



Republic of Namibia
Ministry of Finance



Annual Borrowing Plan *FY2026/27*

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Introduction

This Annual Borrowing Plan (ABP) sets out the Government of the Republic of Namibia's financing strategy for FY2026/27, translating the fiscal deficit and associated financing obligations identified in the Medium-Term Expenditure Framework into an actionable issuance programme for Government securities. While the updated Medium-Term Debt Management Strategy (MTDS) remains in draft form, the ABP serves as a useful guide to a debt management strategy that meets the government's overall financing requirements.

This year, the domestic market remains the primary funding channel for the sovereign. External financing options that provide the most optimal pricing relative to the domestic market will also be explored. Additional financing will also be sourced from developmental partners that offer concessional terms and support strategically important capital projects. This composition reflects a measured approach while containing the currency risk exposure of the overall portfolio.

Looking back, the FY2025/26 borrowing programme was executed in line with its targets. Domestic borrowing for the year amounted to N\$26.48 billion, equivalent to 100.6 percent of the annual domestic borrowing requirement of N\$26.31 billion.

For FY2026/27, the total financing requirement is estimated at N\$29.22 billion, comprising a budget deficit of N\$15.78 billion and additional financing requirement arising from debt obligations of N\$13.44 billion, including bond redemptions and foreign loan principal repayments and cash requirement to improve the Government's cash position with Bank of Namibia.

Summary of FY2025/26 Domestic Borrowing

Total Public Debt Stock

As of 31 March 2026, the estimated public debt stock stood at N\$178.69 billion. This comprised domestic debt of N\$152.93 billion, commercial bank loans of N\$6.00 billion and external debt of N\$19.76 billion, as illustrated in Table 1 below.

Compared to 31 March 2025, the total public debt stock is estimated to have increased by N\$11.54 billion during FY2025/26. This reflected an increase of N\$29.74 billion in the domestic debt stock, partly offset by a decline of N\$18.20 billion in the external debt stock. The net increase in public debt was driven by fiscal deficit financing amid lower government revenue projections and the partial refinancing of the Eurobond redemption of ZAR 6.00 billion borrowed from commercial banks.

Table 1: Public Debt Stock

Category	31 Mar 2025 (N\$ billions)	31 Mar 2026 (N\$ billions)	Change (N\$ billions)
Domestic Debt	129.19	152.93	23.74
Commercial loans	-	6.00	6.00
External debt	37.96	19.76	-18.20
Total public debt	167.15	178.69	11.54

Source: MoF

Domestic Borrowing

By the end of March 2026, net domestic borrowing for FY2025/26 amounted to N\$26.48 billion, excluding loans from commercial banks. This is well in line with the borrowing target for the year and translates to 100.6 percent of the overall domestic borrowing requirement of N\$26.31 billion.

Table 2: Net Domestic Borrowing FY2025/26

Progress: Domestic borrowing plan - FY2025/26 (N\$ millions)		
Financing requirement	Target	Actual
T-Bills	6.383	6.552
Fixed Rate Bonds	17.271	17.153
Inflation Linked-Bonds	2.660	2.777
Total	26.314	26.482
<i>As a share of the total domestic financing requirement</i>		100.6%

Source: BoN/MoF

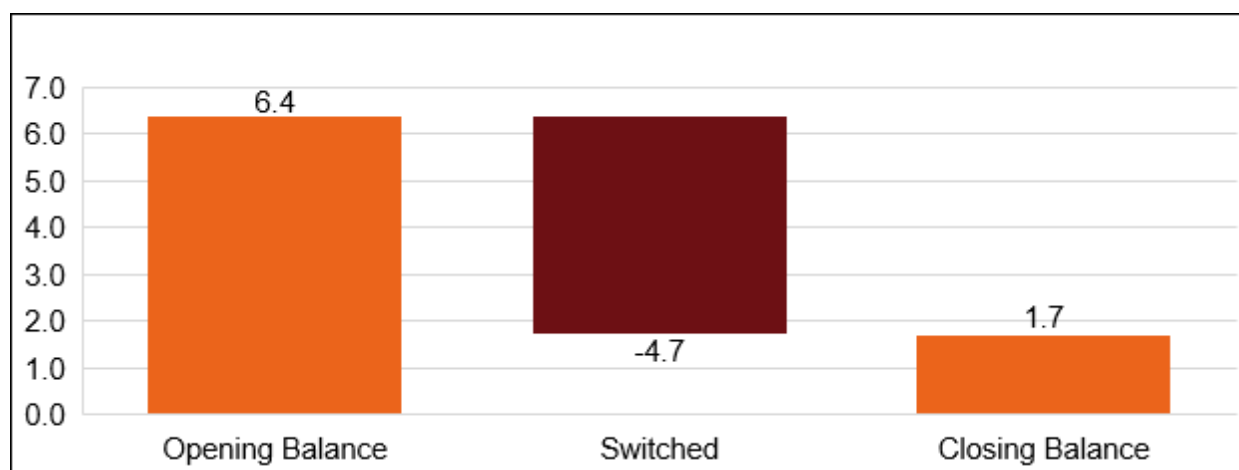
The fixed-rate bond book accounted for the largest share of domestic borrowing during the year, reflecting sustained institutional demand across the nominal curve. Treasury Bill issuance continued to provide short-term financing flexibility, with weekly auctions conducted across the 91-day, 182-day, 273-day, and 365-day tenors.

Two new inflation-linked instruments were introduced during FY2025/26, the GI31 (6-year, 5.10 percent coupon, maturing July 2031) and the GI41 (16-year, 5.70 percent coupon, maturing July 2041), extending the ILB curve in line with market demand and broadening the investment universe.

Switch Auctions

During FY2025/26, the Government conducted nine switch auctions targeting the GC26 bond (8.50 percent coupon, maturing 15 April 2026). At the commencement of the switching activity, the GC26 had an outstanding balance of approximately N\$6.4 billion. Through the nine switch auctions conducted during the year, the outstanding was reduced by 73.2 percent to N\$1.7 billion by the end of February 2026, as shown in the chart below.

Chart 1: GC26 Switches (N\$ billion)



Source: BoN

The GC26 bond matured on 15 April 2026. The residual outstanding amount of approximately N\$1.7 billion was successfully redeemed.

External Borrowing

A key aspect of external borrowing in FY2025/26 was ZAR-based loans sourced from commercial banks. Recall that Namibia successfully redeemed its US\$750 million Eurobond on 29 October 2025, using a combination of a dedicated sinking fund (US\$444 million) and the ZAR-based loans. This strategic repayment, which replaced a portion of the foreign debt with domestic borrowing, strengthened the nation's fiscal position and demonstrated the viability of domestic borrowing as a funding option. Project financing continued with the AfDB and KfW. Notably, these funds are only drawn down once the project milestones are met. From the N\$7.3 billion required in external financing, the full amount was raised in the fiscal year.

Borrowing Plan for the FY2026/27

Fiscal Deficit for FY2026/27

The 2026/27 Fiscal Strategy estimated a budget deficit balance of N\$15.8 billion, equivalent to 5.5 percent of GDP. A total borrowing requirement of N\$29.2 billion (10.2% of GDP) for FY2026/27 is needed to cover additional statutory payments and government debt obligations. The funding requirement is to be sourced domestically and externally, with a split of N\$20.2 billion and N\$9.0 billion, respectively (as detailed in Table 3).

It should be noted that the borrowing requirement reflects the **cash** required for financing. As such, the funding strategy will, from this financial year onwards, ensure that the full cash requirement is raised within the fiscal year, and the nominal figures indicated in our bond borrowing plans will adjust accordingly to align with the funding needs.

Table 3: Borrowing Requirement FY2026/27

	Budget FY2026/27 (N\$ million)	% of GDP (Absolute Values)
Total Revenue	89,558	31.3%
Total Expenditure	-106,034	37.1%
Grant-funded Expenditure	696	0.2%
Budget deficit	<u>-15,780</u>	<u>5.5%</u>
Cash Requirement	-4,572	1.6%
Bond Redemptions (GC26, GC27, Nam04)	-3,585	1.3%
Foreign Loan Principal Repayment	-3,137	1.1%
VAT Refund (oil and gas related payments)	-2,147	0.8%
Net borrowing requirement	<u>-29,221</u>	<u>10.2%</u>
Financing Strategy		
A) Foreign Financing	<u>-9,000</u>	<u>3.1%</u>
African Development Bank	-1,478	0.5%
Kreditanstalt für Wiederaufbau (Project financing)	-409	0.1%
Other financing (optional)	-7,113	2.5%
B) Net Domestic Borrowing	<u>-20,221</u>	<u>7.1%</u>

Source: BoN/MoF

Domestic Market Borrowing

As highlighted above, a total of N\$20.2 billion will be sourced from the domestic market. This has been allocated across the various Government securities: Treasury Bills (T-Bills), Fixed-rate bonds, and Inflation-linked bonds. See Table 4 below on allocations across the various instruments throughout the year. Notably, ranges have been provided to indicate the funding sources for each asset class.

Table 4: Domestic Borrowing Strategy FY2026/27

Debt Securities	Distribution
Treasury Bills	5% - 15%
Fixed Rate Bonds	75% - 90%
Inflation Linked Bonds	5% - 10%

Source: BoN

The GC28 is being taken off the run for the new fiscal year due to its approaching maturity and the need to manage redemption concentration in the FY2028/29. Additionally, several instruments with

significant outstanding balances will be tapped only once a quarter to ensure updated pricing is available in the market, while addressing rollover risk (see Annexure A).

Introduction of New Securities

Over the medium term, the government faces sizeable maturities across its fixed-rate bonds. To manage redemption risk whilst simultaneously offering additional investible points across the fixed-rate bond curve, the government introduced three new instruments on April 14, 2026: GC29, GC34, and GC53. These instruments were strategically chosen in years when the government had no bond debt maturities. Additionally, the considerations were made to extend the curve in line with the benchmark curve in South Africa.

Later in the year, the government is also considering issuing a floating-rate note. Traditionally, issuance in this area has been through corporate bonds; however, this does not negate domestic investors' interest in government debt in this format. The government will conduct extensive discussions with the market ahead of offering the instrument to ensure alignment of expectations. See Tables 5, 6, and 7 for the split across the various instruments.

Table 5: Treasury Bills planned issuance distribution FY2026/27 (% split)

Debt Securities	Distribution
GT-91	5% - 10%
GT-182	15% - 25%
GT-273	25% - 35%
GT-365	40% - 60%

Source: MoF

Table 6: Fixed-rate Bonds planned issuance FY2026/27 (% split)

Debt Securities	Distribution
GC29	10% - 20%
GC30	2% - 7%
GC32	2% - 7%
GC34	10% - 20%
GC35	2% - 7%
GC37	5% - 15%
GC40	5% - 15%
GC43	5% - 15%
GC45	5% - 15%
GC48	5% - 15%
GC50	5% - 15%
GC53	5% - 20%

Source: MoF

Table 7: Inflation-Linked-bonds planned issuance FY2026/27 (% split)

Inflation-linked bonds	Distribution
GI27	14% - 18%
GI29	12% - 16%
GI31	14% - 18%
GI33	12% - 18%
GI36	18% - 22%
GI41	16% - 20%
Total	

Source: MoF

Switch Auctions

The borrowing calendar continues to include switch auctions, allowing bondholders to exchange holdings of shorter-dated source bonds for longer-dated destination instruments monthly. For FY2026/27, the switch auction programme transitions to the GC27 bond (8.00 percent coupon, maturing 15 January 2027).

The switch programme is complementary to, and not a substitute for, the regular fixed-rate bond auction programme. Regular bond auctions will proceed as per the standard schedule in certain weeks when no switch auction is scheduled.

External Borrowing

On the external front, funding will be pursued through a combination of loan and bond market instruments, allowing for flexibility in execution depending on prevailing market conditions.

In addition to market-based funding, Namibia will continue to leverage concessional financing from bilateral and multilateral partners. These facilities remain a vital component of the external financing mix, providing access to funding at below-market rates and with extended maturities. Engagement with development finance institutions will therefore be maintained, particularly for project-linked disbursements and budget support operations aligned with national development priorities.

The Government will also assess opportunities to access international capital markets, subject to favourable pricing conditions. The quantum and timing of any such issuance will be carefully evaluated in the context of global market volatility, investor appetite for frontier sovereign risk, and the relative cost of alternative funding sources.

Overall, the borrowing strategy reflects a measured and opportunistic approach, balancing domestic and external sources while maintaining flexibility to respond to evolving market conditions. Through this approach, Namibia aims to secure the required financing at optimal cost and risk parameters, while supporting the ongoing development of its domestic capital market and preserving debt sustainability over the medium term.

Borrowing Calendar and Plan

To align with global best practices and following consultations with regional peers, the borrowing calendar and amounts to be raised will now be shared quarterly. This approach ensures that the full Government domestic borrowing requirement is effectively financed on a cash basis, allowing for necessary adjustments. Additionally, this strategy will incorporate demand dynamics, considering the volatility in the debt market.

Annexure A: FY2026/27 Borrowing Plan Summary (May to July 2026)

Borrowing Plan FY2026/27 (N\$ million)			
Net Issues	May	Jun	Jul
GT-91	40	38	46
GT-182	79	66	76
GT-273	120	122	160
GT-364	218	209	275
Net Issuance of T-Bills	457	435	557
Fixed-rate Bonds	982	668	2,818
GC29	159	123	464
GC30	-	-	145
GC32	-	-	142
GC34	221	144	464
GC35	-	-	212
GC37	63	51	149
GC40	63	41	155
GC43	63	41	155
GC45	63	41	155
GC48	63	41	155
GC50	63	41	155
GC53	221	144	464
Inflation-linked Bonds	122	94	331
GI27	20	13	62
GI29	20	13	21
GI31	20	13	62
GI33	20	13	21
GI36	20	13	83
GI41	20	27	83
Net Issuance of Bonds	1,104	762	3,149
TOTAL	1,561	1,197	3,706