647**	**650**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	0	0	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	557	533	643	647	650
2.2. Debt securities	**20,891**	**23,145**	**22,498**	**21,473**	**15,165**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	2,008	1,714	1,452	1,154	1,193
iii) General government	18,383	20,931	20,546	20,319	13,972
iv) Other sectors	500	500	500		0
	0	0	0	0	0
3. Financial derivatives and employee stock options,net	**128**	**337**	**175**	**288**	**102**
4. Other investment	**38,785**	**45,017**	**42,011**	**43,758**	**53,020**
4.1. Other equity	**0**	**0**	**0**	**0**	**2**
4.2. Currency and deposits	**4,480**	**4,737**	**4,978**	**5,058**	**4,386**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	4,480	4,737	4,978	5,058	4,386
iii) General government	0	0	0	0	0
iv) Other sectors	0	0	0	0	0
4.3. Loans	**27,013**	**30,703**	**28,774**	**31,669**	**38,572**
Short-term	**1,360**	**1,134**	**1,206**	**1,061**	**174**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	86	0	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	1,274	1,134	1,206	1,061	174
Long-term	**25,653**	**29,568**	**27,567**	**30,608**	**38,398**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	1,989	1,503	1,334	1,069	1,593
iii) General government	8,043	11,225	10,305	12,746	18,531
iv) Other sectors	15,622	16,841	15,928	16,793	18,274
4.4. Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
4.5. Trade credit and advances	**3,025**	**4,246**	**3,615**	**2,257**	**1,291**
Short-term	**3,025**	**3,960**	**3,615**	**2,257**	**1,291**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	1	0	0	0	5
iii) General government	0	0	0	0	0
iv) Other sectors	3,024	3,960	3,615	2,257	1,286
Long-term	**0**	**287**	**0**	**0**	**0**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	0	0	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	0	287	0	0	0
4.6. Other accounts payable	**1,798**	**2,461**	**1,830**	**1,860**	**1,953**
4.7. Special drawing rights	**2,469**	**2,870**	**2,814**	**2,914**	**6,816**
NET ASSET/LIABILITY POSITION	**-6,890**	**-25,344**	**-14,480**	**-7,602**	**-4,897**

Table IV.K Foreign exchange rates: Namibia Dollar per foreign currency unit

Period averages

Period		US Dollar	UK Pound	EU Euro	Botswana Pula	Switzerland Franc	Chinese Yuan	IMF SDR
2017	Jan	13.563	16.724	14.421	1.281	13.456	1.967	18.289
	Feb	13.196	16.484	14.043	1.263	13.171	1.920	17.964
	Mar	12.938	15.963	13.824	1.250	12.907	1.876	17.525
	Apr	13.466	17.003	14.429	1.281	13.456	1.954	18.375
	May	13.268	17.156	14.665	1.278	13.454	1.927	18.241
	Jun	12.897	16.506	14.490	1.263	13.326	1.895	17.846
	Jul	13.138	17.066	15.118	1.282	13.681	1.940	18.318
	Aug	13.231	17.153	15.634	1.296	13.713	1.983	18.688
	Sep	13.135	17.442	15.656	1.295	13.656	2.001	18.701
	Oct	13.676	18.053	16.078	1.318	13.935	2.064	19.324
	Nov	14.078	18.620	16.527	1.340	14.194	2.126	19.820
	Dec	13.170	17.658	15.592	1.295	13.342	1.997	18.636
2018	Jan	12.204	16.841	14.872	1.253	12.688	1.898	17.559
	Feb	11.822	16.536	14.611	1.238	12.657	1.870	17.187
	Mar	11.836	16.524	14.606	1.239	12.503	1.876	17.193
	Apr	12.084	17.032	14.854	1.251	12.499	1.919	17.579
	May	12.529	16.871	14.807	1.263	12.562	1.966	17.828
	Jun	13.286	17.654	15.517	1.299	13.426	2.055	18.802
	Jul	13.415	17.668	15.671	1.301	13.487	1.997	18.834
	Aug	14.089	18.143	16.264	1.331	14.251	2.069	19.657
	Sep	14.780	19.289	17.235	1.369	15.265	2.156	20.683
	Oct	14.496	18.860	16.653	1.350	14.592	2.094	20.142
	Nov	14.087	18.177	16.017	1.325	14.076	2.030	19.564
	Dec	14.181	17.980	16.146	1.328	14.294	2.060	19.676
2019	Jan	13.862	17.860	15.835	1.317	14.018	2.043	19.316
	Feb	13.796	17.941	15.656	1.313	13.775	2.047	19.237
	Mar	14.383	18.954	16.254	1.343	14.364	2.143	20.016
	Apr	14.154	18.462	15.911	1.330	14.064	2.107	19.638
	May	14.437	18.523	16.147	1.341	14.287	2.103	19.931
	Jun	14.567	18.473	16.455	1.351	14.740	2.111	20.200
	Jul	14.047	17.519	15.762	1.322	14.226	2.042	19.398
	Aug	15.142	18.392	16.841	1.374	15.455	2.144	20.793
	Sep	14.849	18.314	16.352	1.357	14.990	2.086	20.308
	Oct	14.907	18.817	16.471	1.362	15.000	2.101	20.462
	Nov	14.804	19.078	16.365	1.359	14.910	2.109	20.348
	Dec	14.436	18.911	16.042	1.343	14.680	2.057	19.914
2020	Jan	14.397	18.819	15.985	1.341	14.842	2.080	19.877
	Feb	15.015	19.472	16.385	1.365	15.385	2.146	20.523
	Mar	16.661	20.595	18.408	1.444	17.370	2.367	22.652
	Apr	18.576	23.037	20.175	1.526	19.132	2.625	24.720
	May	18.143	22.282	19.763	1.503	18.695	2.552	24.686
	Jun	17.133	21.459	19.287	1.464	18.003	2.418	23.630
	Jul	16.771	21.222	19.213	1.449	17.946	2.392	23.336
	Aug	17.231	22.628	20.382	1.480	18.930	2.488	24.298
	Sep	16.716	21.704	19.727	1.452	18.292	2.455	23.622
	Oct	16.461	21.371	19.372	1.437	18.038	2.447	23.258
	Nov	15.549	20.532	18.402	1.394	17.075	2.355	22.096
	Dec	14.906	20.017	18.136	1.368	16.762	2.279	21.537
2021	Jan	15.126	20.622	18.414	1.377	17.063	2.338	21.815
	Feb	14.752	20.449	17.849	1.354	16.441	2.284	21.261
	Mar	14.987	20.778	17.839	1.356	16.124	2.303	21.390
	Apr	14.408	19.945	17.250	1.325	15.636	2.210	20.581
	May	14.060	19.796	17.080	1.310	15.575	2.187	20.243
	Jun	13.917	19.520	16.770	1.297	15.325	2.166	19.976
	Jul	14.533	20.061	17.180	1.318	15.825	2.245	20.660
	Aug	14.789	20.409	17.410	1.328	16.181	2.284	21.052
	Sep	14.532	19.971	17.113	1.311	15.759	2.251	20.675
	Oct	14.859	20.335	17.240	1.319	16.089	2.314	20.996
	Nov	15.513	20.873	17.702	1.343	16.825	2.428	21.745
	Dec	15.870	21.117	17.932	1.354	17.231	2.492	21.977

Table IV.L Effective exchange rate indices[1]

		Nominal effective exchange rate 2015=100			Real effective exchange rate 2015=100		
		Import weighted	Export weighted	Total trade weighted	Import weighted	Export weighted	Total trade weighted
2017	Jan	95.6	90.9	99.4	99.7	99.0	105.8
	Feb	96.7	92.7	100.4	100.2	100.7	106.4
	Mar	97.5	94.1	101.2	100.6	101.9	106.8
	Apr	96.4	91.6	99.4	99.6	99.1	105.0
	May	96.6	91.5	99.4	99.7	99.0	104.9
	Jun	97.0	92.4	100.1	100.1	100.1	105.7
	Jul	96.7	90.6	98.9	99.5	98.1	104.2
	Aug	96.3	89.2	98.0	99.1	96.5	103.2
	Sep	96.4	89.1	97.9	99.1	96.4	103.1
	Oct	95.9	87.5	96.8	98.4	94.6	101.8
	Nov	95.3	86.0	95.7	97.8	93.0	100.6
	Dec	96.7	89.4	98.0	99.1	96.6	102.9
2018	Jan	96.6	91.1	100.2	100.4	99.9	106.8
	Feb	97.6	92.6	101.1	100.9	101.2	107.3
	Mar	97.7	92.6	101.0	100.9	101.2	107.2
	Apr	97.6	91.6	100.3	100.5	100.0	106.2
	May	97.2	90.9	99.7	100.2	99.2	105.7
	Jun	96.3	88.2	97.8	99.1	96.2	103.5
	Jul	96.5	87.9	97.9	99.1	96.2	103.6
	Aug	95.7	86.0	96.4	98.3	93.9	102.0
	Sep	94.6	83.1	94.7	97.4	91.0	100.4
	Oct	95.2	84.5	95.7	98.1	92.7	101.6
	Nov	95.1	85.7	97.0	98.7	94.7	103.7
	Dec	95.0	85.4	96.6	98.4	94.2	103.1
2019	Jan	94.0	85.0	97.2	98.8	95.2	105.3
	Feb	94.9	85.8	97.4	98.9	95.6	104.8
	Mar	94.5	84.0	95.9	97.9	93.1	102.6
	Apr	95.1	85.1	96.5	98.3	94.2	103.2
	May	95.2	84.7	96.1	98.1	93.6	102.4
	Jun	95.2	84.2	95.7	97.8	92.8	101.7
	Jul	95.9	86.0	97.1	98.6	95.1	103.4
	Aug	95.0	82.9	94.8	97.4	91.4	100.6
	Sep	95.5	84.2	95.7	97.9	92.9	101.7
	Oct	95.2	83.9	95.5	97.8	92.6	101.5
	Nov	95.3	84.0	95.6	97.8	92.8	101.8
	Dec	96.1	85.4	96.5	98.3	94.0	102.3
2020	Jan	95.7	84.9	96.5	98.3	94.0	102.8
	Feb	95.5	83.6	95.3	97.6	92.3	101.2
	Mar	94.0	78.5	91.7	95.7	86.5	97.0
	Apr	92.4	74.5	88.7	94.0	81.7	93.4
	May	91.9	75.0	89.4	94.4	82.8	95.0
	Jun	92.5	76.5	90.7	95.2	84.8	96.7
	Jul	93.9	77.3	91.0	95.4	85.3	96.2
	Aug	93.1	75.1	89.6	94.7	83.0	94.9
	Sep	93.3	76.2	90.5	95.1	84.4	96.0
	Oct	93.7	76.9	90.9	95.4	85.1	96.3
	Nov	94.5	78.9	92.5	96.3	87.7	98.4
	Dec	95.1	80.3	93.5	96.9	89.1	99.3
2021	Jan	94.1	78.9	92.7	96.4	88.0	99.0
	Feb	94.9	80.3	93.7	96.9	89.5	99.9
	Mar	94.8	80.2	93.6	96.9	89.4	99.8
	Apr	95.9	82.5	95.0	97.7	91.5	101.0
	May	96.0	83.1	95.5	98.0	92.3	101.6
	Jun	96.0	83.7	96.0	98.3	93.1	102.5
	Jul	96.2	82.6	94.9	97.6	91.4	100.6
	Aug	96.4	82.2	94.4	97.3	90.6	99.5
	Sep	96.6	83.0	95.0	97.6	91.6	100.3
	Oct	96.6	82.7	94.4	97.3	90.8	99.3
	Nov	95.7	80.9	93.2	96.5	88.9	98.0
	Dec	95.5	80.1	92.6	96.2	88.0	97.3

[1] The currencies included (with their respective weights) in the total trade weighted basket are as follows: ZAR(0.55), Pula (0.10), Euro (0.17), United Arab Emirates - Dirham (0.03), Indian Rupee (0.03), Chinese Yuan (0.10) and USD (0.02).

Table IV.M Selected minerals' monthly average prices

		U$ Per Metric Tonne			US$ Per Ounce	US$ Per Pound
		Copper	Lead	Zinc	Gold	Uranium
2017	Jan	5,754.6	2,242.6	2,714.8	1,192.6	22.1
	Feb	5,940.9	2,311.5	2,845.6	1,234.4	24.0
	Mar	5,824.6	2,280.9	2,776.9	1,231.1	24.6
	Apr	5,683.9	2,220.6	2,614.9	1,265.6	23.2
	May	5,599.6	2,125.1	2,590.2	1,245.0	21.6
	Jun	5,719.8	2,132.9	2,573.4	1,260.3	19.7
	Jul	5,985.1	2,269.9	2,787.2	1,236.2	20.2
	Aug	6,485.6	2,348.5	2,980.7	1,282.3	20.1
	Sep	6,577.2	2,374.4	3,116.9	1,315.0	20.3
	Oct	6,807.6	2,498.2	3,264.6	1,279.5	20.1
	Nov	6,826.6	2,461.4	3,229.3	1,282.3	22.0
	Dec	6,833.9	2,509.9	3,196.0	1,261.3	23.8
2018	Jan	7,065.9	2,584.1	3,441.5	1,331.3	21.9
	Feb	7,006.5	2,581.1	3,532.9	1,330.7	21.4
	Mar	6,799.2	2,390.0	3,269.2	1,324.7	21.1
	Apr	6,851.5	2,352.4	3,188.1	1,334.8	21.0
	May	6,825.3	2,360.9	3,059.9	1,303.5	22.7
	Jun	6,965.9	2,436.3	3,088.6	1,281.6	22.7
	Jul	6,250.8	2,207.0	2,656.1	1,237.7	25.8
	Aug	6,051.1	2,053.5	2,512.0	1,201.7	26.3
	Sep	6,050.8	2,022.9	2,434.7	1,198.4	27.5
	Oct	6,219.6	1,987.6	2,673.7	1,215.4	28.0
	Nov	6,195.9	1,937.1	2,595.7	1,220.7	29.1
	Dec	6,075.3	1,972.3	2,616.3	1,250.4	27.8
2019	Jan	5,939.1	1,997.1	2,569.7	1,291.8	28.9
	Feb	6,300.5	2,062.8	2,707.2	1,320.1	28.0
	Mar	6,439.5	2,046.5	2,850.6	1,300.9	25.3
	Apr	6,438.4	1,939.0	2,932.7	1,285.9	25.2
	May	6,017.9	1,815.2	2,742.8	1,283.7	24.1
	Jun	5,882.2	1,899.7	2,601.2	1,359.0	24.6
	Jul	5,941.2	1,975.6	2,446.5	1,412.9	25.4
	Aug	5,709.4	2,044.6	2,273.0	1,500.4	25.3
	Sep	5,759.3	2,071.9	2,331.6	1,510.6	25.7
	Oct	5,757.3	2,184.1	2,451.7	1,494.8	24.3
	Nov	5,860.0	2,021.2	2,425.5	1,470.8	26.1
	Dec	6,077.1	1,900.5	2,272.5	1,479.1	24.9
2020	Jan	6,031.2	1,923.9	2,354.3	1,560.7	24.6
	Feb	5,687.8	1,872.5	2,113.2	1,597.1	24.8
	Mar	5,182.6	1,734.4	1,903.6	1,591.9	27.4
	Apr	5,058.0	1,657.6	1,903.4	1,683.2	33.3
	May	5,239.8	1,626.3	1,975.3	1,715.9	33.9
	Jun	5,754.6	1,744.8	2,025.7	1,732.2	32.8
	Jul	6,372.5	1,817.9	2,177.2	1,846.5	32.5
	Aug	6,498.9	1,935.7	2,410.1	1,968.6	30.9
	Sep	6,704.9	1,872.9	2,442.5	1,921.9	29.9
	Oct	6,713.8	1,776.3	2,440.7	1,900.3	29.7
	Nov	7,068.9	1,915.6	2,671.6	1,866.3	29.7
	Dec	7,772.2	2,020.5	2,779.9	1,858.4	30.2
2021	Jan	7,972.2	2,014.7	2,705.3	1,867.0	29.6
	Feb	8,470.9	2,080.1	2,744.5	1,808.2	28.0
	Mar	8,988.3	1,948.0	2,791.9	1,718.2	31.0
	Apr	9,324.8	2,011.9	2,829.0	1,760.0	28.9
	May	10,162.0	2,181.8	2,965.7	1,850.3	31.4
	Jun	9,631.5	2,191.0	2,951.9	1,834.6	32.3
	Jul	9,450.8	2,337.5	2,947.5	1,807.8	32.4
	Aug	9,370.1	2,414.5	2,988.0	1,785.3	34.3
	Sep	9,324.7	2,248.3	3,036.0	1,775.1	42.6
	Oct	9,829.2	2,344.8	3,359.9	1,776.9	45.2
	Nov	9,728.9	2,330.0	3,311.3	1,821.8	45.8
	Dec	9,551.2	2,301.7	3,399.2	1,790.4	42.1

Source: The World Bank and Cameco

Table IV.N Selected minerals' export volumes

		Diamonds Carat '000	Gold Kg	Copper Tonnes	Zinc Tonnes
2017	Q1	380	1,589	7,808	42,777
	Q2	322	1,755	14,821	31,855
	Q3	353	1,885	11,505	57,843
	Q4	336	1,888	10,655	47,810
2018	Q1	439	1,549	11,940	53,000
	Q2	418	1,430	8,851	29,803
	Q3	570	1,523	14,112	22,493
	Q4	397	1,682	13,736	61,121
2019	Q1	387	1,446	13,508	66,958
	Q2	301	1,406	12,485	38,029
	Q3	364	1,780	9,252	53,413
	Q4	451	1,820	9,664	35,296
2020	Q1	288	1,529	12,660	37,980
	Q2	329	1,733	12,520	26,242
	Q3	191	1,692	11,257	17,797
	Q4	385	1,445	9,919	21,199
2021	Q1	166	1,161	5,401	21,659
	Q2	323	1,047	13,706	21,167
	Q3	301	2,419	12,524	19,601
	Q4	466	3,408	11,431	21,017

Source:BoN surveys

ACRONYMS AND INITIALISMS

AACB	Association of African Central Banks
AAU	Addis Ababa University
ADLA	Authorised Dealer with Limited Authority
AEs	Advanced Economies
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
AFRITAC South	Regional Technical Assistance Center in Southern Africa
ASSA	Actuarial Society of South Africa
ATM	Automatic Teller Machine
BA	Bachelor of Art
BID-5A	Determination on Internal Capital Adequacy Assessments
BID-6	Determination on Liquidity Risk Management
BID-14	Determination on Minimum Insurance for Banking Institutions
BID-33	Determination on Policy Changes in Response to Economic and Financial Stability Challenges
BoN	Bank of Namibia
BoP	Balance of Payments
CABS	Community of African Banking Supervisors
CEO	Chief Executive Officer
CMA	Common Monetary Area
CMT	Crisis Management Team
CRAN	Communications Regulatory Authority of Namibia
CSD	Central Securities Depository (Pty) Ltd
DR	Disaster Recovery
DSIBs	Domestic Systematically Important Banks
ECL	Expected Credit Loss
ECLI	Exchange Control Liberalisation Index
EFT	Electronic Funds Transfer
ELF	Employee Liaison Forum
EMDEs	Emerging Market and Developing Economies
FAO	Food and Agriculture Organization
FIC	Financial Intelligence Centre
FMD	Financial Markets Department
FOMC	Federal Open Market Committee
FSSC	Financial System Stability Committee
FSR	Financial Stability Report
GDP	Gross Domestic Product
GIPF	Government Institutions Pension Fund
GNDI	Gross National Disposable Income
GNI	Gross National Income
HPI	House Price Index
IASB	International Accounting Standards Board
ICAN	Institute of Chartered Accountants of Namibia
ICT	Information Communication and Technology
IFFs	Illicit Financial Flows
IFRS	International Financial Reporting Standards

IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
IRS	Internal Registered Stock
ISAs	International Standards on Auditing
IT	Information Technology
ITGC	Information Technology Governance Committee
ITMC	Information Technology Management Committee
ITU	International Telecommunication Union
IVS	Import Verification System
JSE	Johannesburg Stock Exchange
LBS	London Business School
M1	Narrow Money Supply
M2	Broad Money Supply
MA	Master of Arts
MBA	Master of Business Administration
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MFS	Monetary and Financial Statistics
MICT	Ministry of Information and Communication Technology
MMU	Money Market Unit Trust
MOC	Macroprudential Oversight Committee
MoF	Ministry of Finance
MPC	Monetary Policy Committee
MSc	Master of Science
MTC	Mobile Telecommunications Company
MTEF	Mid-term Expenditure Framework
NAMFISA	Namibia Financial Institutions Supervisory Authority
NamRA	Namibia Revenue Agency
NARDL	Nonlinear Autoregressive Distributed Lag
NBC	Namibia Broadcasting Corporation
NCCI	Namibia Chamber of Commerce and Industry
NFSS	Namibia Financial Sector Strategy
NIPAM	Namibia Institute of Public Administration and Management
NISS	Namibia Inter-Bank Settlement System
NPL	Non-Performing Loan
NPS	National Payment System
NSA	Namibia Statistics Agency
PoN/NUST	Polytechnic of Namibia / Namibia University of Science and Technology
NDGA	Namibia Deposit Guarantee Authority
NSX	Namibian Stock Exchange
NTA	Namibia Training Authority
ODCs	Other Depository Corporations
OFC	Other Financial Corporations
OPEC	Organization of the Petroleum Exporting Countries
PFMI	Principles For Financial Markets Infrastructures
PSCE	Private Sector Credit Extension
PSD-10	Determination on Standards for Fees and Charges for Payment Systems Services within the National Payment System
RAMP	Reserves Advisory and Management Program

RECs	Regional Economic Communities
REER	Real Effective Exchange Rate
RFI	Rapid Financing Instrument
ROA	Return of Assets
RTGS	Real-Time Gross Settlement System
RTO	Recovery Time Objective
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADC-RTGS	SADC Real-Time Gross Settlement System
SAICA	South African Institute of Chartered Accountants
SDGs	Sustainable Development Goals
SDR	Special Drawing Rights
SMEs	Small and Medium-sized Enterprises
SOC	Security Operations Centre
SOEs	State Owned Enterprises
SSA	Sub-Saharan Africa
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TBs	Treasury Bills
UN	United Nations
UNAM	University of Namibia
UNISA	University of South Africa
UP	University of Pretoria
US	University of Stellenbosch
USD	United States Dollar
WBG	World Bank Group
WBS	Wits Business School
WEO	World Economic Outlook
WIBAR	Windhoek Interbank Agreed Rate
ZAR	South African Rand

NOTES

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“In banking or finance, **trust** is the only thing you have to **sell.**”
Patrick Dixon

Bank of Namibia