Annual Report 2012

Bank of Namibia

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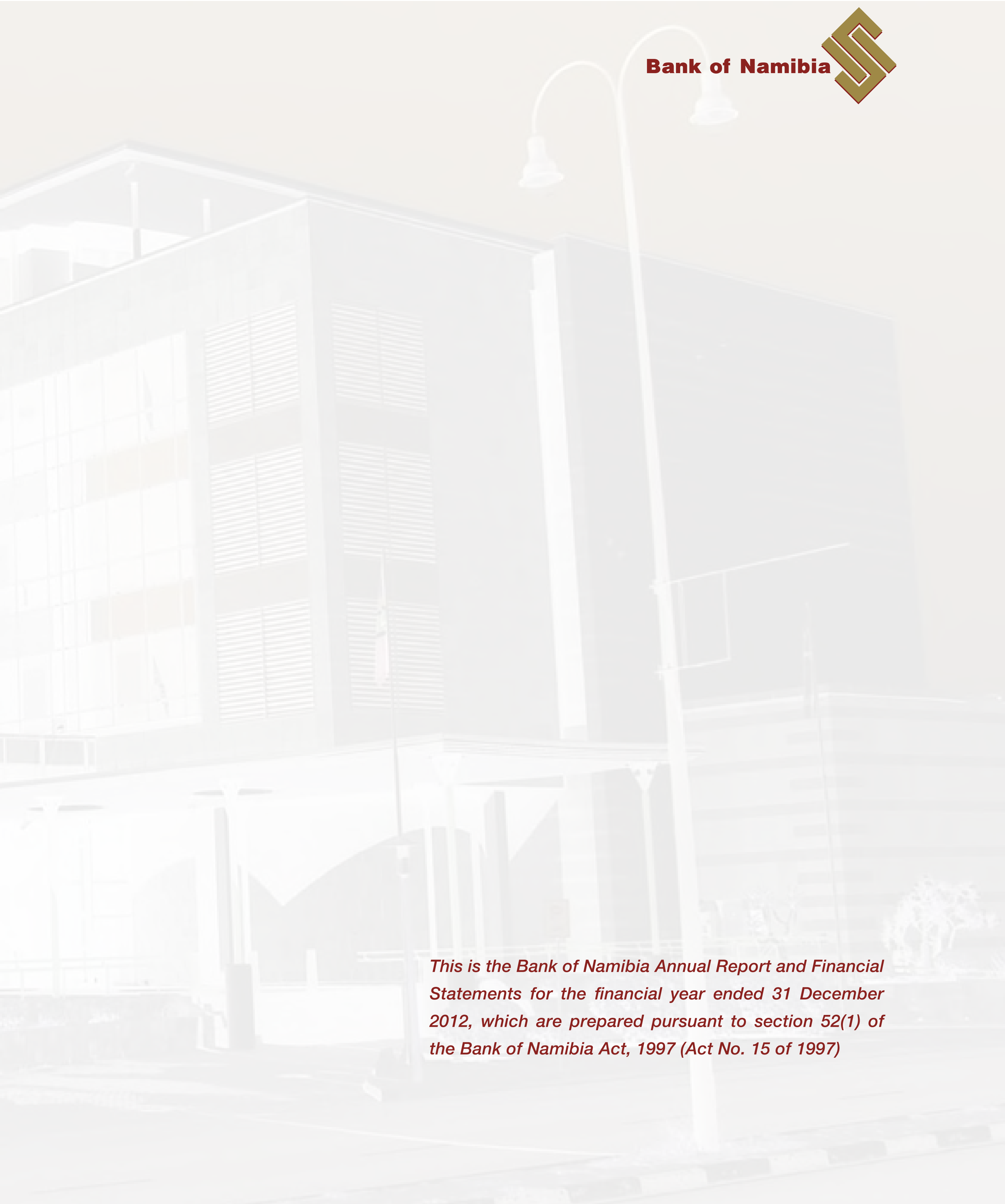

Bank of Namibia

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2012, which are prepared pursuant to section 52(1) of the Bank of Namibia Act, 1997 (Act No. 15 of 1997)

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Content

Message from the Governor

This Annual Report is prepared pursuant to Section 52(1) of the Bank of Namibia Act, 1997, and outlines the governance of the Bank, global and domestic financial and economic developments, as well as milestones and key achievements of the Bank in 2012. In the following paragraphs, I will reflect on some of the key developments.

The year 2012 was characterised by a fragile and weak global economy largely due to the sovereign debt crisis in the Euro Area and fiscal challenges in the United States of America (US). These uncertainties have resulted in slow growth in the US, while the Euro Area entered a recession in the second half of 2012. Moreover, slow growth and uncertainty in advanced economies affected emerging markets and developing economies, through both trade and financial channels. Going forward, the pending negotiations on debt ceiling and spending cuts in the US, and the unresolved debt crisis in the Euro Area constituted downside risks to the global economy.

Despite the estimated slowdown in global growth from 3.9 percent in 2011 to 3.2 percent in 2012, activity in the Namibian economy remained resilient during 2012. In this context, real GDP growth for Namibia is estimated to have slowed mildly to 4.6 percent in 2012 compared to 4.8 percent in 2011. Underpinning this resilient growth was positive performance in primary industries, more specifically mining activities. Furthermore, secondary industries, in particular the construction sector, also contributed significantly to overall growth. Tertiary industries slowed due to the slow growth of the public administration and defence sectors. On the external sector's side, the current account balance registered a deficit, mainly due to a significant deterioration of the trade balance. Inflation averaged 6.5 percent during 2012, up from 5.0 percent in 2011. The acceleration in overall inflation was underpinned by high inflation rates for food and transport that peaked at 11.0 percent and 8.0 percent, respectively.

On the fiscal front, in 2012/13 the Government focused on fiscal consolidation and prudent public debt management. The provisional government budget deficit is estimated at 2.9 percent of GDP in 2012/13, compared to a deficit of 4.6 percent of GDP, projected in the 2012/13 Budget. The Bank, in conjunction with the Ministry of Finance, crafted a comprehensive borrowing plan to broaden the sources of deficit financing while maintaining debt sustainability. One of the milestones was the inaugural sovereign listing of a R3.0 billion Medium Term Note programme on the Johannesburg Stock Exchange (JSE). To date, a total of R850 million has been raised from the JSE, with a 2:1 oversubscription ratio. Proceeds from the listing supported a rebuild of Government deposits with the central bank. The stock of national debt reached 25.6 percent of GDP by end-December 2012, thus remaining significantly below the government's debt ceiling of 35 percent of GDP.

On foreign reserves management, the Bank's strategic asset allocation continued to serve its objective well, in line with the Bank's investment strategy. The level of reserves increased somewhat, and amounted to N$14.7 billion at the end of the year, compared to N$14.4 billion at the end of 2011. This reserve level remains more than adequate to support the currency peg and continues to be above the international benchmark of three months of import coverage.

In the field of financial system stability, the Bank worked on the enhancement of guidelines to establish a framework for cooperation between the Ministry of Finance, the Bank of Namibia, and the Namibia Financial Institutions Supervisory Authority (NAMFISA). The guidelines set out the roles of each institution, and explain how they will work together towards the common objective of ensuring financial stability in Namibia. In addition, the Bank strived to ensure that the Namibian regulatory environment was kept abreast of international best practices. In this context, the Bank revisited the Banking Institutions Act, 1998, with the aim of strengthening it to meet the recommended international best practices and standards. Furthermore, the Bank in conjunction with a team of experts from First Initiative, a World Bank donor-funded agency, made recommendations on how best to proceed in introducing second tier banks and to strengthen the powers of the Bank in relation to the resolution of problem banks or banks in distress.

The Bank, in collaboration with other relevant stakeholders, acted swiftly and decisively by putting measures in place to avoid the country being listed by Financial Action Task Force (FATF) as a non-cooperative jurisdiction and a jurisdiction whose national financial system poses a risk to the international financial system. This was done by drafting and enacting the Financial Intelligence Amendment Act of 2012 and the Prevention and Combating of Terrorist Activities Act of 2012, which both came into operation on 21 December 2012. These laws serve as confirmation that Namibia has a National Anti-Money Laundering and Combatting of Financing of Terrorism Preventative framework. These frameworks assist Namibia in executing obligations under applicable UN Conventions complementing UN Protocols and UN Security Council Resolutions. It also demonstrates that Namibia is aligned with the FATF's Anti-Money Laundering and Combatting of Financing of Terrorism Standards and Best Practices, which mitigates the national Money Laundering and Terrorism Financing risks in its financial system.

During the year under review, the Namibian banking system was largely resilient to the headwinds of international finance and continued to remain stable. The banking sector remained well capitalised, with all banking institutions reporting capital in excess of minimum regulatory requirements, and conforming to all other regulatory limits. Non performing loans remained at low levels given the low interest rate environment. The outlook for the banking sector remains positive with expected balance sheet growth to be driven by retail loans.

The Bank reviewed its crisis management framework with specific aim to improve the crisis coordination mechanisms, the prompt corrective action and lender of last resort tools. The Bank carried out a crisis simulation during 2011 to test the robustness of its practical tools to manage situations of financial distress within the banking sector. In this regard, certain gaps were identified, which resulted in a review of the crisis management framework of the Bank. In 2012, the Bank embarked on a process to enhance and strengthen the crisis management framework with the assistance of FIRST Initiative Consultants, a World Bank affiliate entity. The Banking Supervision Application, Version 3 upgrade was also implemented to facilitate easier electronic submission and analysis of statutory returns, banking license applications and approval and exemption requests from banking institutions. Another important development was the licensing of the Small and Medium Enterprises Bank Limited (SME Bank), an institution that is expected to enhance the financial inclusion and development agenda of the SME sector in Namibia.

The Bank issued a determination on Electronic Money (e-money) and standards for a Basic Bank Account. Progress was made on standards for cash deposit fees for individuals and small, micro and medium enterprises. The determination on e-money is meant to enhance the financial inclusion agenda as it enables issuers of e-money to reach those who are currently financially excluded. On the other hand, the standards on the Basic Bank Account will ensure that there is an affordable bank account in place for low income earners at all banking institutions in the country. In addition, the Bank continued to work on standards for cash deposit fees for individuals and Small, Medium and Micro Enterprises (SMMEs) together with the banking industry. These standards are geared towards fulfilling the objectives of financial inclusion and general affordability of banking services. The Bank has also taken a policy decision to broaden the access and participation in both the clearing and settlement systems by providing access to designated non-bank financial institutions. Previously, the National Payment System was only accessible to banking institutions.

The Bank also continued to maintain effective communication processes and stakeholder relations through various communication media. Communication channels such as the Bank's newly redesigned corporate website, discussion papers, media briefings, media releases and responses to various enquiries, were effectively used by external stakeholders.

The Bank produced a wide range of publications during 2012 as a means of keeping the public informed about policy decisions, economic developments and other relevant issues. These publications include, among others; the Bank's Quarterly Bulletin, the Financial Stability Report, the Economic Outlook, and the Annual Report.

The Bank remains committed to human capital and capacity building, both within the Bank and in the Namibian community at large. In this regard, the Bank awarded 10 undergraduate bursaries to students to pursue tertiary education in the fields of economics, commerce, finance, banking, science and education. At the end of 2012, the Bank of Namibia scholarships stood at 31, including 2 PhD candidates. The Bank also provided 10 internship opportunities to tertiary students. In addition, the Bank also accommodated 4 graduate students under its Accelerated Graduate Programme to follow a directed curriculum at the Bank to gain professional experience and exposure in the banking world.

New banknotes with enhanced security features were launched on 21 March 2012 by His Excellency President Hifikepunye Pohamba at Mariental. The banknotes were subsequently issued to the public on 15 May 2012. The official launch was followed by an extensive nationwide public education campaign using both the broadcast and print media. Furthermore, outreach teams from the Bank were also deployed to all 13 regions of the country to disseminate information. A similar awareness campaign was also undertaken on the new South African bank notes.

As part of its public education programme, the Bank held a High School Competition in November 2012, where pupils from various schools participated. Public education plays a critical role in creating greater awareness and understanding of the role of the Bank of Namibia, as well as developing understanding of the inner workings of the Namibian economy as a whole.

Information enables ordinary citizens to make informed decisions with regard to their personal finances, ultimately leading to a better quality of life for the people of Namibia. It is against this background that the Bank hosted the High School Competition with the aim to educate the pupils in particular and the general public at large on issues affecting the economy.

The Bank adopted measures to help strengthen its capacity to deliver on its mandate and enhance it's operationally efficiency. These include the benchmarking of some Departments within the Bank against best global institutions to enable the Bank to learn from some of the best practices. In addition, sound risk management measures were put in place to manage the Bank's existing facilities and resources as well as the construction of the disaster recovery facility, to be completed in early 2013.

The uncertainties and volatility that affected the global economy and low interest rate environment also affected the Bank's revenue during the period under review. To respond to the declining revenue, the Bank instituted expenditure-reducing measures, including streamlining of administrative and system processes. These measures helped the Bank to continue maintaining a healthy financial position.

The above-mentioned milestones and achievements could not have been realised without the support and efforts of the staff members and the Board of the Bank. In this regard, I would like to extend my thanks and sincere appreciation to all staff members and the Board for their invaluable contributions. I would also like to thank the Bank's stakeholders for their support and collaboration, without which, our goals may not have been realised.

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Ipumbu Shiimi
Governor
15 March 2013

Bank of Namibia Annual Report 2012

Part A | Operations and Affairs of the Bank

Report prepared pursuant to Section 52(1)(b) of the Bank of Namibia Act, 1997 (Act No. 15 of 1997)

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Content

The Organisation of the Bank of Namibia

Members of the Board (As at 31 December 2012)

Mr Veston Malango
Member since 1 April 2008
Current term ends 31 March 2013
(Chairperson of the Remuneration Committee)

Mr Faniel G Kisting
Member since 14 July 1998
Current term ends 31 July 2013
(Chairperson of the Audit Committee)

Mr Ebson Uanguta
Deputy Governor and Member of the Board since 1 January 2012
Current term ends 31 December 2016

Dr Nashilongo Shivute
Member since 1 August 2007
Current term ends 31 July 2016
(Member of the Audit Committee)

Bank of Namibia

Ms Ericah Shafudah
Member (ex officio)
since 3 April 2010
(Permanent Secretary:
Ministry of Finance)

Mr Ipumbu W Shiimi
Governor and Chairperson
of the Board since 26 March 2010
Current term ends 31 December 2016

Dr Omu Kakujaha-Matundu
Member since 1 November 2008
Current term ends 31 October 2013
(Member of the Remuneration
Committee)

Adv Charmaine van der Westhuizen
Member since 30 May 2012
Current term ends 30 May 2016
(Member of the Remuneration
and Audit Committees)

Bank of Namibia - Management Structure (As at 31 December 2012)

- **Governor** – Ipumbu Shiimi
  - **Deputy Governor** – Ebson Uanguta
    - **Director of Information Technology** – Marsorry Ickua
      - *Deputy Director: Business Systems* – Martha Dama
      - *Deputy Director: Technical & Network Services* – Gerhardt Cloete
    - **Director of Human Resources** – Lea Namoloh
      - *Deputy Director: HR Admin & Recruitment* – Shirene Bampton
      - *Deputy Director: OD & Training* – Henny van Rensburg
    - **Director of Banking Services** – Sam Shivute
      - *Deputy Director: Currency & Banking* – John Amakali
      - *Deputy Director: Protection Services* – Bryan Eiseb
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Research** – Gonzalo Pastor
      - *Deputy Director: Policy Research & Forecasting* – Evangelina Nailenge
      - *Deputy Director: International Affairs* – Abed Iyambo
      - *Deputy Director: Statistics & Publications* – Florette Nakusera
  - **Assistant Governor & Head of Financial Stability** – Michael Mukete
    - **Director of Financial Markets** – Titus Ndove
      - *Deputy Director: Investments & Domestic Markets* – Dantagos Jimmy
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Analysis & Examinations* – Ismael Naukosho
      - *Deputy Director: Policy & Regulations* – Urbans Karumendu
      - *Deputy Director: Banking Groups & Special Institutions* – Ancois Plaatje
    - **Director of Finance & Administration** – Estelle Tjipuka
      - *Deputy Director: Financial Administration* – Kuruvilla Mathew
      - *Deputy Director: General Services* – Indileni Kandele
    - **Director of Payment and Settlement Systems** – Barbara Gowaseb
      - *Deputy Director: Payment Systems Oversight & Projects* – Brian Geikhoibeb
      - *Deputy Director: Payment Systems Policy and Research* – Sergio de Sousa
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Director of Strategic Comm. & Financial Sector Development** – Ndangi Katoma
    - *Deputy Director: Financial Sector Development* – Emma Haiyambo
  - **Director of Financial Intelligence Centre** – Leonie Dunn
    - *Deputy Director: Investigations & Analysis* – Gerrit Eiman
    - *Deputy Director: Legal & Compliance* – Zenobia Barry
    - *Deputy Director: Exchange Control* – Sylvia Shikongo
  - *Head: Risk Management & Assurance* – Magreth Tjongarero
  - *Head: Legal Services & Contract Management* – Tulonga Nakamhela

The Bank's Senior Management Team (As at 31 December 2012)

Leonie Dunn
Director: Financial Intelligence Centre

Sam Shivute
Director: Banking Services

Gonzalo Pastor
Director: Research

Emile van Zyl
Technical Advisor to the Governor

Ebson Uanguta
Deputy Governor

Magreth Tjongarero
Head: Risk Management & Assurance

Estelle Tjipuka
Director: Finance & Administration

Lea Namoloh
Director: Human Resources

Marsorry Ickua
Director: Information Technology

Romeo Nel
Director: Banking Supervision

Ndangi Katoma
Director: Strategic Communication & Financial Sector Development

Ipumbu Shiimi
Governor

Titus Ndove
Director: Financial Markets

Michael Mukete
Assistant Governor

Barbara Gowaseb
Director: Payment & Settlement Systems

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GOVERNANCE

OBJECTIVES AND ACCOUNTABILITY

The Bank of Namibia is the central bank of the Republic of Namibia, created under Article 128(1) of the Constitution of the Republic of Namibia. The Constitution mandates the Bank to serve as the State's principal instrument to control the money supply, the currency and the institutions of finance. The following statutory objectives of the Bank are recorded in Section 3 of the Bank of Namibia Act, 1997 (Act No. 15 of 1997, as amended):

- To promote and maintain a sound monetary, credit and financial system in Namibia and to sustain the liquidity, solvency and functioning of that system;
- To promote and maintain internal and external monetary stability and an efficient payments mechanism;
- To foster monetary, credit and financial conditions 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.

Furthermore, the Bank is entrusted to carry out three additional functions that are not typically performed by central banks:

- Banking supervision;
- Administration of exchange control; and
- Combating of money laundering and terrorism financing.

There are also six other laws administered by the Bank, as follows:

- The Currency and Exchanges Act, 1933 (Act No. 9 of 1933);
- The Prevention of Counterfeiting of Currency Act, 1965 (Act No. 16 of 1965);
- The Building Societies Act, 1986 (Act No. 2 of 1986);
- The Banking Institutions Act, 1998 (Act No. 2 of 1998, as amended);
- The Payment System Management Act, 2003 (Act No. 18 of 2003, as amended); and
- The Financial Intelligence Act, 2012 (Act No. 13 of 2012).

The stated objectives of the Bank and the relevant legislation empower the Bank with some policy and regulatory authority, and this authority makes the Bank responsible for carrying out numerous multifaceted functions. Besides the national laws, the Bank is also expected to comply with and implement specific obligations resulting from regional and international treaties to which Namibia is a party. These are the African Union (AU), the Common Monetary Area (CMA), the Southern African Development Community (SADC), the International Monetary Fund (IMF), the World Bank Group, and the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG).

In line with Section 3B of the Bank of Namibia Act, the Bank performs its functions independently. The Minister of Finance and the Governor of the Bank hold regular consultations. The relationship between the Government and the Bank is broadly defined in the Bank of Namibia Act.

CORPORATE CHARTER

Apart from its statutory mandate, the Bank's actions and the way it carries out its mandate are distinctly guided by its Mission Statement (or Corporate Charter). The Charter is not merely a voluntary guideline. Section 3A of the Bank of Namibia Act expressly requires the Bank to have a Mission Statement, which clearly spells out the main purpose and vision of the Bank, based on its objectives.

The Bank's "Vision" portrays the desired or intended future state of the Bank in terms of its fundamental objectives and strategic direction. The Bank's "Mission" defines the fundamental purpose of the Bank, describing why it exists and why it is important to achieve the Vision. The Bank's "Values" essentially express the beliefs that are shared among the stakeholders of the Bank. The Values drive the Bank's culture and priorities, and articulate the code of conduct that the Bank uses to mobilise all its resources in pursuit of its Vision. All the Bank's stakeholders are expected to assimilate and identify these required standards and principles toward ethical behaviour and excellence.

The Charter strives to promote a sense of shared expectations among all levels and generations of employees toward ethical behaviour and excellence.

BANK OF NAMIBIA'S CORPORATE CHARTER

OUR VISION

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

OUR MISSION

- Our Mission is to support economic growth and development in Namibia. We:
- Act as fiscal advisor and banker to Government,
- Promote price stability,
- Manage reserves and currency, and
- Ensure sound financial systems and conduct economic research.

OUR VALUES

- We value high-performance impact and excellence.
- We uphold open communication, diversity, integrity and teamwork.
- We care for each other's well-being.

STRATEGIC OBJECTIVES

The Bank's strategic objectives are linked to its functional priorities. Seven principal objectives were derived from the Vision and Mission, which reflect the Bank's desire to meet its statutory mandate. The strategic objectives essentially refer to what the Bank is aspiring to achieve. The following seven strategic objectives have been laid down to be pursued during the planning period:

- Safeguard and enhance financial stability;
- Promote price stability;
- Manage reserves prudently;
- Promote a positive reputation;
- Promote financial sector development;
- Optimise organisational efficiency and cost effectiveness; and
- Enhance contribution towards sustainable economic growth.

It is not only important to design strategies that can be engaged in pursuit of these strategic objectives, but also to clearly describe the strategic outcomes that would reveal whether or not the objectives have been achieved. To ensure successful strategy implementation, the mentioned objectives have been transformed into areas of concentration with clear, measurable targets. On a semester basis, Heads of Departments are expected to report progress in their areas of concentration and the achievement of their targets. On an annual basis, the entire plan is reviewed and refreshed.

To promote ownership of the strategic plan and to attain performance excellence, the strategic plan is rolled out Bank-wide through its performance management system. Individual performance goals are crafted for each employee, and performance progress is charted by means of performance agreements and recognised quality standards. The section headed "The Year in Review" in this Report, explains the activities and progress under each of the seven strategic objectives during the review period.

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ACCOUNTABILITY

The Bank, like most central banks around the globe, is unique in terms of its institutional configuration and functions. The Bank enjoys a fair degree of operational autonomy, it is not profit driven, and its actions have implications with regard to the performance of the Namibian economy and the welfare of Namibia's citizens.

Against this background, it is of paramount importance that the Bank should always maintain accountability to the public at large by adhering to good corporate governance principles. Below are some of the expectations of good governance that the Bank aspires to observe:

- To be responsible, respected, trustworthy and credible;
- To be accountable to its shareholders and the Namibian people;
- To demonstrate an exceptionally high degree of integrity;
- To ensure that its actions and policies are efficient, effective and transparent;
- To maintain professionalism and excellence in the delivery of services; and
- To be flexible and forward-looking in its approach, but to avoid undue risks.

The Bank's legislation, its corporate charter and its strategic plan are some of the tools that guide the Bank to live up to these ambitions of good governance. The Bank also strives to be transparent by putting in place a concrete communication strategy that is able to openly and clearly communicate about why and how the Bank is doing what it does.

THE GOVERNOR

The Governor, assisted by a Deputy Governor and an Assistant Governor, serves as Chief Executive and is accountable for the Bank's actions. In monetary policy and in most other matters, the decision-making authority resides with the Governor. However, comprehensive and Board-approved delegations of power are in place to guide the decision-making powers of the Governor and his or her delegates. The Governor is appointed for a five-year term. The Bank of Namibia Act sets specific criteria for the appointment, reappointment and dismissal of a Governor.

THE BOARD

The Board is responsible for the policy, internal control and risk management function of the Bank. Board Members, in addition to having the typical fiduciary duties, are also charged with many high-level responsibilities directly related to the policies and operations of the central bank, including approving the licensing of banking institutions and ensuring the adequacy of international reserves. Among other things, the Board is also responsible for approving the financial statements and annual budget, for promoting effective corporate governance practices, and for monitoring internal control and risk-management frameworks.

The Board consists of Executive and Non-executive Members. The Governor (Chairperson) and the Deputy Governor are Executive Members, while the Permanent Secretary of the Ministry of Finance (who is an *ex officio* member), one staff member from the Public Service, and four other persons constitute the Non-executive Members. The President of the Republic of Namibia appoints all Board Members. The Assistant Governor also attends Board meetings in an advisory capacity. Board Members who served during the year under review are depicted on pages 10 and 11 of this Report.

The Board meets regularly – at least four times a year – with the main purpose of overseeing and monitoring the finances, operations and policies of the Bank. During 2012, four ordinary Board meetings were held. Table A.1 sets out the frequency and attendance of Board meetings.

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Table A.1: Frequency and attendance of Board meetings during 2012

Board Member	1 March 2012	31 May 2012	23 August 2012	22 Nov 2012
Mr I Shiimi	✓	✓	✓	✓
Mr E Uanguta	✓	✓	✓	✓
Ms E Shafudah	✗	✗	✗	✗
Mr F Kisting	✗	✓	✓	✓
Adv. C van der Westhuizen	-	✓	✓	✓
Dr N Shivute	✓	✓	✓	✓
Mr V Malango	✓	✓	✗	✓
Dr O Kakujaha-Matundu	✓	✓	✓	✓

The sub-committees of the Board, namely the **Audit Committee** and **the Remuneration Committee,** both of which provide effective communication between the Board and management, had several meetings during the period under review.

The **Audit Committee** is responsible for evaluating the adequacy and efficiency of the Bank's corporate governance practices, including internal control systems, risk control measures, accounting standards, information systems and auditing processes. Three non-executive Board Members currently serve as members of this Committee, whose meetings are also attended by the Bank's Head of Risk Management and Assurance, the external auditor and relevant staff members. The Deputy Governor and the Assistant Governor are not members of the Audit Committee, but do attend the meetings by invitation.

In general, the Audit Committee is responsible for considering all audit plans and the scope of the external and internal audits, to ensure that the co-ordination of the audit effort is maximised. The Committee also introduces measures to enhance the credibility and objectivity of financial statements and reports prepared with reference to the affairs of the Bank, and to enhance the Bank's corporate governance, with emphasis on the principles of accountability and transparency, including adequate disclosure of information to the public.

The **Remuneration Committee**, on the other hand, is responsible for overseeing and coordinating the Bank's remuneration function, and for ensuring that remuneration is fair and equitable, in order to attract and retain quality staff and Board Members. This Committee also comprises three Non-executive Board Members. Table A.2 sets out the frequency and attendance of Audit and Remuneration Committee meetings.

Table A.2: Frequency and attendance of Committee meetings during 2012

Audit Committee	23 February 2012	24 May 2012	16 August 2012	15 November 2012
Mr F Kisting (Chair)	✓	✓	✓	✓
Dr N Shivute	✗	✓	✗	✗
Mr V Malango	✓	✓	✓	**
Adv. C Van der Westhuizen	-	-	-	✓
Remuneration Committee				
Adv. C Van der Westhuizen	-	✓	✓	✓
Mr V Malango (Chair)	✓	✓	✓	✓
Dr O Kakujaha-Matundu	✓	✓	✓	✓

** Mr Malango ceased to be a member of the Audit Committee in November, 2012.

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MANAGEMENT STRUCTURE

The Bank's Senior Management team is made up of the Governor, the Deputy Governor, the Assistant Governor, the Technical Advisor to the Governor, and the Directors of the Bank's various Departments, as outlined on page 13 of this Report. The positions of Governor and Deputy Governor are required by law. Four committees have been created and are tasked with specific responsibilities. These committees are: the Monetary Policy Committee, Investment Committee, the Management Committee, and the Financial System Stability Committee.

The Bank's **Monetary Policy Committee (MPC)** membership consists of the Governor (Chair), Deputy Governor, Assistant Governor, Technical Advisor to the Governor and the Directors of Research, Financial Markets, Strategic Communications and Financial Sector Development. The MPC meets every second month to deliberate on an appropriate monetary policy stance to be pursued by the Bank. The monetary policy decision is announced to the public through a media statement, delivered at a media conference. All monetary policy decisions taken by the MPC are by consensus.

The **Investment Committee (IC)** consists of the Governor, Deputy Governor, Assistant Governor, Technical Advisor to the Governor, and the Directors of Research, Financial Markets, Strategic Communications and Financial Sector Development. The Committee is responsible for reviewing the level and adequacy of Namibia's foreign exchange reserves. While the Board approves the International Reserves Management Policy, the IC may review the investment guidelines for final approval by the Governor. The IC is also expected to ensure that investments comply with the approved policy.

The **Management Committee (MC)** is composed of the Governor, Deputy Governor, Assistant Governor, Technical Advisor to the Governor, Head of Risk Management and Assurance, and all the Directors. The Governor chairs the MC, which is responsible for reviewing Bank-wide policies dealing with financial, staffing, operational and risk-management issues before approval by the Governor. The MC meets every second week.

The **Financial System Stability Committee (FSSC)** is tasked to attend to matters relating to the soundness of the financial system in the fulfilment of the Bank's mandate to contribute to financial system stability. The Committee meets regularly in order to review and assess the stability of the Financial System. The Committee oversees the production of the Financial Stability Report, which is produced twice yearly. The aim of the Report is to give a comprehensive assessment of the financial system and of system ability to withstand potential disturbances. It is envisaged that giving this information will condition market behaviour and in so doing, help to promote financial stability.

The Committee is chaired by the Assistant Governor. Other members include Directors of Banking Supervision, Research, and Payments Systems, and a Representative of NAMFISA, amongst others.

REPORTING OBLIGATIONS

The Bank of Namibia Act obliges the Bank to submit a copy of the Annual Report to the Minister of Finance within three months after the end of each financial year. The Minister, in turn, is obliged to table the Annual Report to the National Assembly within 30 days after having received it. The Report must contain the Bank's annual accounts as certified by external auditors, information about the Bank's operations and affairs, and information about the state of the economy.

Apart from the Annual Financial Statements, the Bank is required to submit monthly Balance Sheets to the Minister, to be published in the *Government Gazette.*
In accordance with Section 40 of the Bank of Namibia Act, the Bank advice and furnishes reports to the Minister of Finance on any economic or financial matter that the Minister may refer to the Bank for investigation and advice, and on any matter that may prevent the Bank from achieving its objectives or hinder the performance of its functions.

When the Government or any governmental body or institution intends to borrow from any source in a foreign country, before entering into any commitment to borrow they are required, in terms of the Bank of Namibia Act, to seek the Bank's opinion regarding the timing, terms and conditions, and financial expediency of the intended borrowing.
Although the Governor is not obliged to appear before any Parliamentary Committee, the Bank continues initiating regular briefings and consultations with appropriate Standing Committees of the National Assembly and National Council on a variety of policy-related topics.

COMMUNICATION AND STAKEHOLDER RELATIONS

Transparency and accountability remained fundamental elements of the Bank's operational activities, which the Bank carried out using various communication channels. The Bank continuously strived to build, maintain and strengthen its relationship with relevant stakeholders, guided by a stakeholder engagement plan. An external stakeholder perception survey was independently carried out in 2012 to measure the strength of the Bank's relationship with its key stakeholders and to determine whether the Bank lived up to its Vision and effectively carried out its Mission. The overall results indicated an average stakeholder positive rating of over 70 percent.

During 2012, the Bank ensured that effective communication processes and stakeholder relations were undertaken by using various communication media and executing numerous stakeholder engagements with targeted stakeholders. Communication channels such as the Bank's newly redesigned corporate website, discussion papers, media briefings, media releases and responses to various enquiries were effectively used for external stakeholder relations.

Bank of Namibia Board Members with invited stakeholders

Standing from left: Mr Phillip Shiimi, Chief Executive Officer, NAMFISA; Dr Nashilongo Shivute, Board member; Mr Veston Malango, Board member (back); Mr David Nuuyoma, Chief Executive Officer, Development Bank of Namibia; Mr Ebson Uanguta, Deputy Governor (back); Ambassador Leonard Iipumbu, Chief Executive Officer, Agribank of Namibia; Mr Ipumbu Shiimi, Governor; Mr Emile Van Zyl, Technical Advisor (back); Mr Gavin Bingham; Dr Omu Kakujaha-Matundu, Board member (back); Mr Tega Shiimi ya Shiimi, Chief Executive Officer, Sanlam Investment Management Namibia; Mr Faniel Kisting, Board member.
Seated from left: Adv. Charmaine van der Westhuizen, Board member; and Hon. Saara Kuugongelwa-Amadhila, Minister of Finance.

Internally, the intranet, internal newsletter and staff meetings were effectively utilised in order to create conducive working relationship in the Bank. The Employee Liaison Forum (ELF) continued to make constructive recommendations regarding policy matters and strengthening communication channels within the Bank. A new ELF Committee was elected to serve for the next two years. Quarterly Progress Reviews are in place whereby the **Executive Team** gives feedback to the rest of the Bank's employees regarding progress on the respective departmental strategies. In addition to this, the Governor holds bi-annual general staff

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meetings, where employees are given an opportunity to openly air their concerns. This creates an environment where the views of all employees are heard and to ensure that the Bank's strategic direction is understood by all.

During 2012, the Bank produced a wide range of publications to keep the public informed about policy decisions, economic developments and other relevant issues. The following publications were issued during the reporting period:

- The Bank's **Quarterly Bulletin**, which contained comprehensive data covering the real sector, monetary and financial developments, public finance, and the balance of payments. The publication also contained a section on the **Monetary Policy Review**, which aimed at providing a brief account of the state of the economy, inflation determinants, and the reasons for the Bank's monetary policy decisions.
- The **Financial Stability Report**, which gave a detailed assessment of the overall condition of Namibia's financial system and highlighted potential risks and vulnerabilities which could threaten the stability of the system.
- The Bank's **Economic Outlook** update, which was released in September and December, highlighted the global, regional and domestic economic growth prospects, as well as trends and forecasts in domestic economic sectors.
- The Bank's statutory **Annual Report 2011**, which provided information on the Bank's annual financial statements, information about the Bank's operations and affairs as well as information on the state of the economy.

The need to sustain meaningful working relationships with all stakeholders from both the private and public sectors remained key during the year under review. This is because when stakeholders understand the mandate of the Bank, they are more likely to support the Bank's efforts toward achieving its objectives. To that end, the Bank held regular media conferences, media training workshop and other consultative meetings including those held at regional levels, to address specific issues. During such engagements, the Bank shared the latest information on the economic outlook, while stakeholders shared their views on issues of common economic interest within the mandate of the Bank. The following engagements, amongst others, were held during the reporting period:

In September, **the Bank hosted its 14th Annual Symposium under the theme *"Unlocking the Economic Potential of Communal Land"***. As is customary, the event was well attended and drew on the experience of international and regional experts to deliver the key papers. The main lesson learnt from the international and regional experience is that unlocking the economic potential of communal land requires multifaceted interventions. These include land titling accompanied by other programmes which seeks to improve the productivity of land in communal areas. The main findings of the Symposium will be compiled into a booklet and uploaded to the Bank's website, and also shared with the line Ministry for further consideration.

14th Annual Symposium 2012

From left: Hon. Alpheus !Naruseb, Minister of Lands and Resettlement; Mr Ipumbu Shiimi, Governor of the Bank of Namibia; Dr John Mendelsohn, Researcher in the fields of environmental sciences and rural development; Mr Javier Escobal, Senior Researcher at GRADE and a Lead Researcher in long-term projects within the field of rural development, Peru; Prof. Sam Moyo, Executive Director of the African Institute of Agrarian Studies in Zimbabwe & former President of the Council for the Development of Social Research in Africa and Dr Werner Wolfgang, independent Development Consultant and Associate of the Desert Research Foundation of Namibia (DRFN).

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- In September 2012, in a regional stakeholder engagement, the Governor met with the Hardap regional leadership at Mariental to share views on relevant economic issues and challenges. In October 2012, a similar regional stakeholder engagement was held with the Omaheke regional leadership at Gobabis. At these platforms, the Governor presented and shared with the participants some of the latest information from the *Economic Outlook*, performances of the Bank and other related issues of common interest.

Hardap Stakeholder Engagement

Governor Ipumbu Shiimi (seated third from left); Hon. Jeremias van Neel, Hardap Regional Council Chairperson (seated extreme left); Mr Alex Kamburuti, Mayor of Mariental (standing behind Governor Shiimi) with other regional and local councillors and business leaders.

- In June 2012, the Bank successfully hosted the Annual Economic Roundtable Forum, held in Windhoek and attended by various economic players and stakeholders from the public and private sectors. The discussion focused on the housing market in Namibia. This Forum is aimed at enabling participants to share views and expectations with regard to the economic management of the country.

Annual Economic Roundtable Forum

Governor Ipumbu Shiimi (seated) with economists and market analysts from the public and private sectors.

Going forward, the Bank will continue to engage relevant economic players and stakeholders with the objective of encouraging open dialogue on common development issues. In doing so, the Bank seeks to garner market views on relevant economic and monetary policy issues.

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THE YEAR IN REVIEW

The Bank's activities are informed by seven strategic objectives that guide the operations of the Bank over five years as stated on page 15 of this Report. 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 environment. In pursuit of its five-year strategic objectives, the Bank has determined appropriate strategies for each objective. In this section, for the sake of presentation and clarity each of the seven strategic objectives are first highlighted, followed by the agreed initiatives and strategies to accomplish each one, as well as the strategic outcomes that could indicate the success or failure of these strategies. This is followed by key actions and activities undertaken during the course of the year.

SAFEGUARD AND ENHANCE FINANCIAL STABILITY

Strategic objective 1

Safeguard and enhance financial stability by mitigating risks that might have a negative impact on the integrity of the financial system.

Initiatives and strategies

- Enhance the assessment of financial sector stability;
- Supervise deposit-taking institutions;
- Deter illegal financial schemes;
- Oversee the national payment system;
- Assist with combating money laundering;
- Provide sufficient quality, quantity and security of currency;
- Develop a functioning financial crisis-resolution framework; and
- Introduce a financial sector safety net.

Strategic outcomes

- A stable banking sector that is resilient to domestic and external shocks and is underpinned by a comprehensive prudential regulatory framework based, where feasible, on international standards. The ability to anticipate weaknesses in the banking sector and a robust mechanism to correct such weaknesses;
- A safe and reliable national payment systems where all banking and financial transactions are processed in accordance with national laws;
- A robust anti-money laundering system that is capable of detecting and preventing incidences of money laundering;
- A comprehensive currency management system where the correct amount and quality of currency is available at all times, and where the currency is acquired in the most cost-effective manner;
- The protection of small depositors in case of a bank failure; and
- A banking system that is free of illegal banking and deposit-taking activities.

The Bank is tasked with the responsibility of promoting and maintaining the stability of the financial system in Namibia. To carry out this statutory responsibility, the Bank regularly monitors and assesses the soundness of the various components of the financial system, including the financial markets and institutions, and the payments infrastructure. The Bank shares this assessment on a regular basis with other relevant stakeholders. The Bank continues to emphasise financial sector stability by examining the banking system from a macro-prudential perspective. This approach takes many forms, including regularly assessing the stability of the financial system; ensuring that the banking system is prudently managed through

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dedicated supervision; safeguarding the integrity and efficiency of the national payment system; and instituting rigorous anti-money laundering practices, including ways of combating the financing of terrorism.

FINANCIAL STABILITY ASSESSMENT

The Bank publishes the Financial Stability Report twice a year, which aims to assess the stability of the financial system. This Report includes the assessment of key sectors (debtors and creditors), as well as infrastructure and institutions that are important to the stability of the financial system. Banking institutions play a key intermediary role in the economy. To date, much of the financial stability assessment has focused on the banking sector and its ability to absorb unexpected shocks. Future Financial Stability Reports, however, will incorporate an analysis of the main risks confronting non-banking financial intermediaries.

The latest Financial Stability Report highlighted the continued stability of the commercial banking institutions in Namibia, notwithstanding some emerging risks. The commercial banks remain profitable and adequately capitalised. Furthermore, the sector remains compliant with regulatory liquidity requirements. The quality of banking assets continues to improve, evidenced by the relative fall in the Non-Performing Loans (NPLs). Notwithstanding the lower NPLs ratio, the assessment noted the emerging risks, which stem from increasing household and corporate indebtedness. The other risk facing banking institutions is the structural nature of their balance sheets, with a heavy concentration in long term mortgage loans. There are, however, tools in place to minimise this risk. For instance, the Bank of Namibia applies a 50 percent risk-weight to residential mortgage loans to ensure that banking institutions have adequate capital buffers to absorb possible losses. The impact on the local banking sector from the uncertain global financial conditions remained limited, owing to the sector's insulation from afflicted international financial markets.

SUPERVISION OF BANKING INSTITUTIONS

The Bank embarked on a review to consolidate the Banking Institutions Amendment Act, 2010 and the Banking Institutions Act, 1998 as well as incorporate further necessary amendments. The Bank continued to develop and amend the various by-laws in order to strengthen the enforcement of some of the sections of the Banking Institutions Act of 1998, as amended.

The Bank is tasked with the mandate of being the licensor and supervisor of all banking institutions in Namibia as per the amended Banking Institutions Act of 1998. In the period under review, the Bank conducted on-site examinations and off-site analyses of all banking institutions. The analyses confirmed that the Namibian banking system was largely resilient and continued to remain stable and sound during 2012. The banking sector remained well capitalised, with all banking institutions reporting capital in excess of minimum regulatory requirements, and conforming to all other regulatory limits.

The Bank granted a licence to the SME Bank, an institution that is expected to enhance the financial inclusion and development agenda of the Small and Medium Enterprises (SME) sector in Namibia. Consequently, the SME Bank commenced operation at the end of 2012.

DETERRENCE OF PYRAMID SCHEMES

During 2012, the Bank observed new incidences of suspected pyramid schemes, which the Bank investigated and found them to be in contravention of Section 55A(1) of the Banking Institutions Act, 1998 as amended. The said businesses were directed to cease operations and desist from their activities anywhere in Namibia. They were further directed, in terms of Section 7 of the Act, to repay all monies obtained from the public in contravention of Section 55A(1). The Bank further discovered that a business venture, which in April 2011 was already declared a pyramid scheme in terms of the Act and had been directed to cease and desist from its activities in Namibia, did not adhere to the Bank's directive. The Bank has initiated legal action against these businesses and has cautioned the public not to get involved in it.

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PAYMENT SYSTEMS OVERSIGHT

The Bank continued to oversee the domestic payment systems in line with the Payment System Management Act, 2003, as amended. The Act empowers the Bank to oversee, inspect and monitor the National Payment System (NPS), the operations of the Payment Association of Namibia (PAN), system participants, system operators and service providers. The rationale for overseeing the payment systems is to promote its smooth functioning and to protect the financial system from possible domino effects, which may occur when one or more participants in the payment system experience credit or liquidity problems.

The Bank executed various on-site and off-site payment system oversight activities at participant banking institutions to ensure the safe, secure, efficient and cost-effective operation of the national payment system. The result of this exercise confirmed the resilience and robustness of NISS in terms of its ability to enable high-value payments to be processed without major disruptions. Operational availability of Namibian retail payments systems, namely the Electronic Funds Transfer (EFT) System, the Cheque Processing System (CPS), and the Card Switching System (NAMSWITCH) also remained high in 2012, which is broadly in line with that reported for retail payment systems in other countries.

In 2012, the infrastructure of the National Payment System experienced significant developments and enhancements. In line with the regulation that all core banking systems should be localised in Namibia, the last remaining banking institution localised its core banking system successfully in 2012. Additionally, the Namibian banking industry began with the Namclear Automated Clearing House project to replace the current EFT and CPS systems, and to comply with the requirements for localization of NAMSWITCH. This project also provides a unique opportunity to create a modern, streamlined and cost-efficient payments infrastructure that will position both the banking industry and the Namibian economy well for the future.

The Bank has participated fully in the SADC Payment System Integration project, with the view to contributing to the successful implementation of efficient, safe and cost-effective regional payment systems. During 2012, considerable progress has been made with the implementation of a proof-of-concept of SADC Integrated Electronic Settlement System (SIRESS).

Significant progress has been made with the migration of payment cards and terminals from magnetic strip to the more secure global standard for credit and debit payment cards based on chip card technology. The standard (simply referred to as EMV standards) covers the processing of credit and debit card payments using a card that contains a microprocessor chip at a payment terminal. Furthermore, progress has been made with the implementation of a petrol/fuel card solution to handle fuel purchases via debit and credit cards and to phase out the existing proprietary South African fuel (Petro/Garage) cards.

On 12 June 2012, the Namibian Interbank Settlement System (NISS) achieved another milestone with the full implementation of the directive on early settlement of retail payment batches, which was issued in January 2009 and which aims to move the NISS closing time to 17h00. In order to improve efficiency in the debit order system, the Bank has set guiding principles for an efficient debit order system in Namibia. The Bank issued the Determination on the Conduct of Card Transactions within the National Payment System (PSD-4) which, amongst others issues, prohibits cross-border acquisition of e-commerce transactions with the aim of processing and settling these transactions in Namibia. Historically, the acquisition of Namibian domestic e-commerce merchants has been effected cross-border through foreign or international financial institutions, notably South African banks. This practice stifles the domestic e-commerce acquisition business, subjects domestic cardholders to costly foreign fees, and potentially encourages both tax evasion and exchange-control evasion.

In support of the Bank's strategic objective of increasing access to financial services and increasing financial inclusion, the Bank gazetted the regulation on electronic money. Currently, two service providers have been authorised under this regulation to provide mobile payment services. In addition, one banking institution launched an e-wallet service, which allows the bank's customers to send money to anyone with a valid mobile phone number. Furthermore, the Bank issued standards for a Basic Bank Account in October 2012. This Account is intended for all individuals who earn N$2 000 per month or less and can be opened without the need for a proof of income.

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ANTI- MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

An important development during 2012 was the enactment of the new Financial Intelligence Act, 2012 (FIA) and the Prevention and Combating of Terrorist Activities Act, 2012, which both came into operation on 21 December 2012. The new Financial Intelligence Act effected some changes to the Anti-Money Laundering legal framework. Amongst other things, it formally establishes the Financial Intelligence Centre (FIC) as an autonomous unit at the Bank and as the national centre for receiving and analysing suspicious transaction and activity reports from accountable and reporting institutions, and disseminating intelligence reports to Law Enforcement Agencies (LEAs) nationally and to foreign Financial Intelligence Units. The now repealed Financial Intelligence Act, 2007 did not establish the FIC as the national centre, but rather bestowed the FIC functions to the Bank. Furthermore, the FIA tasks the FIC with the responsibility of administrating the Act under the direction of the Minister of Finance. In addition, the FIA requires accountable and reporting institutions to also file suspicious activity and transaction reports pertaining to the possible financing of terrorism. The Prevention and Combating of Terrorist Activities Act, 2012 amongst others, criminalises the financing of terrorism.

During 2012, 195 intelligence reports were disseminated to local law-enforcement agencies for further investigation of suspected activities of Money Laundering (ML) and Terrorist Financing (TF) in Namibia and to facilitate the seizing, freezing and confiscation of suspected proceeds of crime within Namibia. The FIC also disseminated a total of 24 intelligence reports to foreign Financial Intelligence Units for the purposes of investigating suspected activities of ML and TF and to facilitate the seizing, freezing and confiscation of suspected proceeds of crime occurring in such foreign jurisdictions. Possible offences identified during analyses were, among others, corruption, fraud, diamond smuggling, drug trafficking, tax evasion, financing of terrorism and human trafficking. A number of FIC reports and interventions contributed to the preservation and/or forfeiture of proceeds of crime in terms of the Prevention of Organised Crime Act, 2004.

Table A.3 sets out the number of Suspicious Transaction Reports (STRs) and Requests for Information (RFIs) submitted to the FIC during 2012, compared to 2011. The number of STRs increased from 148 in 2011 to 249 in 2012. This translates into an overall annual increase of 68 percent in reported suspicious activities pertaining to ML and TF. The increase in STRs can mainly be attributed to measures put in place to bring about compliance, which includes compliance training, compliance inspections, industry specific guidance, and feedback provided to institutions on the quality of information submitted in STR's.

Table A.3: Suspicious Transaction Reports (STRs) received per source

	January – December 2011		January – December 2012	
Source of STR	**Number of reports**	**Share of total (percentage)**	**Number of reports**	**Share of total (percentage)**
Internally generated	1	0.7	6	2.4
Public members	9	6.1	7	2.8
Financial service providers	121	81.8	201	80.7
Asset managers	3	2	1	0.4
Supervisory authorities	-	-	1	0.4
Legal practitioners	5	3.4	8	3.2
Government ministries	1	0.7	-	-
Accounting firms	-	-	2	0.8
Money remitters	6	4.1	18	7.2
Insurance	1	0.7	2	0.8
Motor vehicle dealers	-	-	3	1.2
Casino/gambling house	1	0.7	-	-
Total	**148**	**100**	**249**	**100**

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In 2012, Namibia executed its first National Money Laundering and Terrorist Financing Risk and Threat Assessment, in line with Financial Action Task Force (FATF) recommendations, to ultimately strengthen Namibia's National Anti-Money Laundering and Combatting the Financing of Terrorism regime and to bring it in line with international standards and best practices. Namibia was the first country in the region to have embarked on this exercise, which was conducted in collaboration with relevant stakeholders and with the assistance of the World Bank.

Table A.4: Funding of the Financial Intelligence Centre

Income and expenditure as at 31 December 2012	N$
Government grant – FIC funding	5 647 941
Total revenue	**5 647 941**
Total expenditure	**9 380 954**
Surplus (deficit) for the year	**(3 733 013)**

CURRENCY OPERATIONS

Currency management and issuance is one of the strategic functions of the Bank. This function requires the Bank to arrange for the printing of banknotes and the minting of coins, and to ensure sufficient quantity, acceptable quality, and security of the national currency.

A new series of banknotes with new security features were launched by His Excellency President Hifikepunye Pohamba on 21 March 2012 and issued to the public on 15 May, 2012. The official launch was followed by a nationwide extensive public education campaign using the broadcast and print media. Outreach teams from the Bank of Namibia were also deployed to all 13 regions of the country to disseminate information. The campaign, which was rolled out under the theme *"Our money – Our pride!"* encouraged the public to familiarise themselves with the latest security features on the new banknotes before the banknotes were issued to the public on 15 May 2012. A similar awareness campaign was also undertaken on the new South African banknotes.

H.E. Hifikepunye Pohamba, President of the Republic of Namibia and Dr Sam Shafiishuna Nujoma, Founding President of the Republic of Namibia at the Launching of the new banknotes at Mariental, both pictured with Mr Ipumbu Shiimi, the Bank's Governor

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Launching of the currency campaign in Omaheke Region by Governor Laura McLeod-Katjirua (centre)

In the second month of circulation of the new series of banknotes, it was observed that some of the new N$10 and N$20 notes were aging faster than expected, especially along folding lines. A lasting technical solution to rectify the aging problem has been found. The expected delivery of N$10 and N$20 banknotes with improved technical specifications is April 2013.

At the end of 2012, the total number (volume) of all coins in circulation rose to 373.8 million pieces from 337.2 million pieces in 2011, while the number of all banknotes increased marginally to 36.6 million pieces from 34.0 million pieces over the same period. The total annual growth in the value of currency in circulation was 15.6 percent at the end of 2012 (Chart A:1).This is lower than the growth rate of 25.6 percent experienced in 2011, which may point to higher demand for non-cash payment mechanisms. As in the previous year, the N$100 note remains the most popular among the banknotes, with a circulation of 13.8 million pieces. The N$100 notes account for 37.7 percent of the volume of all banknotes in circulation. The 5 cent coin had the highest number of pieces in circulation among the coins, representing 38.7 percent.

For the N$10, and N$100 notes, there was a decrease in the value and volume of banknotes in circulation in 2012, while the volume of N$20 and N$200 notes in circulation increased significantly, due to the issuance of the new series in May 2012. This was necessary to cover for reduced issuance, especially of the N$20 notes due to limited stock experienced during the third quarter of 2011. There was a slight increase in the volume of N$50 banknotes in circulation.

The campaign, launched by the Bank during 2011 to guarantee better quality banknotes in circulation, continued in 2012. This campaign yielded good results as most unfit banknotes were and continue to be deposited at the Bank.

In 2012, a total of 49.1 million banknote pieces were withdrawn from circulation and shredded compared to 36.9 million pieces in 2011, representing an increase of 33.1 percent. This increase in the total number of banknotes shredded is attributed to the increased volume of N$10, N$100 and N$200 notes that were no longer meeting the Bank's fitness criteria and were therefore shredded. The values and volumes of currency in circulation at the end of 2011 and 2012, respectively, are shown in Table A.5.

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Chart A.1: Currency in circulation

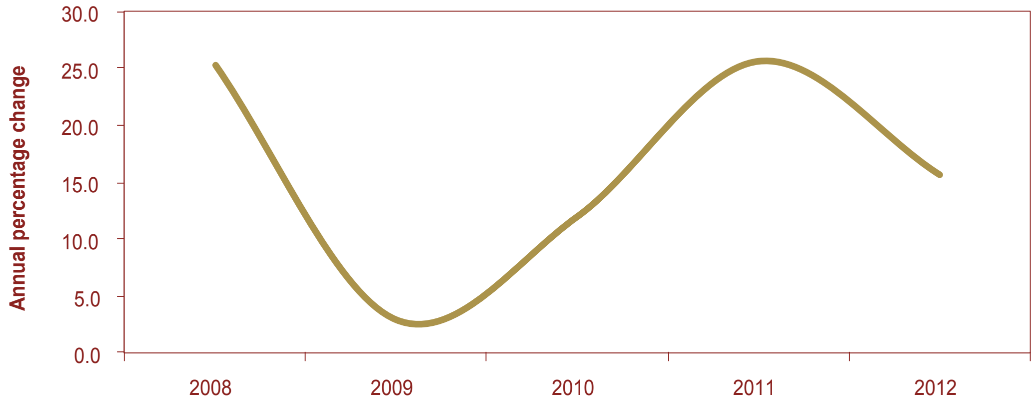

Table A.5: Composition of currency in circulation as at 31 December 2012

Denomination	2011		2012		Change in value percent
	Value (N$ million)	Volume (million)	Value (N$ million)	Volume (million)	
5c coin	6.4	128.4	7.2	144.5	12.6
10c coin	10.7	107.1	11.9	118.9	11.0
50c coin	10.1	20.1	11.0	21.9	8.9
N$1 coin	72.9	72.9	79.1	79.1	8.6
N$5 coin	37.9	7.6	41.1	8.2	8.6
N$10 coin	11.3	1.1	11.4	1.1	0.8
TOTAL - COINS	**149.2**	**337.2**	**161.7**	**373.8**	**8.4**
N$10 notes	108.3	10.8	80.6	8.1	(25.6)
N$20 notes	38.5	1.9	112.8	5.6	193.0
N$50 notes	231.4	4.6	261.7	5.2	13.1
N$100 notes	1 448.5	14.5	1 383.3	13.8	(4.5)
N$200 notes	422.3	2.1	773.2	3.9	83.1
TOTAL - NOTES	**2 249.0**	**34.0**	**2 611.6**	**36.6**	**16.1**
GRAND TOTAL	**2 398.2**	**371.2**	**2 773.3**	**410.4**	**15.6**

In accordance with the Bilateral Monetary Agreement with South Africa, the Bank is required to repatriate to the South African Reserve bank all South African Rand notes that are deposited at the Bank. The Rand currency that enters the country is quickly absorbed by banking institutions and then deposited at the Bank and repatriated to the South African Reserve Bank. South African coins are repatriated by the commercial banks.

Rand repatriation and the Namibia Dollar in circulation are presented in Table A.6. During 2012, there was an increase of 46.7 percent in the value of Rand notes repatriated to South Africa, compared to a decrease of 21.1 percent in 2011. The Rand circulation increase is attributed to foreign trade and a higher number of tourists coming from South Africa and other African countries where the Rand is widely used.

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Table A.6: Rand repatriation versus Namibia Dollars in circulation

Calendar Year	Value of Rand repatriation		Namibia Dollars in circulation	
	Rand (million)	Change in value (percent)	N$ (million)	Change (percent)
2008	974.8	(13.0)	1 657.0	25.2
2009	1 200.0	23.1	1 705.4	2.9
2010	1 425.0	19.0	1 909.3	12.0
2011	1 125.0	(21.0)	2 398.2	25.6
2012	1 650.0	46.7	2 773.3	15.6

The number of counterfeit Namibia Dollar banknotes increased from 211 pieces in 2011 to 384 pieces in 2012. The ratio of counterfeits per million of notes in circulation has remained more less the same for N$10, and has decreased significantly for N$20, and moderately for N$50. There was, however a substantial increase in the number of counterfeits for N$100 and N$200 notes when compared with 2011 (Table A.7). The N$100 bill continued to be the most targeted note, followed by the N$200 and N$50 bills, respectively[1]. Despite the incidences of counterfeits, the Bank consistently embarks on various intervention measures to curb and lessen counterfeits. These interventions, among others, include providing regular training to various stakeholders and consistent collaboration with the Namibian Police. Most of the counterfeits are detected at point of first presentation and usually result in minimum losses. The ratio of counterfeits per million of all banknotes denominations is below the international benchmark of 70 banknotes per million.

As Table A.8 indicates, the old series of banknotes was the most counterfeited in 2012, with 224 pieces as compared to 159 pieces of the new series. This clearly gives testimony to the fact that the new series of banknotes with improved security features is resilient to counterfeits.

Table A.7: Counterfeit Namibia Dollar banknotes

Denomination	Number of counterfeit banknotes detected					Counterfeits per single denomination (per million notes in 2011)	Counterfeits per single denomination (per million notes in 2012)
	2008	2009	2010	2011	2012		
N$10	16	5	2	0	4	0	0
N$20	12	9	5	3	2	2	0
N$50	38	126	49	80	57	17	11
N$100	34	84	33	119	258	8	19
N$200	18	41	7	9	62	4	16
TOTAL	**118**	**265**	**96**	**211**	**383**		
Total counterfeits (per million notes for all denominations)	**5**	**10**	**4**	**6**	**10**		

Table A.8: Counterfeit Namibia Dollar banknotes (per banknote series)

Notes	N$10	N$20	N$50	N$100	N$200	Total pieces	Total value (N$)
New series	3	1	20	125	10	159	**15 550**
Old series	1	1	37	133	52	224	**25 580**
TOTAL	**4**	**2**	**57**	**258**	**62**	**383**	**41 130**

1 A total of 96 counterfeit notes to the value of N$12 100 were confiscated by the Namibian Police at Swakopmund, making it the biggest single seizure for 2012.

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PROMOTE PRICE STABILITY

Strategic objective 2

Promote price stability.

Initiatives and strategies

- Ensure reliability of economic data to support economic policy; and
- Pursue monetary policy in accordance with Monetary Policy Framework.

Strategic outcomes

- A robust and comprehensive economic database based on international standards enabling the Bank to have an up-to-date view of the economy; and
- An economic and financial environment where the parity between the Namibia Dollar and the South African Rand is not in any way threatened.

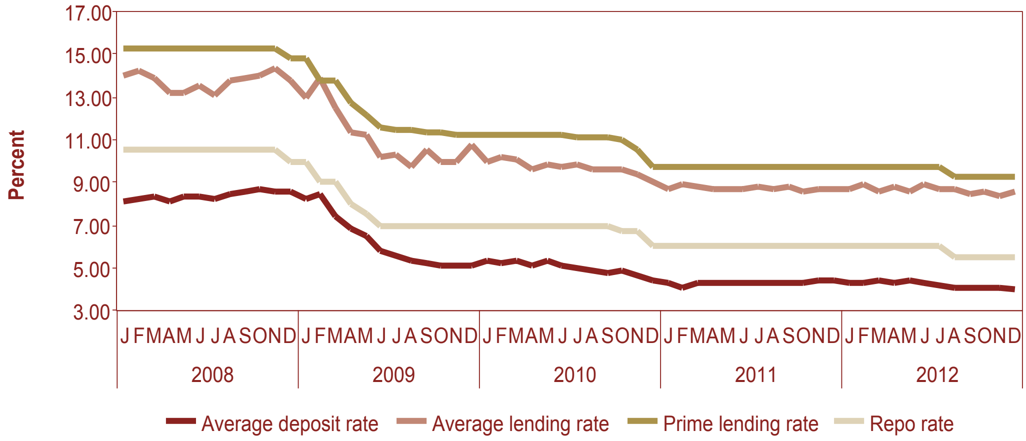
The primary objective of monetary policy is to protect the value of the currency in order to support sustainable economic growth and financial stability in the country. This objective is articulated in the Bank of Namibia Act, 1997. Price stability is achieved when changes in the general price level do not influence economic decision-making processes in a material way. Although relative price movements may still affect decisions on production, consumption, saving and investment, the rate of inflation or deflation should be so insignificant that it is no longer an important factor affecting an efficient allocation of resources in the economy.

MONETARY POLICY STANCE DURING 2012

The year 2012 was characterised by un-abating economic challenges, ranging from sovereign debt problems in the Euro Area and fiscal issues in the US, to labour unrest in South Africa and in Namibia. The above-mentioned economic challenges have culminated in weakened growth for the global, regional and domestic economies in 2012. In this regard, the International Monetary Fund (IMF), in its World Economic Outlook update of January 2013, estimated growth in advanced and emerging economies to slow in 2012 to 1.3 percent and 5.1 percent, respectively. The growth rate for emerging economies was lower than the 5.3 percent that was forecasted by the IMF during October 2012. Furthermore, in the context of lower growth and mounting labour unrest, international rating agencies lowered South Africa's credit rating and maintained an investment grade with a negative outlook, resulting in a stronger depreciation of the Rand, and hence, the Namibia Dollar during the second half of 2012.

Against this background, and in the context of diminished inflationary expectations, the Monetary Policy Committee (MPC) of the Bank sustained its accommodative monetary policy stance that began in December 2008. The MPC initially maintained the Repo rate at 6.0 percent during the first half of 2012 before reducing the rate to 5.5 percent in August 2012 (Chart A.2). The decision to ease monetary conditions further was underscored by the need to continue supporting domestic growth prospects in light of persistent downside risks to global growth and diminished inflationary expectations. The MPC further maintained its monetary policy stance at the last meeting of the year, which took place in December 2012.

Chart A.2: Key interest rates



The MPC also considered the rate of inflation registered throughout 2012 to be largely supply driven, stemming from increases in international commodity prices. In this context, the inflation rate averaged 6.5 percent during 2012 compared to an average of 5.0 percent recorded in 2011. The increase in the inflation rate was due to an increase in food inflation that rose from an average of 5.0 percent in 2011 to 8.8 percent in 2012, while oil prices remained elevated.

At the same time, the MPC continued to monitor the level of international reserves as a measure of the sustenance of the currency peg. The stock of reserves averaged about N$14.4 billion during 2012, with the closing stock of reserves at N$14.7 billion, as of 31 December 2012. During all its six meetings, the MPC reiterated that the reserves remained sufficient to support the currency peg, as they were more than five times the level of the currency in circulation.

Commercial banks' credit extension to the private sector continued to expand during the period under review, recording double-digit annual growth rates. Credit extension growth was underpinned by rapid growth in mortgage and instalment credit to individuals, while overdraft lending dominated advances to the corporate sector. The MPC noted that robust productive credit growth is necessary to support the domestic economy. However, the MPC expressed concern over the rapid and sustained expansion of instalment credit and overdraft facilities extended to individuals. In this regard, the MPC reiterated that such credit is non-productive and increases indebtedness and vulnerability of households.

The MPC resolved to continually monitor local and international economic developments, including indebtedness of individuals, and to take appropriate actions whenever necessary.

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CONTRIBUTE TO ECONOMIC POLICY FORMULATION

Strategic objective 3

Enhance contribution towards sustainable economic growth through quality research and sound economic policy advice.

Initiatives and strategies

Provide relevant and quality policy advice.

Strategic outcome

Lead research centre, whose advice is accepted and implemented.

As part of its statutory mandate, the Bank is required to provide policy advice to the Government. In this regard, the Bank conducts economic, financial and other research of strategic importance. The main aim of the research undertaken by the Bank is to inform specific policy direction and actions.

POLICY RESEARCH AND ADVICE

The Bank continues to fulfil its role as an advisor to the Government by providing policy advice on general economic and fiscal issues. In 2012, a number of research projects and activities carried out were as follows:

A study, entitled *"Assessing the Performance of the Mineral Sector: Tax Regime and Mineral Beneficiation"*, was carried out. The study aimed to ascertain the fairness and competitiveness of the taxation regime in Namibia in relation to international best practices and also to review the progress made with regards to beneficiation. The experiences of successful mining economies were reviewed to give Namibia the benefit of lessons learnt.

A second study, entitled *"Quantifying forward and backward linkages in priority sectors and sub-sectors in the Namibian economy"* was also undertaken by the Bank and is expected to be completed in 2013. The focus and aim of this study is to identify potential areas for industry development in Namibia, which will make meaningful contributions toward the objectives of NDP4 and Vision 2030, as well as to quantify the multipliers in the Namibian economy. It is envisaged that this study will contribute to the development of a strategy regarding current national activities and programmes for industrialisation in Namibia.

The second phase of the fiscal position study entitled *"Desirability of a Revenue Authority for Namibia"*, which began in 2011, was continued by the Bank in 2012. The second phase of the study focused on gathering information about the practical experience of the African countries with operational and autonomous Revenue Authorities (RAs). In this regard, interview guides were sent to a number of African countries with operational RAs, and a study tour is to be carried out to South Africa and Mauritius.

In addition to the research projects, the Bank worked on a number of policy briefs, which were either identified internally or were developed based on a request from the Ministry of Finance. The briefing notes produced include: (a) Estimation of the Taylor Rule; (b) Acceptable Levels of Private Sector Credit; (c) Assessing the Implementation of the SADC Finance and Investment Protocol; (d) Employment Service Act: Implications for Recruitment Practices in Namibia; (e) Sovereign Debt Sustainability; (f) Subsistence and Travel Allowance for the Government; (g) Namibia's Competitiveness during 2012/13; (h) Namibia: A Macroeconomic Framework for 2013 and Beyond; and (i) A Summary of the NDP 4. These nine policy briefs were discussed and presented at the Management Committee meetings, and some were subsequently presented to relevant stakeholders.

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Apart from the above, the Bank also participated in other key activities to enhance coordination between fiscal and monetary policy, including advising on foreign loans. As part of the Macroeconomic Working Group (MEWG), the Bank participated in a week-long exercise to develop the draft Medium-Term Macroeconomic Framework (MTMF) indicators for the 2013/14 to 2015/16 fiscal year. In efforts to foster dialogue among key partners on national policies, the Bank has been participating in the Committee for Policy Coordination. The Committee consists of representatives from the Ministries of Finance, Trade & Industry, the National Planning Commission, and the Bank of Namibia. At the same time, the Bank continued to coordinate technical committees with various key stakeholders, including, amongst others, the Ministry of Finance and NAMFISA. Furthermore, the Bank reviewed several foreign loans belonging to the Government and other government institutions during the period under review.

INTERNATIONAL FINANCIAL CO-OPERATION

The year under review has seen numerous undertakings involving cooperation between the Bank and international and regional institutions. The activities included cooperation and interaction with institutions such as the International Monetary Fund (IMF), the World Bank Group, the Southern African Development Community (SADC), the Southern African Customs Union (SACU), the Common Monetary Area (CMA), the Association of African Central Banks (AACB), and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), among others. The Bank also engaged sister regional and international central banks through study visits and collaborations in several areas of the Bank's activities.

THE IMF AND WORLD BANK GROUP

The Bank participated in the annual meetings of the IMF and the World Bank Group, which bring together central bankers, ministers of finance and development, private sector executives and academics to discuss issues of global concern. The issues discussed included the World Economic Outlook, poverty eradication, economic development, and aid effectiveness. This year's annual meeting took place in Tokyo, Japan in October 2012.

The Bank also engaged with the IMF on other occasions, notably the Article IV consultation between Namibia and the IMF during November 2012. The IMF mission's work focused on reviewing recent economic developments, prospects and policies to ensure continued macroeconomic stability and growth. With respect to monetary and exchange rate policy, the mission observed that the peg to the Rand has served Namibia well and merits continuation. The mission advised that a further build-up of reserve buffers would enhance Namibia's resilience to shocks. On the fiscal side, the mission expressed support for the tightly focused development objectives enshrined in the recent Fourth National Development Plan (NDP4) and the fiscal year 2012/13 budget. In the mission's view, the Targeted Intervention Programme for Employment and Growth (TIPEEG)'s goal of easing infrastructure bottlenecks in selected labour intensive sectors is appropriate, and has the potential to enhance job creation in the country. They noted that TIPEEG also has a skill development component to help make workers more competitive for long-term private sector jobs after the programme comes to an end. Given the negative impact of income inequalities on growth, the mission further recommended policies to target inequality at the source including fostering targeted investment in health and education, and supporting greater financial inclusion.

Furthermore, the Bank staff benefited from the capacity building programme of the IMF. More specifically, one staff member was placed on a one-year appointment as special appointee staff in the African Department of the IMF. Another Bank staff member also received training from the IMF Institute and successfully completed the programme on Financial Programming and Policies.

BILATERAL COOPERATION WITH OTHER CENTRAL BANKS

The Bank engaged in a number of study visits to the central banks of Sweden, Germany, Norway, Denmark, Malaysia, and Botswana, for the purposes of benchmarking, among other things. The visits focused on the areas of Financial Stability, Human Resources Management, Financial

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Inclusion, Payment and Settlement Systems, Strategic Communications, and Information Technology. The visits allowed interactions and engagements with relevant staff members and experts in the respective areas of interest. Following the visits, specific recommendations were made to reposition specific operational areas in terms of, among other things, structure and available resources. The Bank also hosted officials from the Bank of Botswana, with a view to share experiences on the implementation of Basel II.

COMMITTEE OF CENTRAL BANK GOVERNORS (CCBG) IN SADC

Regionally, the Bank continued to participate in the meetings of the CCBG in SADC. Two meetings were held in April and September 2012, where economic and financial developments in SADC were discussed. In general, the meetings noted the progress being made on macroeconomic stability, payment system integration, and information and communication technology. The meetings also highlighted the need to realign the CCBG Strategy with new realities, given the developments in the Euro Area. In this regard, the Bank contributed to the revision of the CCBG Strategy, which formed part of the agenda of the Governors' Strategic Planning Session held in early December 2012.

A CCBG Strategic Planning Session took place in Pretoria, South Africa in December 2012. The session focused on the CCBG broader strategy and examined the medium- to long-term SADC regional policies and strategies, which included: trade, energy, water and transport, food and food security and labour. Moreover, the Governors reviewed the CCBG substructures and the strategy for the establishment of a SADC Central Bank. Additionally, the Governors also deliberated on the strengths and weaknesses of the individual economies in SADC, as well as the trends in the Chinese economy, which is now considered to be the second largest economy in the world.

In addition, the Bank hosted the meetings of the CCBG Financial Markets and Macroeconomic Sub-committees, which took place in Windhoek during February and July 2012, respectively. The former meeting deliberated on regional cooperation in the financial sector. The latter meeting considered research proposals and research papers carried out by officials from the central banks in SADC. The research output serves as policy input, as well as a contribution to the formulation of the CCBG strategy.

SADC PAYMENT SYSTEM PROJECT

During 2012, the Bank participated fully in the SADC payment system integration project. The regional payment system is envisioned to facilitate and promote cross-border trade in SADC by allowing for the safe and efficient flow of funds. The project is progressing well, and a proof-of-concept is anticipated to be implemented during July 2013.

SADC FINANCE AND INVESTMENT PROTOCOL (FIP) IMPLEMENTATION

The Bank also participated in the SADC Finance and Investment Protocol (FIP) activities. Two meetings were held during April and August 2012, in Johannesburg, South Africa and Gaborone, Botswana, respectively. The aim of the meetings was to share experiences and learn from the involvement of other SADC countries' in the FIP implementation. The Bank participated and contributed to the setting up of the FIP prioritisation framework and FIP implementation structures. In this regard, a FIP Implementation Coordination Unit has been set up at the Ministry of Finance which will be responsible for coordinating the implementation of the FIP.

CMA and SACU

The Bank continued to participate in activities and meetings of SACU and the CMA. Three CMA meetings were held during 2012, at which Governors discussed and exchanged views on economic developments globally and in their respective countries. As the Chair of the CMA Cross-border Oversight Payments Committee, the Bank hosted the CMA central banks to discuss cross-border payment system oversight issues. With regard to SACU issues, the Bank continued to participate in the SACU meetings, where it provides technical support and advice to the Ministry of Finance on the issues pertaining to the revenue-sharing arrangement.

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Common Monetary Area (CMA) Central Bank Governors at the Bank of Namibia (November, 2012)

From left: Mr Ipumbu Shiimi, Governor of the Bank of Namibia; Ms Gill Markus, Governor of the South African Reserve Bank; Dr Retselisitsoe Matlanyane, Governor of the Central Bank of Lesotho; Mr Martin Dlamini, Governor of the Central Bank of Swaziland.

ASSOCIATION OF AFRICAN CENTRAL BANK GOVERNORS

The Bank participated at the 36th Ordinary Meeting of the Assembly of Governors of the Association of African Central Banks (AACB), held in Algiers, Algeria in August 2012. Amongst other issues, AACB Governors discussed the strategy for the establishment of the African Monetary Union and implications for commodity price volatility. The Governors took note of the progress being made on the implementation of the African Monetary Cooperation Programme. They also expressed their concerns about the impact of external shocks in 2011 regarding member countries' performance under the convergence criteria, but encouraged member countries to continue efforts to reinforce macroeconomic convergence. A presentation by the Deputy Governor focused on the contribution to growth by the different economic sectors in Namibia and the underlying policy challenges of a growth strategy centered on the expansion of the tertiary sector of the economy.

MEFMI TRAINING

The Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI) facilitated a two-week research methodology and report-writing training course at the Bank during November 2012. MEFMI, a regionally owned institute, currently has 13 member countries: Angola, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. MEFMI provides sustainable capacity building in macroeconomic and financial management. The course, which drew participants from various Departments of the Bank, was aimed at addressing specific areas to ensure and maintain a high standard of research and writing skills. The training covered proposal writing, report writing, and technical paper writing.

OTHER COOPERATION

The Bank, as a primary member of the Alliance for Financial Inclusion (AFI) network, participated in the 2012 AFI Global Policy Forum (GPF) held in Cape Town, South Africa, in September 2012 under the theme: *Making Financial Inclusion real*. AFI is a network of policymakers from developing countries working together to create more inclusive financial services. The overall mission of the AFI network is to accelerate the adoption of proven and innovative financial inclusion policy solutions, with the ultimate

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aim of bringing financial services to the estimated 2.5 billion people who do not currently have access to the formal financial system. During this annual meeting, feedback was provided on the work of the various AFI working groups, namely the Mobile Financial Services, Consumer Protection and Market Conduct, Financial Inclusion Data and Financial Integrity, which continue to be the core of the AFI network operation. Through its membership and participation in AFI activities, the Bank continues to significantly benefit from this global benchmarking platform/network, given the wide nature of practical financial inclusion policy issues being addressed that confront many developing countries.

FOREIGN EXCHANGE RESERVE MANAGEMENT

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Strategic objective 4:

Manage reserves prudently.

Initiatives and strategies

- Manage reserves in accordance with investment policy;
- Manage liquidity in banking system proactively to support reserves; and
- Administer exchange control in accordance with the relevant law.

Strategic outcomes

Levels of international reserves proportionate with the economic activities, the management of which is underpinned by a comprehensive reserve management policy and by pro-active management of liquidity in the money market.

The Bank is responsible for the prudent management of the country's foreign exchange reserves. The foreign exchange reserves are held to back the issuance of the domestic currency, defending the peg to the South African Rand, and ensuring the country remains resilient to external shocks. Additionally, the reserves serve to boost confidence in the country's monetary and foreign exchange policies, as well as giving confidence to the international community that the country is able to honour its external obligations.

In satisfying the prudence required in managing the reserves, the Bank must ensure that the investment objectives of safety, capital preservation and liquidity are met at all times. This is achieved by determining an optimal combination of assets or currencies that the Bank must hold over an investment horizon that is given from time to time. This combination or mixture of assets is an outcome of the annual Strategic Asset Allocation (SAA) Review of the Bank.

FOREIGN EXCHANGE RESERVE DEVELOPMENTS DURING THE YEAR

During the year under review, the foreign currency reserves of the Bank posted a 2.1 percent increase from N$14.4 billion at the end of December 2011 to N$14.7 billion at the end of December 2012 (Chart A.3). This development reflected, among other things, the successful issue of the JSE bond of R850 million in November 2012. The primary objective for issuing the JSE bond is to cater for Government general budgetary needs through diversification of funding sources. It should be acknowledged that Namibia is classified as an upper middle-income country, and access to concessional funding is quite limited. As a result, the country needs to explore other reliable sources to meet its developmental and social challenges. The Rand banknotes repatriated to South Africa, which amounted to R1.650 billion; the compensation for the use of the Rand of R190.2 million, and interest income earned of R253.4 million also aided the positive foreign exchange reserve growth.

In terms of adequacy requirements, the level of reserves is considered adequate as it stands well above the required amount of N$5.7 billion. Foreign exchange reserves is considered adequate if the levels are sufficient to cover short-term external debt obligations due within a year, or currency in circulation plus a buffer equal to three times the average of monthly commercial bank outflows, whichever is greater.

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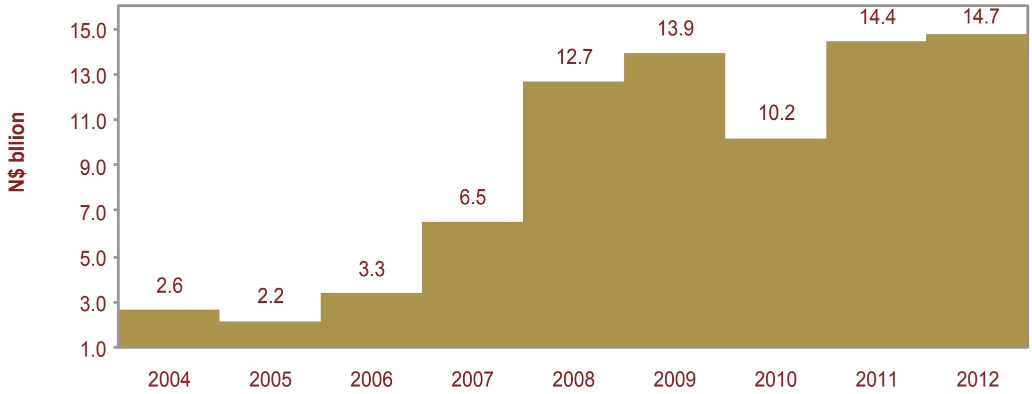
Chart A.3: Official foreign exchange reserves stock



Despite the volatile market conditions in the US and Euro Area, the risk/return objectives of the Bank were met and no negative returns were recorded on any investment portfolios. The EUR investment tranche generated positive returns of 1.56 percent for 2012, outperforming its benchmark returns of 1.43 percent. Over the same period, the USD investment tranche also generated positive returns of 0.28 percent, outperforming its benchmark returns of 0.23 percent.

The Bank's SAA is reviewed annually with the objective of determining whether the current portfolios still satisfy the risk and return targets. The weight of the EUR investment tranche was reduced from 70 percent in 2012 to 7 percent for 2013, while the weight of the USD Investment tranche was increased from 30 percent to 54 percent. In addition, the Rand-denominated investment tranche was created in SAA 2013 (Table A.9). The creation of this investment tranche resulted from the increase in Government Rand-denominated debts during 2012. The investment tranche of this portfolio constitutes about 39 percent of the investment portfolio.

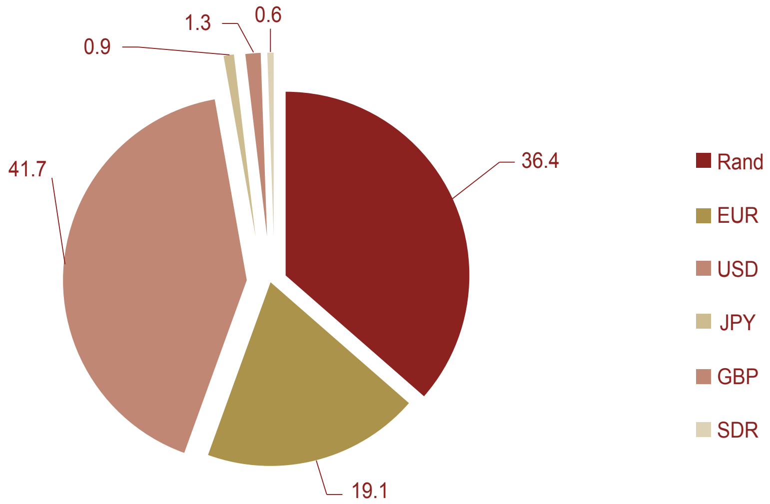
Table A.9: Composition of investment portfolios for 2012 and 2013

	Working capital (millions)		Liquidity tranche (percentage)		Investment tranche (percentage)	
	2013	2012	2013	2012	2013	2012
ZAR	500 -2,500	500 -2,500	35	35	39	0
USD	0-10	0-10	30	30	54	30
EUR	0-5	0-5	35	35	7	70
Total			**100**	**100**	**100**	**100**

Other measures introduced for SAA 2013 were notably increased risk budgets, exposure to emerging markets and the inclusion of semi-core European governments exposures.

To match the Government's debt profile, the USD and EUR continue to make up a significant portion of the Bank's foreign reserves (Chart A.4). As at 31 December 2012, the USD and EUR accounted for 41.7 percent and 19.1 percent of reserves, respectively. During 2011, the share for the USD and EUR was 46.4 percent and 17.9 percent of reserves, respectively. The Rand continues to gain momentum as an important reserve currency for Namibia, increasing its share to 36.4 percent in the year under review from 32.9 percent previously. The Bank also held a small percentage of reserves in British Pound Sterling Pound (GBP) and Japanese Yen (JPY).

Chart A. 4: Currency mix of foreign exchange reserves as at 31 December 2012 (Percent)



ADMINISTRATION OF EXCHANGE CONTROL

During the year under review, the Bank continued its effort to curb illegal trade in foreign currency by enhanced awareness campaigns and by instituting measures aimed at closing the loopholes that existed in the system. Only two cases of illegal trade in foreign currency were reported to the Bank through the police, which is testimony that the Bank's campaign has had a major impact in eradicating illegal trade in foreign currency.

Furthermore, the Bank continued to liberalise exchange control on a gradual basis within the framework of the Common Monetary Area (CMA) Agreement. In this regard, the Bank issued circulars allowing foreign currency earnings in respect of export of goods and services to be offered for sale to an Authorised Dealer to be increased from 90 days to 180 days from the date on which funds were credited to a Customer Foreign Currency (CFC) account.

The Bank continued to be represented at the SADC Exchange Control Committee, which deals with exchange control related issues. This Committee has developed a road map for the liberalisation of exchange control and the ultimate achievement of economic integration within SADC.

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SERVICES DELIVERY AND STAKEHOLDER RELATIONSHIPS

Strategic objective 5

Promote a positive reputation through efficient service delivery and sound stakeholder relations.

Initiatives and strategies

- Deliver excellent service to stakeholders; and
- Promote good corporate citizenship.

Strategic outcomes

- Cost-effective, efficient, secure and innovative banking services provided to the Bank's customers that meet their requirements and approval;
- A robust and efficient Real-Time Gross Settlement System (RTGS) that is able to settle the obligations of system participants finally and irrevocably;
- An exchange control regime administered according to relevant legislation;
- Public awareness and appreciation of the Bank's role is in the Namibian economy;
- A mutually rewarding relationship with all the Bank's external stakeholders based on their understanding of the Bank's role in the economy; and
- A comprehensive communication mechanism where both external and internal stakeholders are provided with the latest relevant information and are satisfied with the information thus provided.

One of the key strategic objectives of the Bank is to maintain a positive reputation through sound stakeholder relations and service delivery. Stakeholder management suggests that the Bank should strategically manage its relationships with its salient internal and external stakeholder groups. The Bank has, therefore, been continuously strengthening its stakeholder relationships through implementing targeted stakeholder engagement plans, monitoring relevant stakeholder groups and timeously identifying and managing relevant stakeholder issues.

To measure the strength of the Bank's relationship with its key stakeholders and to determine whether the Bank lives up to its Vision and effectively carries out its Mission, an "External Stakeholder Perception Survey" was carried out in July 2012 by an independent external service provider. The findings of the survey showed that the stakeholders generally have a positive view of the Bank (80 precent positive rating), while few valuable suggestions for improvement were also made. In the following sections, the nature of service delivered by the Bank is elaborated further.

BANKING SERVICES

As part of its mandate, the Bank continues to provide banking services to the commercial banks and to Government. All domestic transfers exceeding N$5 million are made through the Namibia Interbank Settlement System (NISS), to ensure timely and irrevocable payment. During 2012, the number of domestic transfers from Government decreased by 36 percent from 1 198 to 768, and those from commercial banks over NISS decreased by 23 percent from 2 946 to 2 257. These decreases resulted from the introduction of the Electronic Funds Transfers (EFT) system which processes all Government payments up to N$5 million[2].

On the other hand, the number of foreign transfers from Government during 2012 increased by 9 percent, from 1 405 to 1 531. The Bank has a special arrangement with the Ministry of Finance to clear special presentations of State Account cheques,

2 The Bank implemented an EFT system in its endeavour to provide Government with improved and modern services. Government, as well as its clients, are now able to use electronic payment online up to N$5 million.

where the holder wishes to have immediate value. Such clearances are undertaken on request from the payee. There has been a sharp reduction of 48 percent in the number of special clearances to 593 compared to 1 145 in 2011.

A total number of 271 519 cheques were processed during 2012 in comparison to 435 954 in 2011. This indicates a major decline of 38 percent and is due to increased usage of the EFT system. The Bank is fully positive that EFT usage will further increase in the future and that this, in turn will result in a further reduction in the number of cheques issued. During 2012, the Bank received inflow payments to the value of N$8.3 billion from commercial banks, and processed transactions from the State Account to various beneficiaries to the value of N$20.4 billion.

SETTLEMENT SERVICES

As a banker to commercial banks, the Bank continues to provide real-time, inter-bank settlement services to Namibian banking institutions through the NISS. Values originating from the retail payment systems (Electronic Funds Transfer, Cheque, and Card) operated by Namclear, are also settled in NISS. During 2012, NISS availability was high, at 99.3 percent, and was broadly in line with those reported for large value and retail payment systems in other countries. High priority was given to ensuring uninterrupted availability of NISS operations.

In 2012, the total value settled in NISS was N$480 billion, of which approximately 63 percent emanated from inter-bank (typically high value) transactions as opposed to retail payment transactions originating from Namclear (Table A.10). The total number of transactions settled was 49 453, which is, on average, 164 transactions per settlement day. However, the total volume settled in NISS decreased by 1.7 percent from 2011. Retail payment transactions and interbank transactions values increased by 11.5 percent and 1.8 percent, respectively. The total values settled in NISS increased by 5.4 percent, due to the continually increasing value of retail payment transactions. This means that there is an overall positive trend in the NPS, since more real-time, irrevocable transactions are occurring in NISS, thus decreasing systemic risk. The total settlement value for the retail payment system (EFT, Cheque, and Card) operated by Namclear was N$179.6 billion (Table A.10). This amounted to 37 percent of the total value settled in NISS. Retail payment systems are still considered to be systematically important as they represent a significant proportion of the daily settlement.

Table A.10: NISS transaction values and volumes

Year	Number of settlement days	Value settled (N$ billion)			Total number for settlement transactions
		Total value settled	Value settled interbank transactions	Value settled retail payment transactions	
2008	304	455.5	328.5	127.0	32 587
2009	301	453.1	311.5	141.6	40 437
2010	301	443.9	306.5	137.4	50 100
2011	301	454.1	295.1	158.9	50 315
2012	301	480.1	300.5	179.6	49 453

The Bank provided sufficient collateralised liquidity to the participants through the seven-day and overnight Repo facilities in NISS (Table A.11). The value of overnight credit extended in 2012 decreased to N$403.4 million from N$632.7 million in 2011. This could be attributed to excess liquidity in the market caused by Government spending which meant that banks often had very high settlement account balances throughout the year. The excess liquidity meant that the participant banks no longer needed

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to borrow as much funds from the Bank to meet their settlement obligations. Additionally, the participant banks earn interest on the balances they keep in their settlement accounts, thus further incentivising them to keep higher balances at the Bank.

Apart from the seven-day and overnight repos, the Bank provides interest-free intraday credit to the participants. As interbank payments are made throughout the day, this facility is a valuable avenue for participants to fund intraday commitments to one another. The use of the facility decreased due to the reasons mentioned above.

Table A.11: Collateral utilisation

	Max collateral reserved for funds settlement (N$ million)	Max intraday collateral utilised in NISS for settlement (N$ million)	Overnight collateral utilised in NISS for settlement (N$ million)	Intraday credit extended as percentage of total value settled	Number of times credit was extended intraday
Total	19 445.9	8 861.9	403.5	23.01	864

During 2012, Namclear processed 2.3 million cheques to the total value of N$27.9 billion (Table A.12). The value of cheques processed decreased significantly by 10.3 percent in 2012 compared to 2011. This continuing trend is due mostly to the reduction of the cheque item limit from N$5 million to N$500 000. This also contributed to a rise in volumes through NISS and EFT as substitutes for previously issued cheque payments of more than N$500 000.

With respect to the EFT transactions, Namclear processed 9.1 million EFT transactions to the value of N$113.2 billion in 2012 which is a 0.3 percent increase in value from 2011, while the volume declined by 5.7 percent. This increase in value was due mostly to the reduction of the cheque item limit which lead to more EFT transactions being used as an alternative for payments between N$500 001 and N$5 million. This allowed for greater efficiency and security in the NPS, as EFT transactions are safer, and are cleared up to four days quicker, than cheque transactions.

Namclear processed 9.2 million card transactions to the value of N$4 billion in 2011, which is a 25.2 percent increase in card transactions switched through NAMSWITCH while the value of card transactions increased by 25.1 percent during 2012 (Table A.12). This can be attributed to the increased usage of card transactions by the public as opposed to alternatives such as cash and cheque payments.

Table A.12: Namclear transactions

Year	Cheque transactions		EFT transactions		Card transactions		Total value cleared
	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)
2008	81 653	4 534	49 179	7 085	-	-	130 832
2009	76 650	3 721	63 060	7 910	674	2 484	140 384
2010	46 739	3 088	84 296	8 982	2 163	5 575	133 198
2011	30 832	2 687	112 800	9 661	3 020	6,887	146 652
2012	27 954	2 278	113 166	9 132	4 035	9 219	157 853
Annual percentage change							
2008	7.2	(12.2)	34.4	43.8	-	-	16.0
2009	(6.1)	(17.9)	28.2	11.6	-	-	7.3
2010	(39)	(17)	33.7	13.6	220.9	124.4	(5.1)
2011	(34)	(12.9)	33.8	7.6	39.6	23.5	(10.1)
2012	(10.3)	(17.9)	0.3	(5.7)	25.1	25.2	7.0

Overall, the total value of retail payments cleared through Namclear increased by 7 percent from 2011 to 2012. This shows a significant increase in retail payments being processed in the NPS.

PUBLIC EDUCATION

During 2012, the Bank held a High School Competition as part of its public education campaign to raise awareness and understanding of the role of the Bank of Namibia as well as the Namibian economy as a whole. This type of information enables ordinary citizens to make more informed decisions with their personal finances, ultimately leading to a better quality of life. The National High School Competition is elaborated below:

- The Bank's National High School Competition was successfully concluded on 14 September 2012. The competition aimed at educating learners about the role of the central bank, as well as the economy in general. Secondary school learners from Grades 8 to 12 from all 13 regions of Namibia were invited to take part in the regional competitions. The winners representing their respective regions competed in the finals in Windhoek. This was the sixth consecutive Bank of Namibia National High School Competition. Over the past six years, the Bank has exposed thousands of learners to the workings of the economy, which have significantly improved their knowledge of the role of the Bank in the economy.

- **Participants from the winning schools in the National High School Competition were awarded prizes at regional and national level.** Oosterheim Junior Secondary School from the Karas region emerged as the overall winner, walking away with N$50 000. Mariental Secondary School from the Hardap region came second, winning N$30 000, while Ekulo Secondary School from the Oshikoto Region claimed the third prize of N$10 000. The fourth place winner was Niita Yiitula Junior Secondary School from the Omusati Region, which was awarded a printer.

Bank of Namibia High School Competition

From left: Mr Ebson Uanguta, Deputy Governor, Bank of Namibia, Dr Omu Kakujaha-Matundu, Board Member, Bank of Namibia and learners from Oosterheim Junior Secondary School.

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CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

As a responsible corporate citizen, the Bank invested in the upliftment of Namibian communities through relevant corporate social responsibility/ investment projects or activities, mainly in the area of education and information technology (IT). The Bank continued with the implementation of its on-going five-year Computer Laboratory Project at two selected secondary schools in the country, namely Hans Daniel Namuhuya Senior Secondary School (Oshikoto Region) and P K de Villiers Secondary School (Karas Region). Through this project, information technology skills are being developed through fully fledged laboratories equipped with an interactive learning system on the latest laptop computers at the two respective schools. A total amount of N$1 million has been committed for the five-year period to support the Government's efforts to promote computer literacy at these two schools.

Bank of Namibia Computer Laboratory Project

Teachers at the P K de Villiers Secondary School attending training in the computer laboratory

In addition, the Bank supported other community activities to the value of N$393 157 in the form of donations and sponsorships to initiatives that are in line with the objective of creating a knowledge-based society. The recipients included the Polytechnic Innovation Market Place and Business Idea Competition, the Hardap Regional Development Trust, the Annual National Mahangu Festival, the Endowment Fund for the establishment of a UNAM campus in the Karas Region, the UNAM Student Economic and Accounting Societies, the Polytechnic Student Economic and Accounting Societies, and limited support for community charities.

FINANCIAL SECTOR DEVELOPMENTS

Strategic objective 6

Promote financial sector development.

Initiatives and strategies

- Promote the deepening of the financial market;
- Promote wider access to financial services; and
- Promote consumer education.

Strategic outcomes

- An active financial market characterised by all financial instruments that are found in other comparable markets; and
- A financial system where no person should be financially excluded from financial services.

The Bank is not the only institution responsible for financial market development, but is a major participant in the domestic financial market, given its position as manager of the Government's debt portfolio. The Bank is in a unique position to take the initiatives and to provide advice to stakeholders in developing a strong, broad, and deep financial market in Namibia. An efficient and diversified financial market is necessary to support real economic activity. Strong local markets play a critical role in mobilising savings and in allocating them for productive investment. Moreover, they can also provide a more stable source of financing for the public and the private sectors, thus insulating them to some extent from volatile global capital flows.

FINANCIAL INCLUSION

The Namibia Financial Sector Strategy (NFSS) was launched on 16 August 2012 by the Minister of Finance, Honourable Saara Kuugongelwa-Amadhila. This strategy is a result of coordinated financial sector development efforts with relevant stakeholders. The NFSS highlights specific reform areas and outcomes required to achieve an effective, efficient, stable, competitive, resilient and inclusive financial system for Namibia. An implementation framework has also been agreed upon to track progress on the implementation pertaining to the reform areas. The reform areas are the deepening and development of financial markets, financial safety net, financial inclusion, localisation of the Namibian financial sector and skills development in the financial sector. The NFSS, when implemented effectively, will foster economic growth, alleviate poverty and reduce income inequality.

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The Launch of the Namibia Financial Sector Strategy (NFSS)

From left: Hon. Saara Kuugongelwa-Amadhila, Minister of Finance; Mr. Ipumbu Shiimi, Governor of the Bank of Namibia; Mr. Phillip Shiimi, CEO of NAMFISA

Financial inclusion envisages, in particular, transforming the financial sector into an equitable system with efficient market-based financial services to the otherwise excluded poor and marginalised population including women and young people. The NFSS envisages achieving this transformation through making available financial products and services, providing financial education to consumers to enable them to make informed financial decisions and protecting consumers when using the products and services. Subsequently, the NFSS has identified specific activities that need to be implemented in order to achieve enhanced financial inclusion in Namibia. During the year under review, achievements included the completion of Namibia FinScope 2011/2012 survey (which revealed the level of the financial exclusion rate in Namibia), the setting of specific standards and subsequent introduction of a Basic Bank Account in Namibia, the issuance of regulations on electronic money in Namibia, the granting of a bank license to the SME Bank, the implementation of the financial literacy campaign, as well as other on-going studies to inform policy initiatives pertaining to enhancing financial inclusion in Namibia.

- **Determining the level of financial exclusion in Namibia**

The FinScope Consumer Survey Namibia 2012 revealed that the percentage of financially included adults has increased significantly from 48 percent in 2007 to 69 percent in 2012, which means that only 31 percent of adults are financially excluded. Affordability and a lack of financial resources are the key factors that inhibit uptake of formal financial services for those who remain financially excluded. As a country, Namibia still needs to improve access to financial services and products by reducing financial exclusion to the NFSS target of 26 percent. In this regard, monitoring the level of financial exclusion in Namibia is an important activity as it provides a clear guideline that informs and assesses the gains being made by the NFSS. The process of collecting supply side data on financial inclusion has been identified as a necessity. The frequency of surveys is also important. Necessary benchmarking with other countries which have been successful in the financial inclusion terrain will be pursued to inform this initiative.

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At the launch of the FinScope Consumer Survey Namibia 2012

From left: Mr Ian Leyenaar (FNB); Ms Kammy Naidoo & Ms Maya Makanjee (Finmark Trust); Ms Marlize Horn (Bank Windhoek); Ms Ericah Shafudah (Ministry of Finance); Mr Phillip Shiimi, (NAMFISA); Mr Ipumbu Shiimi (Bank of Namibia); Mr Festus Hangula (NAMPOST)

- **Implementation of the NPS Vision 2015**

As part of the promotion of the financial inclusion agenda, the Bank, in consultation with the banking industry, set specific standards for the introduction of a Basic Bank Account (BBA) in Namibia. This account is intended for individuals earning N$2 000 per month or less, while no proof of income is required to open a BBA and no monthly fees or management fees are to be charged on the account. All banking institutions have implemented the standards by introducing accounts in compliance with the set standards.

The Bank also issued a policy paper during 2012 that will allow for non-bank financial institutions to also have access to the payment system of Namibia, which currently can only be accessed by banks. It is expected that this will improve competition in the NPS and also result in innovative payments products that can be accessed by the financially excluded. The policy paper was issued after a regulation on the issuing of electronic money in Namibia was issued by the Bank, which allows for the provision of mobile payment services in Namibia to be accessible to anyone with a mobile phone. These innovations are expected to increase the number of people who have access to the financial system by removing the geographical barriers currently experienced by those in remote areas where there are no bank branches.

- **The SME Bank**

A notable development during the year under review has been the licensing of the specialised SME Bank at the end of November. The SME Bank has since opened its doors, and it is expected that its existence will complement the on-going efforts aimed at enhancing financial inclusion in the country.

- **Financial literacy**

The Bank participated actively in the activities of the Financial Literacy Initiative (FLI) during 2012. Since the launch of the FLI in March, the FLI Secretariat has been conducting financial educational campaigns in print media which have been rolled out to the regions. The campaigns in the regions have entailed, amongst other things, street theatre plays, booklets distributed and translated into local languages and training of trainers. The aim of the initiative is to increase the level of financial literacy in the country and empower the users of financial services and products to make informed decisions.

The FLI also aims to promote consumer protection by educating people on their rights and obligations. The initiatives is one of the strategies for contributing towards the attainment of financial inclusion and Vision 2030 goals by providing targeted consumer financial education to the population over time. A monitoring and evaluation framework for FLI activities has been developed and is regularly being updated.

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The launch of the Financial Literacy Initiative (FLI)

The Hon. Saara Kuugongelwa-Amadhila, Minister of Finance (front third from left) and Mr. Ipumbu Shiimi, Governor of the Bank of Namibia (extreme left), pictured with FLI platform members

- **On-going studies aimed at enhancing financial inclusion in Namibia**

A number of studies investigating different ways of enhancing financial inclusion in the country were undertaken during the year under review. These on-going studies include: an optimal approach for establishing a credit bureau in Namibia, which was presented and discussed at the meeting of the Advisory Body to Financial Inclusion Council in November 2012, a study to determine the viability of a credit guarantee scheme in Namibia, and a position paper to serve as input into the effort to develop a national policy on consumer protection in Namibia.

The Bank also developed the Guidelines for Consumer Protection and shared the same with the banking industry to serve as guideline to their code of good banking practice. In addition, a complaints mechanism for clients against banking institutions has been developed.

RESOURCE MANAGEMENT

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Strategic objective 7

Optimise organisational efficiency and cost-effectiveness.

Initiatives and strategies

- Manage risk effectively;
- Adapt the Bank's human resources strategies to enhance leadership and promote a performance-driven culture;
- Manage the Bank's financial affairs in a prudent manner by promoting value for money; and
- Ensure functionality and availability of assets and infrastructure that support the Bank's operations in a cost-effective manner.

Strategic outcomes

- Internal control systems which are effective in managing the Bank's operations;
- An effective performance management system that is capable of assessing performance and rewarding employees accordingly;
- A comprehensive financial management system, inclusive of budget, where all the Bank's financial transactions are recorded and monitored in accordance with international accounting standards, except where the Bank's legal requirements dictate otherwise
- An enabling physical working environment and an up-to-date asset register where all assets are well maintained and kept in good working condition at all times;
- A comprehensive security management system which aims to eliminate all loss of currency or other assets or, where such loss occurs, is robust enough to identify the offender(s); and.
- Reliable hardware and software IT infrastructure that contributes to the Bank's productivity and is acquired in the most cost-effective manner.

RISK MANAGEMENT AND ASSURANCE

In order to assess key risks to the Bank's strategic objectives, a Bank-wide risk assessment was successfully completed during the year under review. The risk assessment exercise resulted in the identification and prioritisation of the Bank's top risks. Mitigating strategies for these high and medium risks have been devised and their implementation continue to be monitored through the quarterly Risk Management Committee meetings.

In support of the Bank's internal control environment, the Bank continued to receive objective and independent assurance. A co-sourcing model was employed to provide assurance and consulting activity to the Board and Senior Management regarding the adequacy and effectiveness of the Bank's governance, risk management and system of internal control. This model ensured that high-risk areas identified in the audit plan have been covered. Audit findings indicated reasonable assurance that an adequate system of internal controls was in place at the Bank for the achievement of its objectives. Where necessary, action plans for improvement were agreed with management and continue to be implemented.

Implementation of the Bank's Business Continuity Strategy to enable the Bank to continue critical business functions in case of an emergency or crisis is on-going. As part of the Bank's Business Continuity Strategy, a Crisis Management Plan has been approved which provides a strategic-level response in the event of a Bank-wide crisis.

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STAFFING AND HUMAN RESOURCES DEVELOPMENTS

During 2012, the Bank maintained a staff complement of 315, representing 96 percent of all positions filled (Table A.13). This number is 13 staff members less than the approved complement of 328 positions. The number of vacancies was caused by the creation of new positions, retirements, promotions, deaths and resignations during the year. The overall labour turnover was 6.6 percent, which includes voluntary resignations, retirements, deaths, and dismissals. The Bank continued to attract high-calibre staff positioned to build, strengthen and contribute to the Bank's Vision of being a Centre of Excellence through its pro-active identification and attraction of talent. Overall, the average length of employment at the Bank is 8.37 years, while the current average age of employees is 39 years.

Table A.13: Staff numbers at the Bank at year end

Staff category	2008	2009	2010	2011	2012
General staff	264	266	274	274	278
Management (excl. Executive Management)	29	28	29	30	34
Executive Management	3	3	3	3	3
Total employed	296	297	306	307	315

The Bank's total workforce profile at the end of December 2012 is summarised as follows:

- Ninety-seven percent of the Bank's employees were from the designated groups. The total female representation is 49 percent, while female representation at management level improved to 39 percent during the period under review (Table A.14).
- A total number of 31 new employees were recruited during the period under review, of which 55 percent were female employees. Of high importance is that four new employees were appointed at management level, of which 50 percent were female.
- The Bank is committed to internal progression and consequently, 18 employees from the designated groups were internally promoted.

Table A.14: A synopsis of the Bank's employment equity data over a five-year period (2008-2012)

Workforce	2008	2009	2010	2011	2012
Male	154	157	162	156	161
Female	146	147	148	151	154
TOTAL	**300***	**304***	**310***	**307**	**315**

*These figures include temporary staff who are not reflected in Table A. 13.

The Bank is committed to the continuous development of its employees to accomplish its mandate as articulated in its strategic plan. During the period under review, a total number of 204 employees were trained in various disciplines, of which 99 percent were representative of employees from the designated groups. The Bank also introduced an undergraduate bursary scheme for its staff members who intends obtaining their first tertiary qualification.

The Bank awarded bursaries to six candidates to pursue their undergraduate studies at recognised institutions within the SADC region. This brought the total number of bursaries which the Bank offered to 31, of which all the bursary holders were from the designated groups, and 65 percent were female. Table A.15 provides the number of students per field and the academic year that they were in:

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Table A.15: Students per field

Undergraduate profile 2012	1st year	2nd year	3rd year	4th year	Total
Accounting / Finance	4	4	4	5	17
Economics	1	1	2	4	8
Computer Science	1	2	-	-	3
B-Juris Law		-	1	1	2
Education: Maths & Science		1	-	-	1
Total	**6**	**8**	**7**	**10**	**31**

During the period under review, the Bank introduced a Graduate Accelerated Programme (GAP), under which four high-performing graduates were recruited. The purpose of the programme is to provide graduates who have graduated in finance and banking the opportunity to gain relevant work experience in various aspects of central banking over a period of 18 months. The programme is designed to stimulate interest and innovation in finance and banking as well as in related areas, and to facilitate paradigm shifts with all participants toward excellence.

The Bank offers international secondment opportunities to deserving Bank employees. In this regard, one economist was seconded to the International Monetary Fund, Washington DC, to gain exposure.

The Bank fosters a culture of diversity by focusing on interpersonal and inter-group communication as well as relationship building activities to inculcate a congenial culture in the workplace. The Bank's Vision-building sessions are aimed at inculcating the values of the Bank and ensuring that all staff members are well conversant with the Vision and Mission of the Bank. For the last year, these sessions focused on ethical behaviour in the workplace. The Bank's code of ethics will continue to feature high on the list of priorities at the Vision-building sessions to promote the culture of excellence.

During the reporting period, various health screening and sensitisation sessions were conducted to enhance the wellness of the Bank staff. The wellness activities in the Bank focus on relationship problems, stress management, and health and safety, while personal-presenting problems were counselled and referred outside the Bank for therapy and treatment. Through these activities, the Bank was able to achieve an overall productivity rating of 3.28, out of a maximum of 5.

The Bank deployed several practices, such as performance management, climate audit surveys, peer reviews, job evaluations, benchmarking and talent management to ensure enhanced effectiveness in achieving the Bank's mandate. The Bank is aware of the importance of offering and maintaining a balanced employee value proposition for all its employees on a continuous basis, and staff members are provided with a good environment to develop themselves and grow their careers. In return, the Bank expects the very best performance and output from its staff.

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FINANCIAL MANAGEMENT

An examination of the Bank's liabilities gives a good indication of the sources of funds with which it sustains its operations. These funds are reflected in Table A.16.

Table A.16: Composition of monthly average liabilities of the Bank of Namibia

Financial year	2008	2009	2010	2011	2012
N$ million					
Capital and reserves	2 237	2 156	1 211	1 389	1 798
Currency in circulation	1 366	1 560	1 688	2 010	2 332
Government deposits	6 403	8 267	5 106	4 669	7 328
Bank deposits	569	775	1 433	1 698	1 790
Other	993	2 258	3 476	2 346	1 804
Total	**11 568**	**15 016**	**12 914**	**12 112**	**15 052**
Percentage composition					
Capital and reserves	19.3	14.4	9.4	11.5	11.9
Currency in circulation	11.8	10.4	13.1	16.6	15.5
Government deposits	55.3	55.1	39.5	38.5	48.7
Bank deposits	4.9	5.2	11.1	14.0	11.9
Other	8.6	15.0	26.9	19.4	12.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The sources of Bank funds increased from 2011 to 2012. The main contributing factor to this increase can be attributed to the increase in Government Deposits. Government Deposits increased from N$4.6 billion to N$7.3 billion between 2011 and 2012. As a percentage of liabilities, average Government Deposits increased significantly from 38.5 percent to 48.7 percent, which can be attributed mainly due to the issuance of the Eurobond and JSE Bond.

Table A.17 presents a few major categories of the Bank's assets. As a central bank, it is typical that the bulk of the Bank's assets consist of foreign investments. Since 2008, the share of foreign investments as a percentage of total assets steadily increased with the exception of year 2010 and 2011. However, the value of foreign investments significantly increased from 2011 to 2012, from N$11.5 billion to N$14.3 billion, which represents 95 percent of the total assets.

Table A.17: Composition of Bank assets per monthly average

Financial year	2008	2009	2010	2011	2012
N$ million					
Foreign investments	10 498	14 372	12 313	11 526	14 334
Loans and advances	686	187	72	61	42
Fixed assets	157	165	173	207	247
Other assets	227	293	356	318	429
Total	**11 568**	**15 016**	**12 914**	**12 112**	**15 052**
Percentage composition					
Foreign investments	90.8	91.6	95.3	95.2	95.2
Loans and advances	5.9	1.2	0.6	0.5	0.3
Fixed assets	1.4	1.1	1.3	1.7	1.6
Other assets	2.0	6.1	2.8	2.6	2.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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As outlined in Table A.18, the Bank's income declined steadily from 2010 to 2012. Traditionally, Interest Revenue on the Bank's investments is the most important source of income. However, for the years 2010 to 2012 there has been a constant decline in Interest Revenue. The main reason for the decline was the recessionary conditions prevailing in global markets. The Bank also incurred losses on its Portfolio Investments for the financial years 2011 and 2012. It is to be noted that Rand seigniorage income makes up the second largest source of income for the Bank.

Table A.18: Sources of Bank income[3]

Income component	2010		2011		2012	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Interest received	401.8	110.4	329.7	90.4	255.8	79.4
less: Interest paid	(248.5)	(68.3)	(158.2)	(43.4)	(104.9)	(32.6)
Net interest earned	153.3	42.1	171.5	47.0	150.9	46.86
Net realised gain/(loss)	31.1	8.5	(24.2)	(6.6)	(39.3)	(12.2)
Rand seigniorage	161.4	44.4	183.9	50.4	190.2	59.1
Other income	18.0	4.9	33.7	9.2	20.2	6.3
Total income	**363.8**	**100.0**	**364.9**	**100.0**	**322.0**	**100.0**
Annual % change	**n/a**	**(16.8)**	**n/a**	**0.3**	**n/a**	**(11.8)**

Because the Bank maintains strict control over all expenditure and operates within the budget constraints approved by the Board, it is possible to contain the annual rise in operating expenses (Table A.19). As expected, staff costs remain the Bank's largest expenditure item followed by other operating expenses. Staff costs increased from N$126.9 million in 2011 to N$142.9 million in 2012. Annual increments awarded were mainly responsible for this increase. In addition, Currency expenses increased significantly from N$28.8 million to N$42.1 million from 2011 to 2012, mainly due to the introduction of the new family banknotes in all denominations in the current year. Other Operating costs have maintained a steady ratio in relation to total operating expenses for all the concerned years.

Table A.19: Composition of the Bank's operating costs

Cost component	2010		2011		2012	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Staff costs	132.9	62.6	126.9	53.8	142.9	53.3
Currency expenses	26.2	12.3	28.8	12.2	42.1	15.7
Depreciation charges	1.7	0.8	21.3	9.1	18.9	7.0
Other operating expenses	51.5	24.3	58.8	24.9	64.3	24.0
Total operating expenses	**212.3**	**100.0**	**235.8**	**100.0**	**268.2**	**100.0**
Annual % change	**n/a**	**6.3**	**n/a**	**11.1**	**n/a**	**13.7**

3 Excluding unrealized net foreign exchange gains and losses

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FACILITIES MANAGEMENT

In 2012, the Bank continued to enhance and maintain its physical infrastructure focusing on three capital projects, namely: the construction of the Business Continuity and Disaster Recovery (BC/DR) facility, the upgrading of the audio-visual equipment in the Bank's auditorium, and the renovation and repair of the roof of the parking garage. The construction of the BC/DR facility commenced in 2011 and is expected to be completed during the first quarter of 2013. This facility is aimed at ensuring that the Bank would be able to perform its critical operations uninterrupted during emergencies. The facility will be equipped with state-of-the-art technology systems that allow for replication of all IT systems. This project is a significant capital investment and is of strategic importance to the Bank. Though the aim was to complete the project by November 2012, completion could not be achieved due to unforeseen circumstances beyond the Bank's control. Nonetheless, the project made significant progress during the period under review and achieved 93 percent completion.

Construction of the Business Continuity and Disaster Recovery BC/DR facility

The upgrading of the audio-visual equipment in the Bank's auditorium was successfully completed during the period under review. The scope of the project included, among others, upgrading of the lights, installing video conferencing equipment and improving sound quality.

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Auditorium upgrade

Another capital project in which the Bank invested was the repair of the roof of its parking garage, which had been leaking during the rainy seasons. The Bank appointed a team of specialist engineers to investigate the cause of the leakage and to repair the roof accordingly. This project was also successfully completed during the period under review.

Roof repair project in progress

INFORMATION TECHNOLOGY

The Bank continued to provide and maintain dependable technology solutions to promote efficient and improved internal business operations and effective communications to its stakeholders. The year under review saw the execution of the first phase of the IT Master Plan, which spans five years from 2012 to 2016. The objective of this Plan is to bring about high efficiencies and the reduction of costs, to bring the management of critical risks within tolerable levels and to more closely align IT operations with the objectives of the Bank. In addition, the Plan has outlined the roadmap of technical infrastructure, business systems and standards to be implemented at the Bank for the period 2012-2016 in order to realise the vision of becoming a 'Knowledge Working' organisation.

The Bank completed the compilation of an Information Architecture framework, which was aimed at mapping out all the key business processes, business systems and technical infrastructure which would allow the Bank to execute its obligations in modern times, in line with IT Governance principles. This framework will ensure that enterprise system acquisitions, modifications and decommissioning are done in a formal and controlled manner to gauge the impact on the organisation as a whole from the perspective of risk, complexity and cost. This initiative forms the basis for IT governance as agreed in the context of the cooperation on IT among SADC central banks, in support of a regional integration initiative.

Other notable achievements in 2012 were the complete mapping of business requirements for Straight Through Processing (STP) and the automation of the Research Management

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Solution, which allows the submission of online surveys to the Bank. The Research Management solution would collate statistical and economic related data for public consumption, thus contributing to the efficiencies within Research operations. The STP project is aimed at bringing about efficiency by reducing the chances of capturing the same information by different Departments.

The upgrade of the Bank's Accounting and Financial system (SAP) and the launch of the newly redesigned corporate website were also completed during the period under review. SAP was updated to enable additional functionalities for the Treasury Operations. The Bank also developed and launched a new corporate website, using the latest technologies to ensure the use of social media, search functionality and an easy-to-use interface. The launch of the site was well received by the public. In addition, the Bank also engaged into mobile technology, allowing staff members to bring their own devices and access corporate data securely from anywhere, while maintaining the effective management of devices.

The Bank implemented an Early Warning system for the monitoring of its critical systems. This undertaking has contributed immensely to the reduction of IT systems disruptions by providing an outlook of the performance of the IT infrastructure at any given time. Following the deployment of the Early Warning System, the Bank is now able to monitor and track the performance and availability of critical systems. Furthermore, enhancements to the Bank's core network as well as large-volume storage provisions were completed to increase the availability and stability of the IT infrastructure.

FIVE-YEAR HISTORICAL FINANCIAL OVERVIEW

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Table A.20: Balance Sheet comparisons, 2008–2012 – N$'000

	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
ASSETS					
Non-current assets	**212 967**	**244 936**	**306 355**	**317 099**	**436 020**
Property, plant and equipment	155 595	153 990	187 662	203 898	299 628
Intangible assets - computer software	11 865	14 274	15 883	13 512	8 448
Currency inventory - notes and coins	20 853	52 054	71 793	61 985	82 382
Loans and advances	24 654	24 618	31 017	37 704	45 562
Current assets	**13 048 996**	**14 143 151**	**10 459 522**	**14 727 531**	**15 109 847**
Investments	12 712 264	12 322 101	8 876 115	14 303 307	14 612 828
Loans and advances	136 453	8 166	951	938	2 529
Rand Deposits	43 770	127 781	72 889	101 907	161 233
Other inventory - stationary and spares	1 917	2 369	2 464	2 424	2 189
SDR and other receivables	154 592	1 682 734	1 507 103	318 955	331 068
TOTAL ASSETS	**13 261 963**	**14 388 087**	**10 765 877**	**15 044 630**	**15 545 867**
EQUITY AND LIABILITIES					
Capital and reserves	**3 142 927**	**1 702 963**	**960 192**	**1 854 698**	**2 142 630**
Share capital	40 000	40 000	40 000	40 000	40 000
General reserve	595 699	698 378	736 256	790 082	812 792
Foreign Currency revaluation reserve	2,427 228	821 218	15 755	826 491	1 099 415
Distribution state revenue fund	0	43 367	8 181	22 865	9 442
Building fund reserve	80 000	100 000	150 000	150 000	150 000
Development fund reserve	0	0	10 000	20 000	25 000
Unrealised gain reserve	0	0	0	5 260	5 981
Non-Current Liabilities	**21 302**	**24 210**	**35 451**	**39 433**	**43 846**
Provision for post-employment benefits	21 302	24 210	35 451	39 433	43 846
Current Liabilities	**10 097 734**	**12 660 914**	**9 770 234**	**13 150 499**	**13 359 391**
Notes and coins in circulation	1 656 928	1 705 358	1 909 341	2 398 164	2 773 341
Deposits	8 405 284	10 930 573	7 841 786	10 727 160	10 560 075
Provision for post-employment benefits	634	748	789	840	890
Trade and other payables	34 888	24 235	18 318	24 335	25 085
TOTAL EQUITY AND LIABILITIES	**13 261 963**	**14 388 087**	**10 765 877**	**15 044 630**	**15 545 867**

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Table A.21: Income Statement comparisons, 2008–2012 – N$'000

	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
Interest income	599 578	595 126	401 839	329 686	255 833
Interest expense	(360 752)	(357 323)	(248 534)	(158 188)	(104 906)
Net interest income	238 826	237 803	153 305	171 498	150 927
Net gains/(loss) on portfolio investments	260 808	6 373	31 133	(24 172)	(39 301)
Net foreign exchange gains/(losses)	1 705 205	(1 606 010)	(805 463)	810 736	272 924
Rand compensation	145 969	164 421	161 354	183 880	190 174
Other income	24 379	28 375	17 998	33 713	20 196
Total income	**2 375 187**	**(1 169 038)**	**(441 673)**	**1 175 655**	**594 920**
Operating expenses	**168 365**	**199 764**	**212 277**	**235 815**	**268 200**
Net income for the year	**2 206 822**	**(1 368 802)**	**(653 950)**	**939 840**	**326 720**
Transfer from/(to) revaluation reserve	(1 705 205)	1 606 010	805 463	(810 736)	(272 924)
Unrealised Gain Reserve	0	0	0	(5 260)	(721)
Net income available for distribution	**501 617**	**237 208**	**151 513**	**123 844**	**53 075**
Appropriations:					
General Reserve	228 267	102 679	37 878	53 826	22 710
Building Reserve	20 000	20 000	50 000	0	0
Development Fund reserve	0	0	10 000	10 000	5 000
Distribution to State Revenue Fund	253 350	71 162	45 454	37 153	15 923
Distribution to State Revenue Fund (retained)	0	43 367	8 181	22 865	9 442

Part B | Annual Financial Statements for the Financial year ended 31 December 2012

Report prepared pursuant to Section 52(1)(a) of the Bank of Namibia Act, 1997 (Act No. 15 of 1997)

Content

BOARD'S STATEMENT OF RESPONSIBILITIES

The main statutory provisions relating to the role and duties of members of the Board are covered under Section 8(1) of the Bank of Namibia Act, 1997, 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, 1997.

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 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 63 to 97 were approved by the Board and are signed on its behalf by:

Chairman
15 March 2013

Board Member
15 March 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE BANK OF NAMIBIA

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We have audited the annual financial statements of the Bank of Namibia, which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 97.

Board members' Responsibility for the Financial Statements

The Bank of Namibia's Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Bank of Namibia Act, 1997, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank of Namibia as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Bank of Namibia Act, 1997.

PricewaterhouseCoopers.

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PRICEWATERHOUSECOOPERS
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Nangula Uaandja
Partner

Windhoek
15 March 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

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	Notes	2012 N$'000	2011 N$'000
Net interest income		**150 927**	**171 498**
Interest income	2	255 833	329 686
Interest expense		(104 906)	(158 188)
		210 370	**217 593**
Government Grant – FIC funding	2	9 381	9 832
Rand Compensation Income		190 174	183 880
Other income	2	10 815	23 881
Total income		**361 297**	**389 091**
Operating expenses	2	(268 200)	(235 815)
Net loss on investment portfolio		(39 301)	(24 172)
Net foreign exchange revaluation gains	14	272 924	810 736
Total Comprehensive Profit for the Year		**326 720**	**939 840**
Profits/(Losses) attributable to:			
Revaluation Reserve	14	272 924	810 736
Unrealised Gain Reserve	1.23	721	5 260
Amount Available for Distribution	1.2	53 075	123 844
		326 720	**939 840**

STATEMENT OF FINANCIAL POSITION AS AT AS AT 31 DECEMBER 2012

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	Notes	2012 N$'000	2011 N$'000
ASSETS			
Non-current Assets		**436 020**	**317 099**
Property and equipment	3	299 628	203 898
Intangible assets – computer software	4	8 448	13 512
Currency costs – notes and coins	5	82 382	61 985
Loans and advances	6	45 562	37 704
Current Assets		**15 109 847**	**14 727 531**
Investments	7	14 612 828	14 303 307
Loans and advances	8	2 529	938
Rand deposits	9	161 233	101 907
Other inventory – stationery and spares	10	2 189	2 424
SDR and Other receivables	11	331 068	318 955
TOTAL ASSETS		**15 545 867**	**15 044 630**
EQUITY AND LIABILITIES			
Capital and Reserves		**2 142 630**	**1 854 698**
Share capital	12	40 000	40 000
General reserve	13	812 792	790 082
Foreign currency revaluation reserve	14	1 099 415	826 491
Distribution state revenue fund	1.2	9 442	22 865
Building fund reserve	15	150 000	150 000
Development fund reserve	16	25 000	20 000
Unrealised gain reserve	1.23	5 981	5 260
Non-Current Liabilities		**43 846**	**39 433**
Provision for post employment benefits	17	43 846	39 433
Current Liabilities		**13 359 391**	**13 150 499**
Notes and coins in circulation	18	2 773 341	2 398 164
Deposits	19	10 560 075	10 727 160
Provision for post employment benefits	17	890	840
Trade and other payables	20	25 085	24 335
TOTAL EQUITY AND LIABILITIES		**15 545 867**	**15 044 630**

IPUMBU W. SHIIMI
GOVERNOR
15 March 2013

E. TJIPUKA
CHIEF FINANCIAL OFFICER
15 March 2013

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital N$'000	Accumulated Profit & loss account N$'000	General Reserve N$'000	Revaluation Reserve N$'000	Unrealised Gain 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 2011	**40 000**	**-**	**736 256**	**15 755**	**-**	**8 181**	**10 000**	**150 000**	**960 192**
Profit for the year	-	939 840	-	-	-	-	-	-	939 840
Transfer to Revaluation reserve	-	(810 736)	-	810 736	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(5 260)	-	-	5 260	-	-	-	-
Appropriation of net profit for the year	-	(123 844)	53 826	-	-	60 018	10 000	-	-
Dividends distribution	-	-	-	-	-	(45 334)	-	-	(45 334)
Balance at 31 December 2011	**40 000**	**-**	**790 082**	**826 491**	**5 260**	**22 865**	**20 000**	**150 000**	**1 854 698**
Profit for the year	-	326 720	-	-	-	-	-	-	326 720
Transfer to Revaluation reserve	-	(272 924)	-	272 924	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(721)	-	-	721	-	-	-	-
Appropriation of net profit for the year	-	(53 075)	22 710	-	-	25 365	5 000	-	-
Dividends distribution (prior year)	-	-	-	-	-	(22 865)	-	-	(22 865)
Dividend distribution (current year)	-	-	-	-	-	(15 923)	-	-	(15 923)
Balance at 31 December 2012	**40 000**	**-**	**812 792**	**1 099 415**	**5 981**	**9 442**	**25 000**	**150 000**	**2 142 630**

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

B

	Notes	2012 N$'000	2011 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised by operations	A	(129 257)	(368 792)
CASH FLOWS FROM INVESTING ACTIVITIES		**(185 902)**	**(66 396)**
Proceeds on disposals of property & equipment and intangible assets		29	203
Purchase of property & equipment		(114 835)	(37 855)
Purchase of currency inventory		(62 489)	(18 960)
Purchase of other inventory		(340)	(525)
Purchase of intangible asset – computer software		(409)	(2 572)
(Increase)/Decrease in loans and advances		(7 858)	(6 687)
CASH FLOWS FROM FINANCING ACTIVITIES		**315 159**	**435 188**
Distribution to the State revenue fund	B	(60 018)	(53 635)
Notes and coins issued		375 177	488 823
		-	-

NOTE:

A. RECONCILIATION OF PROFIT FOR THE YEAR TO CASH UTILISED BY OPERATIONS

	2012 N$'000	2011 N$'000
Profit for the year	53 796	129 104
Adjusted for:		
Depreciation	18 881	21 277
Currency inventory amortisation cost	42 092	28 768
Other inventory issuance cost	575	565
Provision post employment benefits	4 463	4 033
Amortisation of computer software	5 473	4 943
Loss on disposal of property & equipment	196	139
Operating cash flows before movements in working capital	**125 476**	**188 829**
(Increase)/Decrease in loans and advances	(1 591)	13
(Increase) in Rand cash	(59 326)	(29 018)
(Increase)/Decrease in other receivables	(12 113)	1 188 148
(Increase)/Decrease in deposits	(145 855)	2 893 675
Increase in trade, other payables	750	6 017
(Increase) in investments	(36 598)	(4 616 456)
	(129 257)	**(368 792)**

B. DISTRIBUTION TO STATE REVENUE FUND

	2012 N$'000	2011 N$'000
Opening balance included in deposits	(60 018)	(53 635)
Appropriations of net profit for the year	15 923	37 153
Closing balance included in deposits	(15 923)	(37 153)
Paid for the year	**(60 018)**	**(53 635)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2012

B

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 1.3. The annual financial statements have been prepared to comply with the requirements of the Bank of Namibia Act, 1997 and with the requirements of IFRS.

1.1 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards, amendments and interpretations effective for the first time for December 2012 year-end:

Number	Title	Effective date
IFRS 1 – Amendments	*First time adoption on hyperinflation and fixed dates*	1 July 2011
IFRS 7 – Amendments	*Financial Instruments: Disclosures – Transfer of financial assets*	1 July 2011
IFRSs – Improvements *(issued May 2012)*		1 January 2013
IAS 12 – Amendments	*Income taxes on deferred tax*	1 January 2012

International Financial Reporting Standards, amendments and interpretations issued but not effective for December 2012 year-end

Number	Title	Effective date
IFRSs – Improvements *(issued May 2012)*		1 January 2013
IFRS 1 – Amendments	*First time adoption on Government Loans*	1 January 2013
IFRS 7 – Amendments	*Financial Instruments: Disclosures – asset and liability offsetting*	1 January 2013
IAS 1 – Amendments	*Presentation of Financial Statements, on presentation of items OCI*	1 July 2012
IAS 19 – Amendments	*"Employee benefits"*	1 January 2013
IFRS 9	*Financial Instruments (2009)*	1 January 2013
IFRS 9	*Financial Instruments (2010)*	1 January 2013
IFRS 9 – Amendments	*Financial Instruments (2011)*	1 January 2015
IFRS 10	*Consolidated Financial Statements*	1 January 2013
IFRS 11	*Joint Arrangements*	1 January 2013
IFRS 12	*Disclosures of interests in other entities*	1 January 2013
IFRS 13	*Fair value measurement*	1 January 2013
IAS 27 (Revised 2011)	*Separate financial statements*	1 January 2013
IAS 28 (Revised 2011)	*Associates and joint ventures*	1 January 2013
IAS 32 – Amendments	*Financial Instruments: Presentation*	1 January 2014
IFRIC 20	*Stripping costs in the production phase of a surface mine*	1 January 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

B

1. ACCOUNTING POLICIES (CONTINUED)

1.1 ANNUAL IMPROVEMENTS ISSUED MAY 2012

Improvements to IFRSs (Issued May 2012) was issued by the International Accounting Standards Board (IASB) as part the 'annual improvements process' resulting in the following amendments to standards issued, but not yet effective for 31 December 2012 year-ends:

Number	Title	Effective date
IFRS 1	*First-Time Adoption of International Financial Reporting Standards*	1 January 2013
IAS 1	*Presentation of Financial Statements*	1 January 2013
IAS 16	*Property, plant and equipment*	1 January 2013
IAS 32	*Financial Instruments: Presentation*	1 January 2013
IAS 34	*Interim Financial Reporting*	1 January 2013

The Bank has reviewed the above detailed statements and do not expect them to have a significant impact on the Bank's financial statements.

1.2 APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 1997

	Notes	2012 N$ `000	2011 N$ `000
Total Comprehensive Gain for the Year		**326 720**	**939 840**
Unrealised Gains transfer to Reserve		(721)	(5 260)
Exchange Rate Gains/Losses transferred to the Revaluation Reserve		(272 924)	(810 736)
Net Profit for Appropriations for the Year		**53 075**	**123 844**
Appropriations for the Year		**53 075**	**123 844**
General reserve	**13**	22 710	53 826
Building fund reserve	**15**	-	-
Development fund reserve	**16**	5 000	10 000
Distribution to State Revenue Fund		15 923	37 153
Distribution to State Revenue Fund (Retained)		9 442	22 865

The IFRS gain reflected on the Statement of Comprehensive Income includes Revaluation Gains for the year that has been charged to the Income Statement to comply with the requirements of IAS 21 – Effect of changes in Foreign Exchange Rates. In terms of section 31 of the Bank of Namibia Act, 1997, 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, 1997 would therefore amount to N$ 53.075 million. Appropriations of profits are based on this Net Profit figure.

1. ACCOUNTING POLICIES (CONTINUED)

1.3 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. Provision for post employment benefits disclosed under note 17.

   An Actuarial valuation is performed once every two/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 in light of the prevailing and anticipated future economic conditions.

2. Accounting for off-market loans as disclosed under note 6.

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

1.4 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.

1.5 FINANCIAL INSTRUMENTS

Financial instruments as reflected on the Bank's balance sheet 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, cost or amortised cost as described below.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is a current bid price for financial assets and the current asking price for financial liabilities which are quoted in an active market. 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 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

B

1. ACCOUNTING POLICIES (CONTINUED)

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

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.

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 balance sheet 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.

The Bank classifies its financial instruments as follows:

Classification - Financial Assets

Loans and Receivables – amortised cost

- Loans and advances
- Repurchase agreements
- Amounts due from the Government
- Accounts receivable

At fair value through profit or loss

Designated
- External portfolio investments

Held to maturity financial assets at amortised cost
- External money market investments

All the Financial assets of the Bank are neither past due nor impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

B

1. ACCOUNTING POLICIES (CONTINUED)

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

Classification - Financial Liabilities

At amortised cost
- Other liabilities
- Bank of Namibia 52 day Bills
- Notes and coins issued
- Amounts due to the Government
- Commercial bank deposits
- Accounts payable
- Government Debts - Euro Bond Issue

Recognition

The Bank recognises financial instruments including "regular way" purchases and sales on settlement date and thus applies settlement date accounting to these transactions. Upon initial recognition the Bank designates the financial instrument as at fair value through profit or loss. 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 instruments are initially measured at cost which includes transaction costs and this value approximates the fair value of the instruments. Subsequent to initial measurement financial instruments are measured at fair value or amortised cost depending on their classification. Gains and losses arising from a change in the fair value of financial instruments are recognised in the income statement of the period in which it arises.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated by the Bank as at fair value through profit or loss upon initial recognition.

Designated – External portfolio investments

Financial assets at fair value through profit or loss are financial assets designated by the Bank as at fair value through profit or loss upon initial recognition. The Bank recognises movements in the fair values of these assets in the profit or loss account for the relevant year. The fair values of marketable securities within the portfolio are obtained from quoted market prices.

Held to maturity - External money market investments

Held to maturity money market investments are non – derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intention and ability to hold to maturity. Money market investments are stated at amortised cost.

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1. ACCOUNTING POLICIES (CONTINUED)

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

Loans and advances, receivables and non-trading liabilities

These are measured at amortised cost and re-measured for impairment losses, except where cost approximates amortised cost as set out below:

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.

Reclassification

It is a requirement that institutions should disclose when it has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value, or vice versa, at fair value rather than at cost or amortised cost. The Bank has not reclassified any of its financial assets during the year under review.

Impairment of financial assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset at amortised cost or group of financial assets is impaired. A financial asset or group of financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a “loss event”) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired would include breach of contract such as default on interest and capital repayments, bankruptcy of the borrower, downgrading of the ratings of the institutions by rating agencies, etc.

De-recognition

The Bank de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or where the Bank transfers the contractual rights to receive the cash flows of the financial asset. De-recognition also occurs when the Bank retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to a third party and consequently transfers substantially all the risks and benefits associated with the asset.

Where the Bank retains substantially all the risks and rewards of ownership of the financial asset, it continues to be recognised as a financial asset. A financial liability is de-recognised when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

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

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 2012 there were no overnight repo’s granted to commercial banks.

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1. ACCOUNTING POLICIES (CONTINUED)

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

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.

Defaults and breaches

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

Offsetting of Financial Assets/Liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income statement net gains or losses

	2012 N$'000	2011 N$'000
Financial assets – at fair value through profit or loss		
Designated		
External portfolio investments – net (loss)/gains	(39 301)	(24 172)
	(39 301)	(24 172)

Impairment

The Bank reviewed its financial assets and determined that there were no impairment adjustments that needed to be made for valuation purposes.

1.6 GENERAL RESERVE

The general reserve is established in terms of Section 16 of the Bank of Namibia Act, 1997 and may only be used for the purpose specified 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.

The amount maintained in this account relates to the annual appropriation of distributable profits determined by Section 15 of the Bank of Namibia Act. The Act prescribes that not less than 30 percent of the net profits of the Bank for a financial year be transferred to the General Reserve Account.

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1. ACCOUNTING POLICIES (CONTINUED)

1.7 FOREIGN CURRENCY ACTIVITIES AND REVALUATION RESERVE

The Revaluation reserve has been created in accordance with Section 31 of the Bank of Namibia Act 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 31 of the Bank of Namibia Act, 1997, 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.

1.8 BUILDING FUND RESERVE

This reserve was reactivated in the financial year 2006 to set aside funds for the construction of the Bank's Disaster Recovery and Business Continuity Facility. This facility is designed to host the Bank's disaster recovery equipment as well as have adequate space to accommodate the Bank employees in the event of a disaster situation. Annual profits appropriated will be credited to the reserve and on completion of the construction of the building the reserve so created 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 at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of all assets on an annual basis and 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

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 income statement 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 depreciation 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.

1. ACCOUNTING POLICIES (CONTINUED)

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 costs.

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, the Bank of Namibia Provident Fund, and contributions to this 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 balance sheet 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 income statement 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.

1.14 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-balance sheet 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.

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 balance sheet.

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.

B

1. ACCOUNTING POLICIES (CONTINUED)

1.17 TRANSACTIONS ON BEHALF OF GOVERNMENT

The Bank undertakes several transactions on behalf of the Government, which include among others, 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.

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.

1.19 IAS 20 – ACCOUNTING FOR GOVERNMENT GRANTS

The Bank accounts for grants received from the Government as income in the period in which the monies are received and are matched against related costs on a systematic basis. Surpluses are carried forward and released to the income statement of the following year, however deficits are carried forward as assets and Government funding received in the following year is used to off-set the asset.

1.20 ACCOUNTING FOR IMF - SPECIAL DRAWING RIGHTS (SDR)

The Bank of Namibia is both the fiscal and depository agents for the Government of the Republic of Namibia. Given this relationship all transactions entered into with the International Monetary Fund (IMF) are recorded in the books of Bank of Namibia.

The SDR is an international reserve asset, created by the 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 four major currencies (Euro, Japanese yen, Pound sterling and US dollar).

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. During the year under review the Bank sold part of its SDR holdings to purchase other currencies for investment purposes.

1.21 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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1.22 LENT OUT SECURITIES

The Bank derives income from securities lending activity. The counter parties involved in these transactions are rated institutions and a cash collateral is deposited by the counter party 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.

1.23 UNREALISED GAIN RESERVE

The Reserve has been created to retain unrealised gains on the Bank's portfolio investments until they are realised. Unrealised losses are however charged to the Income Statement as they arise. Unrealised gains when realised become available for distribution.

2. RESULTS FOR THE YEAR

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

	2012 N$'000	2011 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**141 116**	**228 320**
Debt securities – fair value through profit or loss	4 172	80 562
Money market instruments – fair value through profit or loss	113 591	114 201
Money market instruments – held to maturity	23 353	33 557
Other Currency	**112 809**	**99 431**
Debt securities – fair value through profit or loss	95 882	79 570
Money market instruments – fair value through profit or loss	14 057	15 229
Money market instruments – held to maturity	2 870	4 632
Unwinding of present value adjustments	1 908	1 935
	255 833	**329 686**
Other Income		
Rand compensation income	190 174	183 880
Sundry income	10 815	23 881
	200 989	**207 761**
Government Grant – Financial Intelligence Centre Funding*	9 381	9 832
Operating Expenses		
Depreciation	18 880	21 277
Amortisation of computer software	5 473	4 943
Currency inventory amortisation costs	42 092	28 768
Other inventory expensed	575	565
Salaries and related personnel costs	142 873	126 869
Staff training and development	3 423	2 626
Social responsibility	3 408	3 843
Board members' fees - for services as board members	398	262
Auditors' remuneration - audit fees	722	669
Membership fees	174	142
Building and other maintenance costs	11 660	10 209
Loss on disposal of property, equipment and intangible assets	225	342
Amortisation of prepaid long-term employee benefit	1 908	1 935
Other expenditure	36 389	33 365
Total operational expenditure	**268 200**	**235 815**
Number of employees	**315**	**310**

*The Financial Intelligence Centre (FIC) was established in terms of the Financial Intelligence Act, 2007(No 3 of 2007) and its operations commenced in May 2009. 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. The operations of the FIC are funded by an annual grant by the Government of the Republic of Namibia to Bank of Namibia. Unutilised funding surpluses are carried forward and released to the income statement of the following year, however funding deficits are carried forward as assets and Government funding received in the following year is used to off-set the asset.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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3. PROPERTY AND EQUIPMENT

2012 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 2012	198 911	21 943	81 051	2 194	304 099
Additions	101 094	1 103	11 473	1 165	114 835
Disposals	(209)	(291)	(143)	-	(643)
Transfers	51	-	(51)	-	-
At 31 December 2012	**299 847**	**22 755**	**92 330**	**3 359**	**418 291**
Accumulated depreciation					
At 1 January 2012	33 007	12 206	54 032	956	100 201
Current year charge	3 225	3 690	11 484	482	18 881
Disposals/write-offs	(1)	(291)	(127)	-	(419)
At 31 December 2012	**36 231**	**15 605**	**65 389**	**1 438**	**118 663**
Carrying value					
At 1 January 2012	**165 904**	**9 737**	**27 019**	**1 238**	**203 898**
At 31 December 2012	**263 616**	**7 150**	**26 941**	**1 921**	**299 628**
2011					
Cost					
At 1 January 2011	169 172	17 794	81 020	2 622	270 608
Additions	29 739	5 643	2 179	294	37 855
Disposals/write-offs	-	(1 494)	(2 148)	(722)	(4 364)
Transfers	-	-	-	-	-
At 31 December 2011	**198 911**	**21 943**	**81 051**	**2 194**	**304 099**
Accumulated depreciation					
At 1 January 2011	29 804	11 487	40 248	1 407	82 946
Current year charge	3 203	2 491	8 780	472	14 946
Disposals/write-offs	-	(1 473)	(1 882)	(667)	(4 022)
Depreciation Adjustments	-	(299)	6 886	(256)	6 331
At 31 December 2011	**33 007**	**12 206**	**54 032**	**956**	**100 201**
Carrying value					
At 1 January 2011	**139 368**	**6 307**	**40 772**	**1 215**	**187 662**
At 31 December 2011	**165 904**	**9 737**	**27 019**	**1 238**	**203 898**

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

Included in the asset class Property and Equipment is Capital Work in Progress amounting to N$134 million. Costs incurred relate primarily to the Building refurbishment, Security System replacement and Disaster Recovery Building project, etc.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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3. PROPERTY AND EQUIPMENT (CONTINUED)

Transfers relate to assets that were transferred from Capital Work in Progress upon completion of the project to the respective asset classes. Adjustments relate to debits or credits posted to accumulated depreciation as a result of the year end residual value/useful life evaluation exercise.

4. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2012	
Cost	
At 1 January 2012	44 200
Additions	409
Disposals	-
At 31 December 2012	**44 609**
Amortisation	
At 1 January 2012	30 688
Adjustment	-
Current year charge	5 473
At 31 December 2012	**36 161**
Carrying value	
At 1 January 2012	**13 512**
At 31 December 2012	**8 448**
2011	
Cost	
At 1 January 2011	41 627
Additions	2 572
Disposals/transfers	-
At 31 December 2011	**44 199**
Amortisation	
At 1 January 2011	25 744
Adjustment	(8)
Current year charge	4 951
At 31 December 2011	**30 687**
Carrying value	
At 1 January 2011	**15 883**
At 31 December 2011	**13 512**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

	2012 N$'000	2011 N$'000
5. CURRENCY COSTS - NOTES AND COINS		
Opening Balance	61 985	71 793
Purchases current year	62 489	18 960
Amortisation current year	(42 092)	(28 768)
Closing Balance	**82 382**	**61 985**
6. LOANS AND ADVANCES		
Staff loans	35 881	26 473
Less: Present value adjustment for off-market loans	**(3 254)**	**(2 578)**
Opening balance – 1 January	(2 578)	(2 625)
Current year fair value adjustment of new loans	(2 584)	(1 888)
Amortised to Income statement	1 908	1 935
Add: Staff Long term benefit	**3 254**	**2 578**
Opening balance – 1 January	2 578	2 625
Current year Fair value adjustment of new loans	2 584	1 888
Amortised to Income statement	(1 908)	(1 935)
Net staff loans	**35 881**	**26 473**
Other loans	12 210	12 169
Short-term portion of loans (Note 8)	(2 529)	(938)
Closing Balance	**45 562**	**37 704**
7. INVESTMENTS		
Rand currency		
Fair value through profit or loss		
Designated		
Debt securities & Money Market Investments	4 667 296	4 141 704
Held to maturity		
Money market instruments	807 538	592 402
	5 474 834	**4 734 106**
Other currencies		
Fair value through profit or loss		
Designated		
Debt Securities & Money Market Investments	5 748 802	6 182 433
Held to maturity		
Money market instruments	3 389 192	3 386 768
	9 137 994	**9 569 201**
Total Investments	**14 612 828**	**14 303 307**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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7.1 LENT OUT SECURITIES

As at 31st December 2012, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to Euro – 49 million; NAD equivalent 551 million (2011: Euro 91 million; NAD equivalent 1.101 billion) and US Dollar – 66 million; NAD equivalent 561 million (2011: US Dollar 80 million; NAD equivalent 665 million) respectively. The counter parties involved in these transactions are rated institutions and a 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.

7.2 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.

The Bank's investments in financial assets are quoted in an active market and these prices are used in the fair value evaluation process. The Bank invests in securities issued by the German and US governments and these securities are actively traded in global Capital markets. Other investments include money market investments in the form of Fixed Deposits, NCD's, Call and Current account deposits, etc. The fair value hierarchy would therefore fall under the Level 1 and 2 categories.

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

As at 31st December 2012

Financial Assets **At Fair value through Profit or Loss**	**Level 1** **N$'000**	**Level 2** **N$'000**	**Total** **N$'000**
Designated Debt Securities & Money Market Investments	2 616 566	7 799 533	10 416 099
	2 616 566	7 799 533	10 416 099

As at 31st December 2011

At Fair value through Profit or Loss	**Level 1** **N$'000**	**Level 2** **N$'000**	**Total** **N$'000**
Designated Debt Securities & Money Market Investments	3 010 672	7 313 465	10 324 137
	3 010 672	7 313 465	10 324 137

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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	2012 N$'000	2011 N$'000

8. LOANS AND ADVANCES

	2012 N$'000	2011 N$'000
Repurchase agreements – local banks	-	-
Add: Short-term portion of long-term loans (Note 6)	2 529	938
	2 529	**938**

Repurchase agreements are over night and seven day loan facilities granted to the commercial banks to cover for temporary liquidity shortages. The over night 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.

9. RAND DEPOSITS

	2012 N$'000	2011 N$'000
Closing Balance	161 233	101 907
	161 233	**101 907**

Rand deposits is the value of South African Rand banknotes 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 South African Rand to the South African Reserve Bank based on predetermined currency values.

10. OTHER INVENTORY - STATIONERY AND SPARES

	2012 N$'000	2011 N$'000
Opening Balance	2 424	2 464
Purchases current year	340	525
Issues current year	(571)	(314)
Adjustments	(4)	(251)
Closing Balance	**2 189**	**2 424**

11. OTHER RECEIVABLES

	2012 N$'000	2011 N$'000
Rand compensation receivable – Government	190 286	183 992
Accounts receivable	60 799	58 404
SDR (IMF) – special drawing rights	79 983	76 559
	331 068	**318 955**

12. SHARE CAPITAL & CAPITAL MANAGEMENT

	2012 N$'000	2011 N$'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 14 of the Bank of Namibia Act, 1997. 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 percent of the annual profits is transferred to the general reserve which forms part of the Bank's capital.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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13. GENERAL RESERVE

	2012 N$'000	2011 N$'000
Opening Balance	790 082	736 256
Appropriation of net profit for the year	22 710	53 826
Closing Balance	**812 792**	**790 082**

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.

14. FOREIGN CURRENCY REVALUATION RESERVE

	2012 N$'000	2011 N$'000
Opening Balance	826 491	15 755
Net foreign exchange gains	272 924	810 736
Closing Balance	**1 099 415**	**826 491**

The Revaluation reserve has been created in accordance with Section 31 of the Bank of Namibia Act, 1997. The Act requires that both realised and unrealised gains and losses be transferred to the Revaluation Reserve account.

15. BUILDING FUND RESERVE

	2012 N$'000	2011 N$'000
Opening Balance	150 000	150 000
Appropriation of net profit for the year	-	-
Closing Balance	**150 000**	**150 000**

This reserve has been created to provide funds for the construction of the Bank's Disaster Recovery and Business Continuity Facility.

16. DEVELOPMENT FUND RESERVE

	2012 N$'000	2011 N$'000
Opening Balance	20 000	10 000
Appropriation of net profit for the year	5 000	10 000
Closing Balance	**25 000**	**20 000**

This reserve was established under section 53(1)(a) of the Bank of Namibia Act, 1997 for the purpose of promoting or financing economic development in Namibia.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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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 by Arch Actuarial Consulting for the year ended 31 December 2010.

	2012 N$'000	2011 N$'000
Opening Liability	40 273	36 240
Interest costs	3 240	2 914
Current service costs	2 063	1 908
Benefit payments	(840)	(789)
Actuarial loss/(gain)	-	-
Closing Liability	44 736	40 273
Current portion of post employment benefits obligation	(890)	(840)
Non-current portion of post employment benefits obligation	**43 846**	**39 433**

Key assumptions	**2012**	**2011**
Discount rate (%)	8.13 p.a.	8.13 p.a
Medical inflation (%)	6.42 p.a.	6.42 p.a
Valuation date	31 December 2010	31 December 2010

The effect of a 1 percent 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	1 220	808
Effect on the defined benefit obligation	45 956	43 928

At 31 December	2012 N$'000	2011 N$'000	2010 N$'000	2009 N$'000	2008 N$'000
Present value of post retirement benefit obligation	44 736	40 273	36 240	24 958	21 936

The Banks post retirement plan is unfunded.

18. NOTES AND COINS IN CIRCULATION

	2012 N$'000	2011 N$'000
Notes	2 611 644	2 248 953
Coins	161 697	149 211
	2 773 341	**2 398 164**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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19. DEPOSITS

	2012 N$'000	2011 N$'000
Government of the Republic of Namibia	4 964 288	3 315 838
Government – Euro Bond Issue	1 648 166	2 631 405
Domestic bankers' reserve account	584 895	511 392
Domestic bankers' settlement account	1 626 123	2 599 467
SDR Allocation account	1 711 248	1 637 139
Other – Pre-funded donor funds at cost	25 355	31 919
	10 560 075	**10 727 160**

Banker's reserve and current 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.

Interest is payable to the Government of the Republic of Namibia on deposits in excess of N$250 million (2011: N$250 million) at the 91 day Treasury Bill rate less a discount of 4.5 percent.

The Government Euro Bond liability is designated at amortised cost and interest earned by the Bank on the equivalent foreign investment is translated and credited to the State account on a monthly basis.

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.

20. TRADE AND OTHER PAYABLES

	2012 N$'000	2011 N$'000
Sundry Creditors	**25 085**	**24 335**

21. 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 amounted to N$14,711,781.92 (31 December 2011: N$13,869,021.50).

22. TAXATION

No provision for taxation has been made in the annual financial statements as the Bank is exempted from taxation in terms of section 57 of the Bank of Namibia Act, 1997.

B

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The investment of foreign currency reserves in financial instruments gives rise to exposure to various types of risk which include market, currency, interest rate, credit and liquidity risk. Risk management at the Bank of Namibia, forms an integral part of reserves management within the governance structures of the Bank starting from the level of the Board and down to the Financial Markets Department (FMD). The Board defines the investment guidelines and the Bank's strategic asset allocation. The Executive Committee formulates the investment mandate for the portfolio managers and monitors compliance with the investment guidelines. The FMD is responsible for managing the reserves and has a Risk & Analytics section that monitors compliance to assigned risk measures on a daily basis. The types of risk that the foreign currency reserves are exposed to and the Bank's risk management approaches are stated below:

23.1 MARKET RISK

Market risk is the risk of loss or decline in the value of a portfolio resulting from changes in market conditions and macro economic variables such as interest rates, exchange rate and inflation. Bank of Namibia employs duration management, diversification, correlation analysis and risk budgeting to mitigate market risk. In managing the foreign exchange reserves, the Bank follows an enhanced indexation approach which is a combination passive portfolio management techniques (which aims to construct a portfolio whose risk and return follows those of a defined benchmark) and active management strategy.

23.1.1 INTEREST RATE RISK

Since foreign exchange reserves are invested in fixed income instruments, the Bank is exposed to interest rate risk. This risk refers to the uncertainty that the market value of the securities or portfolios will decline due to changes in market interest rates. Modified duration is the key measure for interest rate risk and quantifies the sensitivity of the value of a fixed income instrument to changes in interest rates. The Bank uses the investment benchmark's target duration as a means of managing the interest rate risk by setting maximum deviation beyond benchmark duration. As at 31 December 2012, the modified durations of the EUR and USD portfolio were 1.605 years and 0.422 years respectively as opposed to 2.042 years and 0.624 years for the respective benchmarks. Both the portfolio's durations were lower than that of their respective benchmark duration. Given the high uncertainties regarding the international financial markets, the Bank of Namibia investment team saw it appropriate to stay closer to the duration of the benchmark, if not lower, so as to keep interest rate risk minimal.

The sensitivity analysis tables below measure the impact of a 100 basis points increase in interest rates on both the EUR and USD portfolios for 2012 and compares with portfolio holdings of 2011.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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23.1.1 INTEREST RATE RISK (C0NTINUED)

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2012

Instrument	Amount invested €'000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement €'000	Effect on Income Statement N$'000
Working Capital	13 163	7	0.000	0.000	0.000	0.000	0.000	-	-
Liquidity Tranche	34 868	18	0.000	0.000	0.000	0.000	0.000	-	-
Investment Tranche	146 482	75	0.163	2.132	1.163	-2.132	-1.728	(3 123)	(34 891)
	194 513	**100**	**0.163**	**1.605**	**-**	**-2.132**	**-1.728**	**(3 123)**	**(34 891)**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2012

Instrument	Amount invested US$ '000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement US$'001	Effect on Income Statement N$'000
Working Capital	7 842	7	0.00	0.000	0.000	0.000	0.000	-	-
Liquidity Tranche	33 132	27	0.000	0.497	0.000	0.000	0.000	-	-
Investment Tranche	79 609	66	0.017	0.433	1.017	-0.433	-0.297	(4 000)	(33 890)
	120 583	**100**	**0.017**	**0.422**	**-**	**-0.286**	**-0.297**	**(4 000)**	**(33 890)**

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2011

Instrument	Amount invested €'000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement €'000	Effect on Income Statement N$'000
Liquidity Tranche	-	-	0.095	0.000	1.095	1.095	0.000	-	-
Investment Tranche	130 168	100	0.330	0.006	1.330	1.324	0.994	1 293	13 684
	130 168	**100**	**0.330**	**0.006**	**-**	**1.324**	**0.994**	**1 293**	**13 684**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2011

Instrument	Amount invested US$ '000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement US$'001	Effect on Income Statement N$'000
Liquidity Tranche	33 723	35	0.034	0.000	1.034	1.034	0.352	337	2 748
Investment Tranche	62 188	65	0.129	0.004	1.129	1.125	0.646	619	5 047
	95 911	**100**	**0.096**	**0.003**	**-**	**1.093**	**0.997**	**956**	**7 795**

The sensitivity analysis above for 2012 indicates that the portfolios were invested at longer duration in 2012 compared to the duration in 2011.

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23.1.1 INTEREST RATE RISK (C0NTINUED)

INTEREST RATE REPRICING

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. 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 2012

N$'000	0 – 3 Months	3 – 12 Months	1 - 5 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	308 076	308 076
Inventory	-	-	-	84 571	84 571
Loans and advances - non current	-	-	45 562	-	45 562
Investment	6 601 307	2 329 329	5 682 192	-	14 612 828
Loans and advances - current	-	2 529	-	-	2 529
Rand deposits	-	-	-	161 233	161 233
Other receivables	331 068	-	-	-	331 068
Total Assets	**6 932 375**	**2 331 858**	**5 727 754**	**553 880**	**15 545 867**
Equity and Liabilities					
Shareholders' equity	-	-	-	2 142 630	2 142 630
Post employment benefits	-	-	-	44 736	44 736
Note and coins in circulation	-	-	-	2 773 341	2 773 341
Deposits	9 949 825	-	-	610 250	10 560 075
Trade and other payables	-	-	-	25 085	25 085
Total Equity and Liabilities	**9 949 825**	**-**	**-**	**5 596 042**	**15 545 867**
Interest rate reprising gap	**(3 017 450)**	**2 331 858**	**5 727 754**	**-**	**-**

AS AT YEAR ENDED 31 DECEMBER 2011

N$'000	0 – 3 Months	3 – 12 Months	1 - 5 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	217 410	217 410
Inventory	-	-	-	64 409	64 409
Loans and advances - non current	-	-	37 704	-	37 704
Investment	9 707 318	4 003 588	592 401	-	14 303 307
Loans and advances - current	-	-	938	-	938
Rand deposits	-	-	-	101 907	101 907
Other receivables	318 955	-	-	-	318 955
Total Assets	**10 026 273**	**4 003 588**	**631 043**	**383 726**	**15 044 630**
Equity and Liabilities					
Shareholders' equity	-	-	-	1 854 698	1 854 698
Post employment benefits	-	-	-	40 273	40 273
Note and coins in circulation	-	-	-	2 398 164	2 398 164
Deposits	10 183 849	-	-	543 311	10 727 160
Trade and other payables	-	-	-	24 335	24 335
Total Equity and Liabilities	**10 183 849**	**-**	**-**	**4 860 781**	**15 044 630**
Interest rate repricing gap	**(157 576)**	**4 003 588**	**631 043**	**-**	**-**

B

23.1.2 CURRENCY RISK

Foreign exchange reserves are held in foreign currencies and this gives rise to a risk that the reserves will decline in value due to adverse changes in foreign exchange rates. In terms of the Investment policy and guidelines, foreign exchange risk is managed on indexation 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 reserves are divided into three tranches, namely: Working capital, Liquidity and Investment Tranche which in return are composed of different currencies. For the year 2012, which remains the same as for 2011, the following is the benchmark portfolio used to manage this risk. The currency composition of reserves is determined using the liability approach whereby the potential calls on the reserves form the basis for the respective currency allocations (i.e. contingent liabilities).

Instruments	ZAR Portfolio	USD Portfolio	EUR Portfolio
Working Capital	500 mil - 2500 mil	0 mil – 10 mil	0 mil – 5 mil
Liquidity Tranche (%)	35	30	35
Investment Tranche (%)	0	30	70

Risk-return preferences per tranche

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

The effect of Namibia dollar exchange rates against the foreign currencies can have a impact on the level of foreign currency reserves in terms of the reporting currency. For instance, with the foreign reserves at N$9.5 billion based on an USD/NAD exchange rate of 8.5 and EUR/NAD exchange rate of 10.5, a 10 percent depreciation in both the two exchange rates would result in an increase of reserves to N$10.45 billion. On the other hand a 10 percent appreciation would result in a decrease in foreign reserves to N$7.65 billion. The Namibia Dollar is pegged to the South African Rand at one is to one parity and hence there is no currency risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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23.1.2 CURRENCY RISK (CONTINUED)

AT 31 DECEMBER 2012 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Property,equipment and intangible assets	308 076	-	-	-	-	308 076
Currency inventory – notes and coins	82 382	-	-	-	-	82 382
Loans and advances - non current	45 562	-	-	-	-	45 562
Investment	-	5 474 834	3 182 744	5 608 696	346 554	14 612 828
Loans and advances - current	2 529	-	-	-	-	2 529
Rand deposits	-	161 233	-	-	-	161 233
Other inventory – stationery & spares	2 189	-	-	-	-	2 189
Other receivables	57 473	193 612	-	-	79 983	331 068
Total Assets	**498 211**	**5 829 679**	**3 182 744**	**5 608 696**	**426 537**	**15 545 867**
Liabilities						
Post employment benefits	44 736	-	-	-	-	44 736
Note and coins in circulation	2 773 341	-	-	-	-	2 773 341
Deposits	8 823 472	-	-	-	1 736 603	10 560 075
Trade and other payables	25 085	-	-	-	-	25 085
Total Liabilities	**11 666 634**	**-**	**-**	**-**	**1 736 603**	**13 403 237**
Net Balance Sheet position	**(11 168 423)**	**5 829 679**	**3 182 744**	**5 608 696**	**(1 310 066)**	**2 142 630**

AT 31 DECEMBER 2011 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Property, equipment and intangible assets	217 410	-	-	-	-	217 410
Currency inventory – notes and coins	61 985	-	-	-	-	61 985
Loans and advances - non current	37 704	-	-	-	-	37 704
Investment	-	4 734 106	2 834 194	6 412 260	322 747	14 303 307
Loans and advances - current	938	-	-	-	-	938
Rand deposits	-	101 907	-	-	-	101 907
Other inventory – stationery & spares	2 424	-	-	-	-	2 424
Other receivables	58 516	183 880	-	-	76 559	318 955
Total Assets	**378 977**	**5 019 893**	**2 834 194**	**6 412 260**	**399 306**	**15 044 630**
Liabilities						
Post employment benefits	40 273	-	-	-	-	40 273
Note and coins in circulation	2 398 164	-	-	-	-	2 398 164
Deposits	9 062 828	19	173	27 001	1 637 139	10 727 160
Trade and other payables	24 335	-	-	-	-	24 335
Total Liabilities	**11 525 600**	**19**	**173**	**27 001**	**1 637 139**	**13 189 932**
Net Balance Sheet position	**(11 146 623)**	**5 019 874**	**2 834 021**	**6 385 259**	**(1 237 833)**	**1 854 698**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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23.2 LIQUIDITY RISK

Liquidity risk is the risk that the Bank will fail to meet its foreign exchange obligations when they fall due or the possibility that the Bank will incur huge 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 and the Bank seeks to maintain sufficient liquidity by investing in securities with an active secondary market. As at 31 December 2012, 84 percent of investments could be liquidated within two working days, reflecting the highly liquid nature of the portfolio. In addition to what has been disclosed in the liquidity risk table below, cash outflows of capital commitments amounting to N$127 million are expected to be incurred during year 2012.

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2012

N$'000	0 – 3 Months	4 – 12 Months	1 - 5 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	308 076	308 076
Inventory	-	-	-	84 571	84 571
Loans and advances - non current	-	-	45 562	-	45 562
Investment	7 236 808	2 995 150	4 380 870	-	14 612 828
Loans and advances - current	-	2 529	-	-	2 529
Rand deposits	-	-	-	161 233	161 233
SDR Holdings - IMF	-	-	-	79 983	79 983
Other receivables	190 286	-	-	60 799	251 085
Total Assets	**7 427 094**	**2 997 679**	**4 426 432**	**694 662**	**15 545 867**
Equity and Liabilities					
Shareholders' equity	-	-	-	2 142 630	2 142 630
Post employment benefits	-	-	-	44 736	44 736
Note and coins in circulation	-	-	-	2 773 341	2 773 341
Deposits	8 238 577	-	-	610 250	8 848 827
SDR Allocation - IMF	-	-	-	1 711 248	1 711 248
Trade and other payables	25 085	-	-	-	25 085
Total Equity and Liabilities	**8 263 662**	**-**	**-**	**7 282 205**	**15 545 867**
Liquidity sensitivity gap	**(836 568)**	**2 997 679**	**4 426 432**	**(6 587 543)**	**-**
Cumulative liquidity sensitivity gap	**(836 568)**	**2 161 111**	**6 587 543**	**-**	**-**

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2011

N$'000	0 – 3 Months	4 – 12 Months	1 - 5 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	217 410	217 410
Inventory	-	-	-	64 409	64 409
Loans and advances - non current	-	-	37 704	-	37 704
Investment	9 707 318	4 003 588	592 401	-	14 303 307
Loans and advances - current	-	938	-	-	938
Rand deposits	-	-	-	101 907	101 907
SDR Holdings - IMF	-	-	-	76 559	76 559
Other receivables	183 992	-	-	58 404	242 396
Total Assets	**9 891 310**	**4 004 526**	**630 105**	**518 689**	**15 044 630**
Equity and Liabilities					
Shareholders' equity	-	-	-	1 854 698	1 854 698
Post employment benefits	-	-	-	40 273	40 273
Note and coins in circulation	-	-	-	2 398 164	2 398 164
Deposits	8 546 710	-	-	543 311	9 090 021
SDR Allocation - IMF	-	-	-	1 637 139	1 637 139
Trade and other payables	24 335	-	-	-	24 335
Total Equity and Liabilities	**8 571 045**	**-**	**-**	**6 473 585**	**15 044 630**
Liquidity sensitivity gap	**1 320 265**	**4 004 526**	**630 105**	**(5 954 896)**	**-**
Cumulative liquidity sensitivity gap	**1 320 265**	**5 324 791**	**5 954 896**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED) 31 DECEMBER 2012

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23.3 CREDIT RISK

This is the risk that the Bank's counterparty will default on its contractual obligations resulting in a financial loss to the Bank. With safety of principal being the foremost investment objective, the Bank seeks to manage credit risk by investing in money market instruments issued by counterparts with a minimum short-term credit rating of F2. Longer-dated fixed income instruments are limited to issues by members of the Group of 7 Nations (G7), Organisation for Economic Cooperation and Development (OECD) and the Republic of South Africa with a minimum credit rating of BBB- by Fitch Rating Agency or equivalent by Standard & Poor and Moody's.

Detailed below is a table which provides rating information on institutions where the Bank invests its funds:

	Country of Origin	*LongTerm*
International Monetary Fund	United States of America	AAA
First National Bank of South Africa	Republic of South Africa	BBB+
Crown Agents	United Kingdom	BBB+
Standard Chartered UK	United Kingdom	AA-
South African Reserves Bank	Republic of South Africa	BBB+
Investec	Republic of South Africa	BBB
Cadiz	Republic of South Africa	BBB
Federal Reserve Bank of New York	United States of America	AAA
Citi Bank	United Kingdom	A
Crédit Agricole Corporate	France	A+
Swift Shares	Netherland	A+
CommerzBank AG	Germany	A+
Dresdner Bank AG Frankfurt	Germany	A+
Nordbanken	Germany	A
Bank of Tokyo Mitsubishi Ltd	Japan	A+
UBS AG Zurich	Switzerland	A
Bank of Tokyo Mitsubishi Ltd	Japan	A
Westpac Banking Corporation	Australia	AA-
Bank of International Settlement	Switzerland	AAA
JP Morgan Chase	United States of America	A+
Abbey National Treasury Services Plc	United Kingdom	A
Society Generale Bank	France	A+
Bank of England	United Kingdom	AAA
Clearstream	Luxembourg	AA+
West LB	Germany	A-
Clearstream	Luxembourg	AA+
European Investment Bank	Luxembourg	AAA
Royal Bank of Scotland	Scotland	A
Dankske Bank	Denmark	A
Rabo Bank	United Kingdom	AA
Allianz Global Investors	Germany	NR
Blackrock Investment Management	United Kingdom	NR
US Government	United States of America	AAA
German Government	Germany	AAA
Barclays	United Kingdom	AA-
Landesbank Baden	Germany	A+
HSH Nordbank	Germany	A-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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23.3 CREDIT RISK (CONTINUED)

The table below shows the maximum exposure to credit risk for the financial instruments held. The maximum exposure is shown gross, before the effect of any mitigating factors.

INSTITUTIONAL CREDIT RISK RATING ANALYSIS

	Credit rating	2012 N$'000	2011 N$'000
NON – RAND CURRENCY			
Bank of International Settlements	AAA	546 929	23 932
Crown Agents	BBB+	-	-
Swift Shares	A+	273	258
Bank of England	AAA	64	779
Federal Reserve Bank of New York	AAA	199 814	1 837 494
Barclays Capital	AA-	-	177 100
World Bank	AAA	891 787	851 643
SBSA Bon Cash	BBB+	124	119
Standard Chartered Bank London	AA-	-	546 939
Standard Chartered Bank London – Current	F+	11	11
Dresdner Bank AG	AA-	-	-
Landesbank Baden – Wurttemberg	A+	-	139 505
Credit Agricole	A+	120 750	423 258
European Investment Bank	AAA	273 574	263 391
Royal Bank of Scotland	AA	410 280	358 012
Commerz Bank AG - EURO	A+	428	406
Commerz Bank AG - USD	A+	-	819 626
Norddeutsche Landesbanken	A	-	724 667
HSH Nordbank AG	A-	-	815 020
Bank of Tokyo Mitsubishi	A	-	2 311
Nordbanken	A	62	92
UBS AG Zurich	A	54	327
Citibank New York	A	46	60
German Government	AAA	1 298 285	1 578 104
USA Government	AAA	420 379	883 366
Bank of Tokyo Mitsubishi Settlement	A	76	71
JP Morgan Chase	A+	513 030	-
Clearingstream	AA+	41 192	-
Westpac Banking Corporation	AA-	8	51
ABN Amro Bank Fixed Deposit	A+	-	-
Bank of Tokyo London Fixed Deposit	A	-	-
West LB London Fixed Deposit	A-	-	122 659
Abbey National Treasury Services Plc	A	307 987	-
Dankske Bank	A	289 666	-
Rabo Bank	AA	335 086	-
Allianz Global Investors	NR	1 695 511	-
Blackrock Investment Management	NR	1 693 557	-
Society Generale	A+	99 021	-
TOTAL NON-RAND INVESTMENTS		**9 137 994**	**9 569 201**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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23.3 CREDIT RISK (CONTINUED)

The table below shows the maximum exposure to credit risk for the financial instruments held. The maximum exposure is shown gross, before the effect of any mitigating factors.

INSTITUTIONAL CREDIT RISK RATING ANALYSIS

	Credit rating	2012 N$'000	2011 N$'000
RAND CURRENCY			
Rand Currency – Corporation of Public Deposits	BBB	1 876 926	1 811 972
Cadiz Asset Management	NR	-	154 847
Investec Asset Management	NR	-	154 660
First National Bank South Africa	BBB	-	51
IRS Red – CADIZ Asset Management	NR	1 296 080	1 010 565
IRS Red – INVESTEC Asset Management	NR	1 494 306	1 010 648
Standard Bank South Africa	BBB	8	8
South African Reserve Bank	BBB	(25)	(1 047)
Standard Chartered London	AA-	296 505	212 402
Rand Merchant Bank	BBB	-	200 000
Crown Agents	BBB+	511 034	180 000
TOTAL RAND INVESTMENTS		**5 474 834**	**4 734 106**

23.3 CREDIT RISK (CONTINUED)

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

23.4 SETTLEMENT RISK

This is the risk that the Bank is exposed to when settling or clearing transactions. The Bank faces this risk when 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 foreign exchange transactions are settled only two days after the deal date, and uncertain events within these two days could have a negative impact on the Bank. In order to control this risk, the Bank has imposed settlement limits so as to limit the bank's exposure to counterparty at any given time in the deal cycle. For foreign exchange transactions entered into by the Bank, settlement limits will be 60 percent of maximum counterparty limit.

23.5 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 details as follows:

- **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.
- **Failed or inadequate processes:** a process is poorly designed or unsuitable, or not properly documented, understood, implemented, followed or enforced.
- **Failed or inadequate systems:** a system is poorly designed, unsuitable or unavailable or does not operate as intended.
- **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 is 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.

23.6 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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24. CAPITAL COMMITMENTS

	2012 N$' 000	2011 N$' 000
Contracted	32 000	127 464

These capital commitments will be funded from internal resources.

25. RELATED PARTY INFORMATION

During the year under review, the Bank in its ordinary course of business, entered into various transactions. These transactions were under taken on commercial terms and conditions. The Bank of Namibia Act, 1997 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. Notes 1.19 and 2 provide more information on the Financial Intelligence Centre.

Gross Emoluments	Salaries N$'000	Retirement Benefit N$'000	Medical Aid Benefit N$'000	Total 2012 N$' 000	Total 2011 N$'000
Executive Management					
Governor's	3 949	672	133	4 754	5 511
Senior Management	8 775	1 034	336	10 145	7 007
Non-Executive Board					
Mr V Malango				85	97
Mr F Kisting				78	78
Ms O Netta				-	15
Dr NK Shivute				-	-
Dr O Kakujaha- Matundu				82	73
Ms E B Shafudah				-	-
Ms C v/d Westhuizen				54	-

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2012

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012 (IN COMPLIANCE WITH THE BANK OF NAMIBIA ACT, 1997)

	Notes	2012 N$'000	2011 N$'000
Net interest income		**150 927**	**171 498**
Interest income	2	255 833	329 686
Interest expense		(104 906)	(158 188)
		210 370	**217 593**
Government Grant – FIC funding	2	9 381	9 832
Rand Compensation Income		190 174	183 880
Other income	2	10 815	23 881
Total income		**361 297**	**389 091**
Operating expenses	2	(268 200)	(235 815)
Net (loss)/gain on investment portfolio		(39 301)	(24 172)
Total Comprehensive Profit/Loss for the Year		**53 796**	**129 104**
Transfer to Unrealised Gain Reserve		(721)	(5 260)
Net Profit for Distribution for the Year		**53 075**	**123 844**
Profits available for Distribution		**53 075**	**123 844**
State revenue fund	1.2	25 365	60 018
General reserve	13	22 710	53 826
Building fund reserve	15	-	-
Development fund reserve	16	5 000	10 000

Part C | Economic and Financial Developments in 2012

Report prepared pursuant to Section 52(1)(c) of the Bank of Namibia Act, 1997 (Act No. 15 of 1997)

Content

SELECTED FINANCIAL AND ECONOMIC INDICATORS

	Actual				Estimates*
	2008	2009	2010	2011	2012
(Annual percentage change)					
Real GDP growth	3.4	-1.1	6.6	4.8	4.6
GDP deflator	13.7	4.0	1.4	6.8	8.5
Consumer price inflation (period average)	10.4	8.8	4.5	5.0	6.5
Consumer price inflation (end of period)	10.9	7.0	3.1	7.2	6.3
Exports of goods	28.1	-0.3	11.8	8.8	3.5
Imports of goods	46.0	15.2	-2.0	13.8	13.6
Real effective exchange rate[4]	-3.9	12.2	16.2	1.0	-0.5
Private sector credit	11.3	10.0	10.8	9.9	17.0
Net claims on Central Government	-18.7	-1.9	7.1	2.1	-1.3
Broad money supply	17.9	68.5	9.1	11.8	6.1
(In percent of GDP, unless otherwise stated)					
Investment	25.4	22.3	21.2	19.8	19.9
Public	3.9	5.5	5.5	7.3	8.2
Private	21.4	16.8	15.8	12.5	11.7
Savings	25.4	22.3	21.2	19.8	19.9
External	-3.1	-0.1	1.7	2.2	0.3
Domestic	28.5	22.4	19.5	17.6	19.6
Public	9.6	6.8	1.3	0.8	2.1
Private	18.9	15.6	18.2	16.9	17.5
Public Finance					
Overall Government deficit[5]	2.0	-1.1	-4.6	-7.1	-2.9
Public debt outstanding	18.1	18.0	16.0	26.4	25.6
Public guaranteed debt outstanding	4.3	3.5	3.0	2.1	2.1
External Sector					
Current account balance	3.1	0.1	-1.7	-2.2	-0.3
excluding official transfers	-9.6	-13.9	-12.9	-12.8	-15.5
Gross official reserves					
In million of Namibia Dollar	12 712.6	13 828.0	10 207.8	14 406.0	14 729.2
In million of US Dollar	1 350.5	1 873.7	1 543.1	1 767.6	1 738.5
In months of imports of goods and services	5.7	4.0	3.0	3.8	3.4
External debt[6]	23.4	20.8	24.9	40.6	33.2
Exchange rate to US Dollar (end of period)	9.4130	7.3800	6.6150	8.1502	8.4726
Exchange rate to US Dollar (period average)	8.2517	8.4371	7.3303	7.2531	8.2099
GDP at current market prices (N$ million)	**74 000**	**75 070**	**81 136**	**90 842**	**103 158**

* While most of the data for 2012 are estimates, where possible actual data have been inserted.

Source: MoF, BoN and NSA

4 A decrease in Real effective exchange rate index means that the national currency depreciated, reflecting a gain in the competitiveness of the Namibian products in 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 in the international market.

5 These are fiscal year data, starting from the 2008/09 – 2012/13 financial years.

6 Includes government, parastatals and private sector debt

SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

Global growth slowed in 2012, due to economic challenges in key economies in the world. Global growth was estimated to have eased to 3.2 percent from 3.9 percent in 2011. The key factor contributing to a slowdown in global growth for 2012 was weak economic activity in the Euro Area. However, there were a number of other contributing factors to the slow growth performance, including fiscal policy challenges in key advanced economies, most notably the US. Despite a slight improvement in growth in 2012, the US was still faced with the political challenge of balancing tax increases and a reduction in government spending, which translates to further uncertainty and downside risk with regard to the US economy. The Euro Area has contracted since the second quarter of 2012, and possible slowing ahead is suggested by the fall in business confidence reflected in many leading indicators and measures of economic sentiments.

The slow pace of economic activity in advanced economies also adversely affected growth in emerging markets and developing economies because of restrained external demand for their exports. Despite the slowdown in economic activities, the emerging and developing economies remained the key driver of global growth during 2012. Spillovers from advanced economies further contributed to lower commodity prices and thus slower growth in commodity based economies, including those of Sub-Saharan Africa (SSA).

The accommodative monetary policies of the majority of the central banks helped to mitigate the impact of global economic challenges. Inflation remained relatively low for most countries, providing scope for an accommodative monetary policy stance. The International Monetary Fund (IMF) projects that global growth will improve to 3.5 percent in 2013, though, there are downside risks, including renewed setbacks in the Euro Area and fiscal challenges in the United States.

The Namibian economy is estimated to have grown by 4.6 percent in 2012, on account of a recovery of the mining sector and sustained high growth in construction activities. The growth is accredited to diamond and uranium production on account of an upsurge in investments, notwithstanding global uncertainties. The secondary industry grew strongly due to construction works on the backdrop of increases in public infrastructure and property developments. In contrast, growth in the tertiary industry slowed across-the-board, with a significant deceleration of value added growth for the public administration and defence sectors.

Namibia's headline inflation displayed an upward trend during 2012 on account of elevated food and transport inflation. Inflation rate averaged 6.5 percent during 2012, up from 5.0 percent in 2011. The acceleration in overall inflation was underpinned mainly by high inflation rates for food and transport that peaked at 11.0 percent and 8.0 percent, respectively. Core inflation remained generally subdued, at around an average of 3.6 percent.

The Bank of Namibia continued to pursue an accommodative monetary policy during 2012. The Repo rate, which remained unchanged at 6.00 percent during the first seven months of 2012, was reduced by 50 basis points in August 2012. This reduction was considered necessary in order to support ailing sectors of the economy and to shore up growth in an environment of uncertainty, especially regarding the global economy.

On the demand side, growth in private sector credit extended accelerated at the end of 2012 to reach its highest growth rate in four years. On average, over twelve-months, credit extended to the private sector grew by 14.0 percent, higher than the average of 11.3 percent over the same period in 2011. The surge reflects a rise in borrowing activities in both the business and household sectors. On an inflation-adjusted basis, growth in credit extended to the private sector hovered around 7.0 percent on average over the twelve months of 2012 compared to 6.1 percent over the same period in 2011.

During the 2012/13 fiscal year, Government underwent fiscal consolidation to keep the budget deficit and the debt stock at sustainable levels over the medium-term. According to the 2013/14 budget, government budget deficit is estimated at 2.9 percent of GDP in 2012/13, compared to a deficit of 4.6 percent of GDP, projected in the 2012/13 Budget. Total government debt increased, but declined by 0.8 percentage points to 25.6 percent of GDP by end-2012;

a debt level significantly below the government's debt ceiling of 35 percent of GDP.

The overall balance of payments (excluding valuation adjustments) recorded a smaller surplus of about N$156 million during 2012, compared to a surplus of N$4.1 billion in 2011. A significant reduction in capital and financial account inflows and the deficit in the current account, contributed to this development. In addition, the international investment position of Namibia rose over the same period, largely due to a rise in portfolio investment.

The stock of international reserves held by the Bank rose by 2.1 percent to N$14.7 billion by the end of 2012 as a result of inflows of funds. The increase in reserves emanated from the rise in SACU receipts, the issuance of the ZAR bond on the JSE and the repatriation of ZAR banknotes to South Africa. In line with a significant increase in imports, the months of import cover fell from 3.8 months in 2011 to 3.4 months in 2012. The aforementioned months of import cover is slightly above the international benchmark of 3.0 months.

During 2012, the Namibia Dollar weakened against the US Dollar, British Pound Sterling and Euro, resulting in some gains in external competitiveness. The depreciation of the Namibia Dollar echoed the negative sentiment of investors which arose from virulent industrial actions in South Africa, as well as the appreciation of the US Dollar in international foreign exchange markets. Namibia's external competitiveness improved in 2012 as a result of a depreciation of the trade-weighted real effective exchange rate.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

***Global growth* slowed in 2012, due to economic challenges in key economies in the world.** Global growth was estimated to have eased to 3.2 percent from 3.9 percent in 2011 (Table C.1). The key factor contributing to a slowdown in global growth for 2012 was weak economic activity in the Euro Area. However, there were a number of other contributing factors to the slow growth performance, including fiscal policy challenges in key advanced economies, most notably the US. Despite a slight improvement in growth in 2012, the US was still faced with the political challenge of balancing tax increases and a reduction in government spending, which translates to further uncertainty and downside risk with regard to the US economy. The Euro Area has contracted since the second quarter of 2012, and possible slowing ahead is suggested by the fall in business confidence reflected in many leading indicators and measures of economic sentiments.

The slow pace of economic activity in advanced economies also adversely affected growth in emerging market and developing economies because of restrained external demand for their exports. Despite the slowdown in economic activities, the emerging and developing economies remained the key driver of global growth during 2012. Spillovers from advanced economies further contributed to lower commodity prices and thus slow growth in commodity based economies, including those of Sub-Saharan Africa (SSA). The accommodative monetary policies of the majority of the central banks helped to mitigate the impact of global economic challenges. Inflation remained relatively low for most countries, providing scope for an accommodative monetary policy stance. The International Monetary Fund (IMF) projects that global growth will improve to 3.5 percent in 2013, though, there are downside risks, including renewed setbacks in the Euro Area and fiscal challenges in the United States.

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Table C.1: World economic output (annual percentage change)

	2008	2009	2010	2011	2012 (est)	2013(proj)
World Output	2.8	-0.6	5.1	3.9	3.2	3.5
Advanced economies	0.1	-3.5	3.0	1.6	1.3	1.4
USA	-0.3	-3.1	2.4	1.8	2.3	2.1
Euro Area	0.4	-4.4	2.0	1.4	-0.4	-0.2
Germany	0.8	-5.1	4.0	3.1	0.9	0.6
Spain	0.9	-3.7	-0.3	0.4	-1.4	-1.5
UK	-1.0	-4.0	1.8	0.9	-0.2	1.0
Japan	-1.0	-5.5	4.5	-0.6	2.0	1.2
Other advanced economies	1.7	-1.2	5.9	3.3	1.9	2.7
Emerging markets economies	6.1	2.7	7.4	6.3	5.1	5.5
Sub-Saharan Africa	5.6	2.8	5.3	5.3	4.8	5.8
Angola	13.8	2.4	3.4	3.9	6.8	5.5
Botswana	3.0	-4.7	7.0	5.1	3.8	4.1
South Africa	3.6	-1.5	2.9	3.5	2.3	2.8
Zambia	5.7	6.4	7.6	6.6	6.5	8.2
Zimbabwe	-18.3	6.3	9.6	9.4	5.0	6.0
Developing Asia	7.9	7.0	9.5	8.2	8.0	7.2
Russia	5.2	-7.8	4.3	4.3	3.7	3.8
China	9.6	9.2	10.4	9.2	7.8	8.2
India	6.9	5.9	10.1	6.8	4.9	6.0
Brazil	5.2	-0.3	7.5	2.7	1.5	4.0
Middle East and North Africa	4.5	2.6	4.4	3.3	5.3	3.6
Latin America and the Caribbean	4.2	-1.5	6.1	4.5	4.0	3.9

Source: IMF World Economic Outlook January 2013 and National Treasury, South Africa.

***Emerging market and developing economies* remained the mainstay of global growth, despite a moderation in economic growth from 6.3 percent in 2011 to 5.1 percent in 2012.** Growth in the emerging market and developing economies was sustained by Foreign Direct Investment (FDI), credit growth and supportive economic policies. The slowdown in growth shows that even with improving economic ties amongst developing countries, they remain vulnerable to economic conditions in the developed economies.

OUTPUT GROWTH AND OUTLOOK BY MAIN REGIONS / ECONOMIC BLOCS

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Output growth in the US was estimated to have improved in 2012, while unemployment declined to 7.9 percent. Growth was estimated to have increased to 2.3 percent in 2012 compared to 1.8 percent in the previous year, largely due to growth in private consumption expenditure. This growth remains below the average of 3.25 percent between 1947 and 2012. The unemployment rate fell to 7.9 percent at the end of 2012 compared to 8.5 percent in the corresponding period in 2011 due to the jobs created in the service sector; namely, the health, transportation and warehousing subsectors. GDP growth of 2.0 percent is forecasted for 2013 for the US economy. The weak household balance sheets, restrained business and consumer confidence as well as fiscal consolidation, are expected to restrain its growth.

The *Euro Area* contracted, while unemployment increased during 2012. GDP growth in the Euro Area is estimated to have contracted by 0.4 percent during 2012, mainly as a result of subdued investment demand by both the public and private sectors in some member states of the Euro Area. The contraction in output and fall in business confidence was driven by the debt crisis in peripheral countries of the Euro Area. Unemployment in the Euro Area remained at its all time high of 11.7 percent at the end of 2012, a level reached in October 2012. Looking ahead, the IMF projects real GDP growth for the Euro Area to improve marginally to -0.2 percent, provided that policymakers implement strong medium-term fiscal and structural reform measures to rebuild confidence in financial markets.

In *Germany*, GDP growth slowed, while unemployment remained relatively high. Germany's GDP slowed to 0.9 percent in 2012 from a much stronger growth of 3.1 percent in 2011. Weaknesses in business confidence and a decline in industrial production mainly accounted for this slowdown. It is expected that growth will decline slightly to 0.6 percent in 2013, largely due to weaker external demand for its exports. Germany's unemployment rate was 6.7 percent in December 2012, slightly lower than the 6.8 percent recorded during December 2011.

The *Spanish* economy, a key market for Namibia's fish export, continued to face difficulties, with its unemployment remaining among the highest in the Euro Area. The Spanish economy contracted by 1.4 percent in 2012 from 0.4 percent growth in 2011. The contraction is ascribed to on-going fiscal consolidation, problems in the domestic banking sector, and deleveraging by households. Spain is forecasted to remain in recession in 2013, with real GDP expected to contract by 1.5 percent. The already high unemployment rate estimated at 25 percent in 2012 may be aggravated further in the presence of the recession.

The *UK* was not spared from the recession in the Euro Area. GDP growth in the UK, contracted by 0.2 percent in 2012, compared to 0.8 percent growth in the preceding year. The contraction was due to a decline in public infrastructure spending and activities in the construction sector. Projections by the IMF indicate that real GDP growth for the UK should improve to 1.0 percent in 2013 backed by improved activities in the manufacturing and services sectors.

Economic activity in *Japan* rebounded in 2012, following a contraction in the previous year, but the recovery is fading out. A growth rate of 2.2 percent was recorded in GDP, compared to a -0.6 percent contraction in 2011. Reconstruction spending after the Tohoku earthquake and nuclear disaster of 2011 had a positive impact on Japan's growth. However, a weak external environment and the resultant export decline resulted in limited growth during 2012. The Japanese economy is projected to slow to 1.2 percent growth in 2013, as post-earthquake reconstruction activities fade out. Weak external demand, especially from Europe as well as the political tensions between Japan and China, constitutes the main downside risk to the growth outlook of the Japanese economy.

Economic activity in leading *emerging markets* moderated as a result of a weak global environment. Brazil, Russia, India and China recorded lower growth in 2012 than in 2011 (Table C.1). Brazil's slowdown is the result of the weaker external demand coupled with a struggling manufacturing sector that is faced with high taxes and a strong local currency. In Russia, the slowdown is attributed to weak exports and domestic consumption. In India, growth slowed due to restrained activities in the manufacturing sector, coupled with slow growth in exports and sluggish investment. China's slowdown was as a result of the knock-on effect of a severe debt crisis in Europe and a staggered recovery in the US, its two key export markets. Going forward, growth in these economies is expected to rebound in 2013, supported by an accommodative monetary policy and expansionary fiscal stances.

Growth performance in *Sub-Saharan Africa (SSA)* varied across countries. Growth in the oil exporting countries and government expenditure on infrastructure by countries such as Angola, Chad, Gabon and Nigeria, with growth rates above 6.0 percent in 2012, mitigated the adverse impact of reduced demand for exports. With the exception of South Africa, the sovereign debt crisis in the Euro Area had minimal impact on SSA, given shallow financial market linkages between the two regions. Among Namibia's neighbouring countries, Angola recorded a significantly high growth of 6.8 percent in 2012, compared to 3.9 percent growth in 2011, due to high crude oil prices. Conversely, Botswana and South Africa are estimated to have slowed to a growth of 3.8 percent and 2.3 percent, compared to 5.1 percent and 3.5 percent growth in 2011, respectively. Moreover, South Africa faced particular challenges arising from uncertainties and instabilities in the mining and agricultural sectors, which culminated in changing global and domestic risk perceptions and downgrading by the various ratings agencies.

MONETARY POLICY STANCE AND INTEREST RATE DEVELOPMENTS

***Monetary policy* remained accommodative in industrialized countries during 2012.** Central banks in advanced economies such as Australia, the US, the UK, the Euro Area, Canada and Japan kept their policy rates unchanged. The US Federal Reserve Bank, the Bank of England, and the European Central Bank (ECB) also pursued and implemented unconventional monetary policies, including asset purchase and quantitative easing programmes, amongst others. The purpose of these policy measures was to ease pressures in financial markets and facilitate the supply of credit to households and businesses, thereby stimulating economic growth.

The *Federal Reserve Board* retained the Federal Funds rate within the range of 0.00 to 0.25 percent during 2012, and continued its policy of purchasing long-term mortgage-backed securities aimed at keeping long-term interest rates low. The decision to keep the Federal Funds rate unchanged was informed by the need to support economic recovery. The main objectives with regard to purchasing long-term mortgage-backed securities are to put downward pressure on long-term interest rates, support mortgage markets, and help to make broader financial market conditions more accommodative. In September 2012, the Federal Reserve Board, started to buy mortgage-backed securities of US$40.0 billion per month. This amount was further increased to US$45.0 billion in October 2012. At its December meeting, the Federal Open Market Committee (FOMC) announced that it would keep interest rates close to zero until unemployment falls to 6.5 percent or until inflation is above 2.5 percent.

The *ECB* cut its lending rate to a historic low in 2012 due to lacklustre economic activities in the Euro Area. In July 2012, the ECB cut its main policy rate by a quarter of a percentage point to 0.75 percent, pushing the rate under 1.00 percent for the first time. Underpinning the ECB's monetary policy decision was the subdued pace of economic activity and inflation expectations, which remained firmly anchored, in line with the ECB's aim of maintaining inflation rates below, but close to, 2.0 percent over the medium term. In addition, projections showed that economic weakness in the Euro Area was expected to extend into 2013. More specifically, balance-sheet adjustments in financial and non-financial sectors and persistent uncertainty were expected to continue to weigh down on economic activity.

The *Bank of England* also maintained its bank rate at 0.50 percent in 2012 and continued its asset purchase programme. Besides leaving the policy rate at 0.50 percent in 2012, the ceiling of the asset purchase programme was increased by £50 billion to £375 billon in July 2012. The objective of the asset purchase programme is to boost the money supply through large-scale asset purchases and, in doing so, bring about a level of nominal demand consistent with meeting the inflation target in the medium term. During 2012, the Bank of England announced that it will continue to purchase high-quality private-sector assets on behalf of the Treasury, financed by the issuance of treasury bills.

Most central banks in emerging market economies also pursued accommodative monetary policy stances in 2012. In this context, central banks of Brazil, China and South Africa reduced their policy rates in 2012 (Table C.2). The Reserve Bank of India maintained its Repo rate through 2012. Conversely, the Bank of Russia increased its policy rate in 2012 to contain inflationary pressures in Russia.

Table C.2: Selected economies latest policy rates

Countries	Policy Rate	Current Rate (%)	Policy Rate % Δ	Last Meeting	December Inflation	Real Interest
Advanced						
USA	Fed Fund rate	0.0-0.25	0.00	December	1.7	-1.5
Canada	Overnight rate	1.00	0.00	October	0.8	0.2
Australia	Cash rate	3.00	-0.25	December	2.2	0.8
Euro Area	Refinance rate	0.75	0.00	December	2.2	-1.5
UK	Base rate	0.50	0.00	December	2.7	-2.2
Japan	Call rate	0.0-0.1	0.00	December	-0.2	0.3
BRICS						
Brazil	Short term interest rate	7.25	-0.25	November	5.8	1.5
Russia	Refinancing rate	8.25	0.25	October	6.6	1.7
India	Repo rate	8.00	0.00	December	7.2	0.8
China	Lending rate	6.00	-0.31	September	2.5	3.5
South Africa	Repo rate	5.00	0.00	December	5.6	-0.6

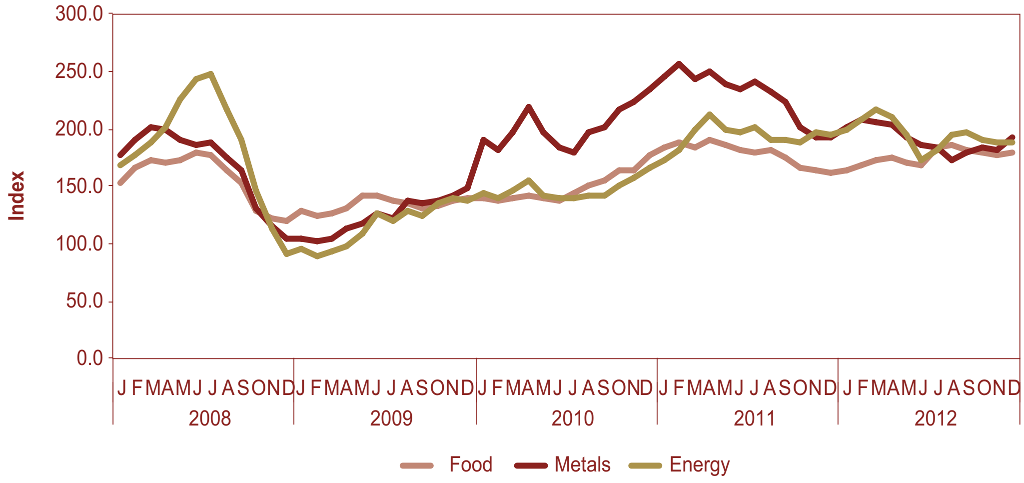
Source: Trading Economics /Respective Central Banks

Within the *Common Monetary Area (CMA)*, the central banks of South Africa, Lesotho and Swaziland reduced their policy rates to stimulate economic activity. The South African Reserve Bank (SARB) reduced the Repo rate to 5.00 percent. The SARB's policy decision was underpinned by increased downside risks to the economy, stemming from low growth in most sectors. In addition, the global environment, with slowing growth in a number of regions and declining global industrial output, also influenced the decisions of the Monetary Policy Committee of the SARB. Similarly, the central banks of Lesotho and Swaziland also reduced their policy rates to 5.00 percent in 2012 to stimulate economic activities in their respective countries.

COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

During 2012, the *average commodity price indices* for food and metals declined somewhat, but remained elevated by historical standards. The decrease in the food price index was underpinned primarily by increases in the supply of rice. Contributing to the decline in the metal price index were subdued activities in advanced economies, coupled with a slowdown in GDP growth of the major emerging market economies, notably China, which led to a decrease in the demand for base metals (Chart C.1). In contrast, the average energy price index rose marginally by 1.0 percent in 2012, mainly due to an increase in the price of crude oil.

Chart C.1: Selected commodity price indices



Source: IMF

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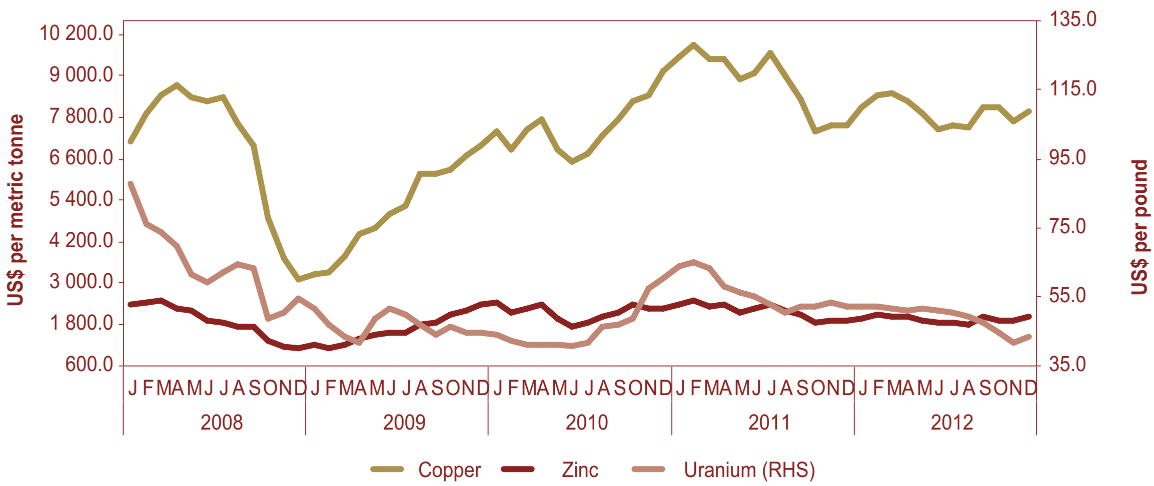
International prices of *copper and uranium*, in particular, were negatively affected by the slowdown in global growth. The average price of copper declined by 9.8 percent to US$7 958 per metric tonne in 2012. Similarly, the price of zinc also declined by 11.6 percent to US$1 942 per metric tonne during the year under review (Chart C.2). The spot price of uranium declined on average by 12.2 percent in 2012 to an average of US$49.0 per pound compared to US$56.2 per pound in 2011. Growth in emerging markets, particularly China and India, was a major driver of metal demand in recent years. The outlook for metal demand will depend on improved global growth prospects. Persistent recessionary conditions in Europe and slow growth in the US will have enduring effects on the demand for base metals. Therefore, the global economic slowdown is the biggest downside risk for the base metals market in the short to medium term. The long-term outlook remains more encouraging as the emerging market economies are expected to recover with the help of accommodative monetary policy stances.

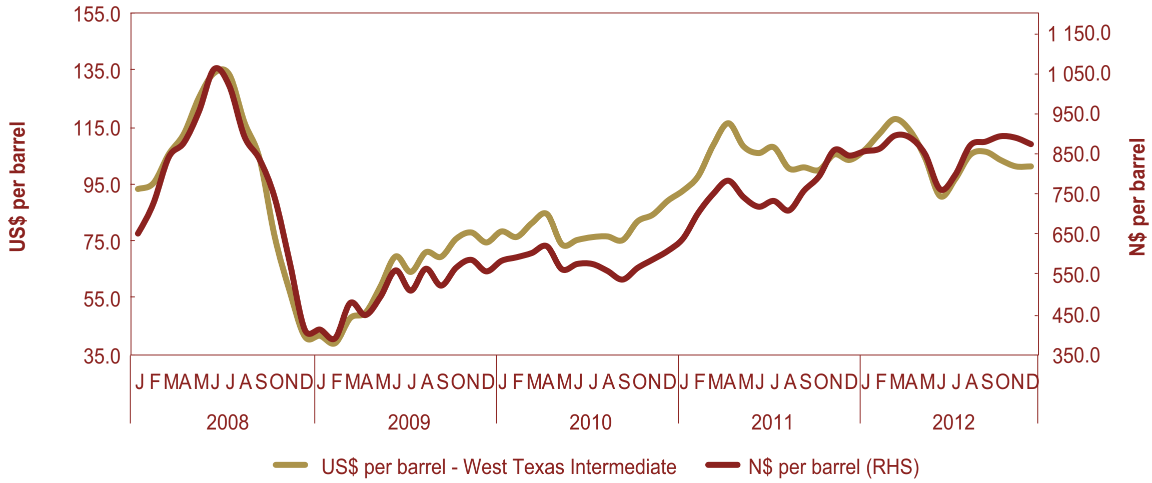
Chart C.2: Selected commodity prices



Source: IMF

The *crude oil prices* remained elevated, increasing marginally, relative to the preceding year (Chart C.3). The increase is attributed to the sanctions imposed on Iran, which have reduced its oil production to 2.85 million barrel per day, a 22-year low. The reduction in Iran's daily crude-oil output contributed to lower global supply with adverse consequences for prices. Other factors that contributed to the increase in the price of crude oil in 2012 include constraints in supply from the North Sea, declines in inventories in the US, and expectations for further monetary easing by central banks in advanced economies.

Chart C.3: Crude oil prices (West Texas Intermediate)



Source: IMF

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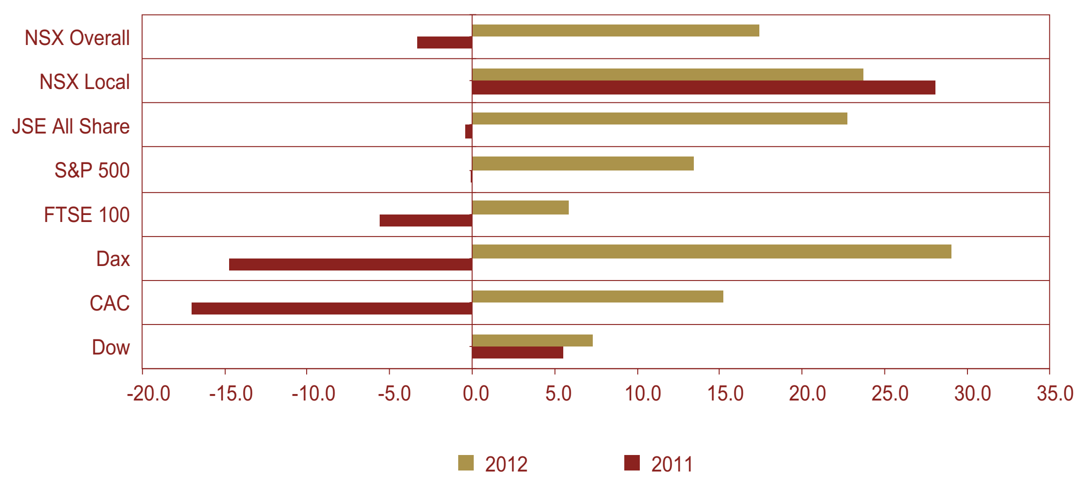
DEVELOPMENTS IN FINANCIAL MARKETS

Despite weak global growth performance, financial markets were resilient during 2012. The Dow Jones Industrial Average (DJIA) recorded an increase of 7.3 percent during 2012. In Europe, the DAX, an indicator of Germany's stock market performance, grew by 29.1 percent during 2012. Similarly, the FTSE 100 performed well registering an increase of 5.8 percent during 2012 (Chart C.4). The Johannesburg Stock Exchange All Share Index and the Overall Index for the Namibian Stock Exchange also performed well, in line with global markets, with growth of 22.7 percent and 21.7 percent in 2012, respectively. The improvement in the financial markets was as a result of the progress to improve fiscal sustainability in the EU, the ECB decision to do whatever was necessary to support and bail out economies in difficulty, and the decision to create a pan-European banking supervision authority.

Chart C.4: Annual growth rates in stock markets (percentage change in indices in USD terms)



Source: Bloomberg

WORLD TRADE DEVELOPMENTS

Growth in world trade volume is estimated to have slowed from 5.8 percent in 2011 to 3.2 percent in 2012, although a marginal acceleration in global trade is expected for 2013. The slowdown was predominantly evident in the growth of imports of the advanced economies, which slowed to 1.7 percent in 2012 from 4.4 percent in the previous year, due to sluggish growth, especially in the Euro Area. Imports from emerging market economies also slowed. Nonetheless, the pace of the slowdown in the imports of developing economies was much lower than that of the industrialised economies. Developments in exports were similar to those of imports. In this context, growth in exports by advanced economies slowed to 2.2 percent during the year under review from 5.3 percent in the preceding year, due to a general slowdown in economic activities (Table C.3). Correspondingly, growth in exports of the emerging markets and developing economies also slowed to 4.0 percent in 2012 from 6.5 percent in 2011. Forecasts by the IMF indicate that world trade volume will increase by 4.5 percent during 2013 due to the expected marginal recovery in global growth.

Table C.3: Growth in the volume of world (goods and services) 2010-2013 (annual percentage change) [7]

World Merchandise trade	Actual 2010	Actual 2011	Estimates 2012	Projections 2013
World trade volume (goods and services)	12.6	5.8	3.2	4.5
Imports				
Advanced economies	11.4	4.4	1.7	3.3
Emerging markets and developing economies	14.9	8.8	7.0	6.6
Exports				
Advanced economies	12.0	5.3	2.2	3.6
Emerging markets and developing economies	13.7	6.5	4.0	5.7

Source: IMF

IMPLICATIONS OF GLOBAL DEVELOPMENTS FOR NAMIBIA

The *global economy* weakened further during 2012 mainly as a result of the sluggish performance in the Euro Area, coupled with a slowdown in emerging market economies. Going forward, the global economy is projected to grow by 3.5 percent in 2013, from an estimated growth rate of about 3.2 percent in 2012. Risks to the outlook remain large and tilted to the downside. These include: a protracted resolution of the Euro Area crisis, uncertainties in the international oil market due to geopolitical tensions in the Middle East, and the continued uncertainty regarding US fiscal policy. These downside risks could reduce global demand for Namibian exports such as fish and tourism, and thus the overall growth performance of the Namibian economy. Notwithstanding these risks, the Namibian economy is projected to grow at 4.4 percent in 2013 as a result of increased construction activities.

7 These figures refer to growth in the volume of world trade, i.e. trade in real terms, adjusted for changes in prices and exchange rates.

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

REAL SECTOR DEVELOPMENTS

The Namibian economy is estimated to have grown by 4.6 percent in 2012, compared to 4.8 percent in 2011. The estimated growth is accredited to a recovery in mining activities, mainly diamonds and uranium, and the sustained growth of construction on the back of increased public infrastructure and property developments. In contrast, economic activity in the tertiary industry slowed across the board in 2012, including a deceleration in value-added growth of public administration and defence.

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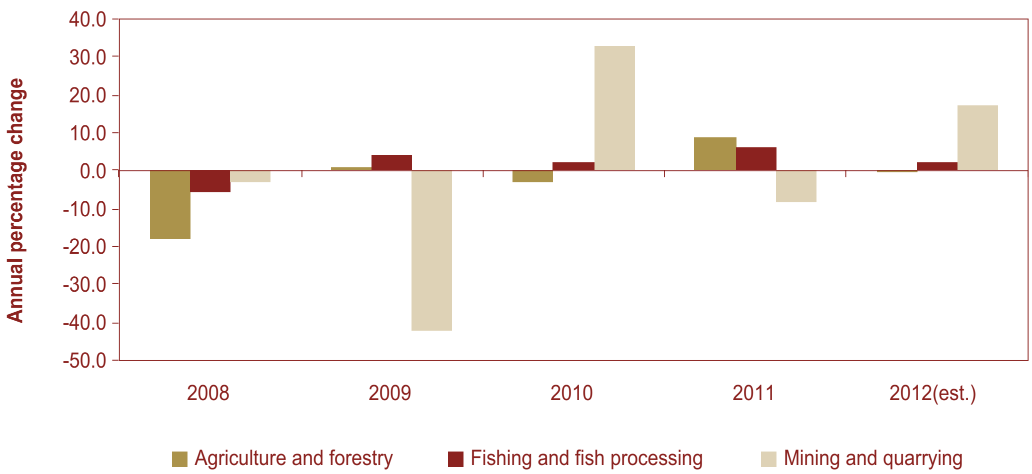
PRIMARY INDUSTRY

The primary industry recorded a robust performance, supported by a recovery of the mining sector, while growth in agriculture and fishing remained weak (Chart C.5). Growth in the primary industry is estimated to have accelerated to 8.7 percent in 2012, following a contraction of 0.9 percent in 2011. The overall surge in mining production resulted from technical expansion and improvements as well as fewer operational disruptions during the year. Growth in the agricultural and fishing sectors remained weak, largely as a result of depressed export demand for agricultural and fishing products.

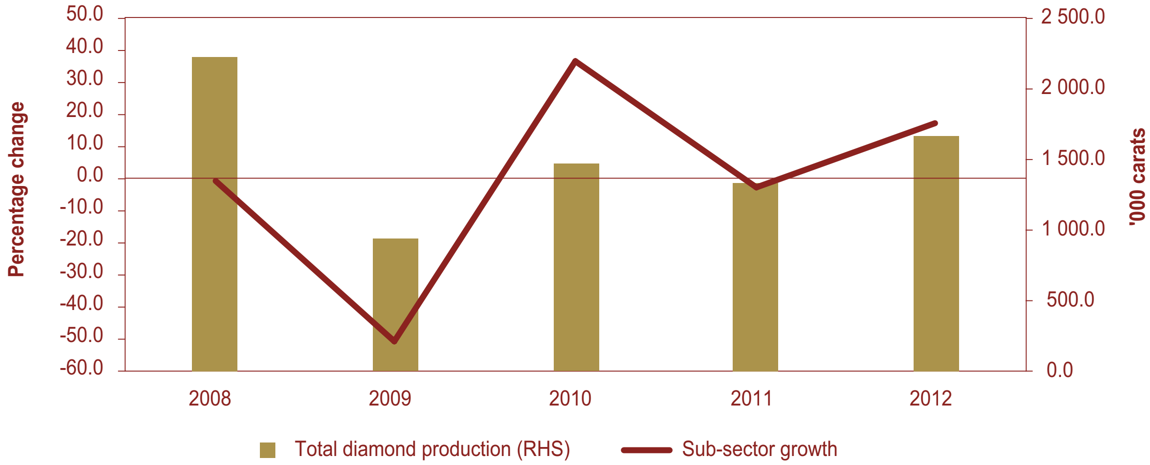
Chart C.5: Primary industry real growth rates



Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

***Diamond mining* output increased by 17.0 percent in 2012, primarily due to operational improvements.** Production reached 1.7 million carats in 2012 (Chart C.6), driven by increased activities in onshore and offshore mining that resulted from the reopening of an old mine and the acquisition of an offshore mining vessel. Favourable labour relations also contributed to the increase in diamond production registered in 2012.

Chart C.6: Diamond mining – value-added growth and production



Sources: Namdeb, NSA and BoN

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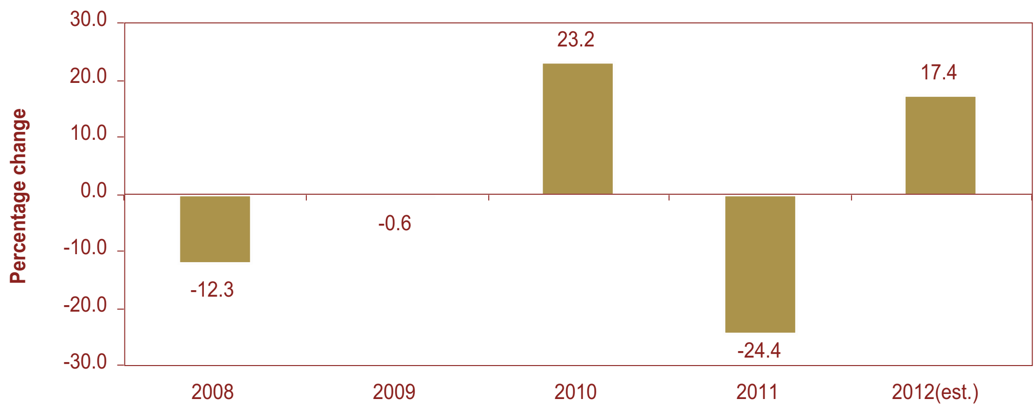
***Output* from other mining activities (mainly *uranium*, *zinc concentrate* and *gold*) also recovered in 2012.** After the decline of 24.4 percent recorded in 2011, the value added from other mining activities is estimated to have grown by 17.4 percent during 2012 (Chart C.7). Favourable weather conditions and fewer operational disruptions supported the output recovery in 2012.

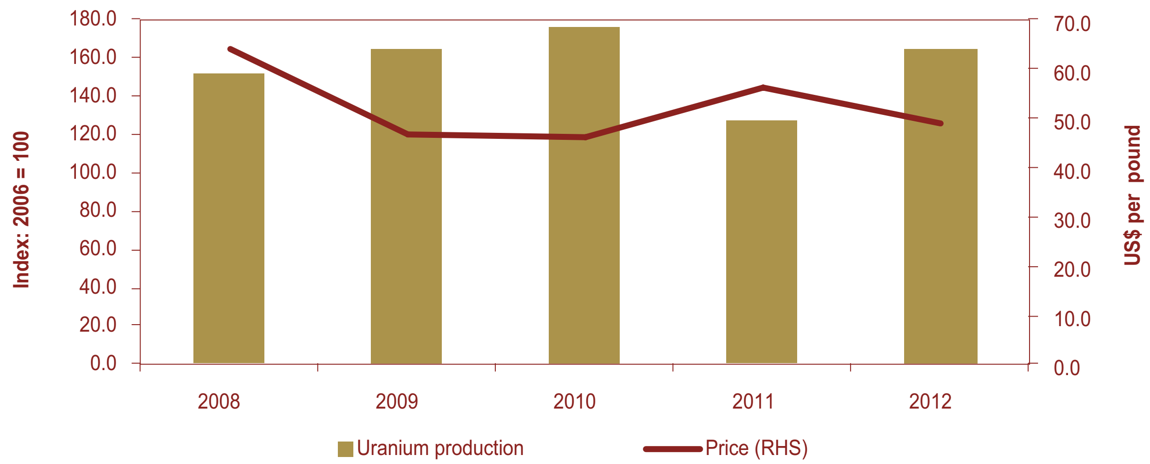
Chart C.7: Other mining: value-added growth



Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

***Uranium* production increased despite a decline in international uranium prices in 2012.** Production increased significantly by 30.4 percent to 5 514 tonnes in 2012 (Chart C.8). The output hike resulted from the commissioning of expanded and improved operations at the mines, coupled with relatively good weather conditions. Uranium prices, however, levelled off to an average price of US$49.0 per pound in 2012 compared to the average price of US$56.2 in 2011.

Chart C.8: Uranium production



Sources: Langer Heinrich, Rio Tinto and IMF

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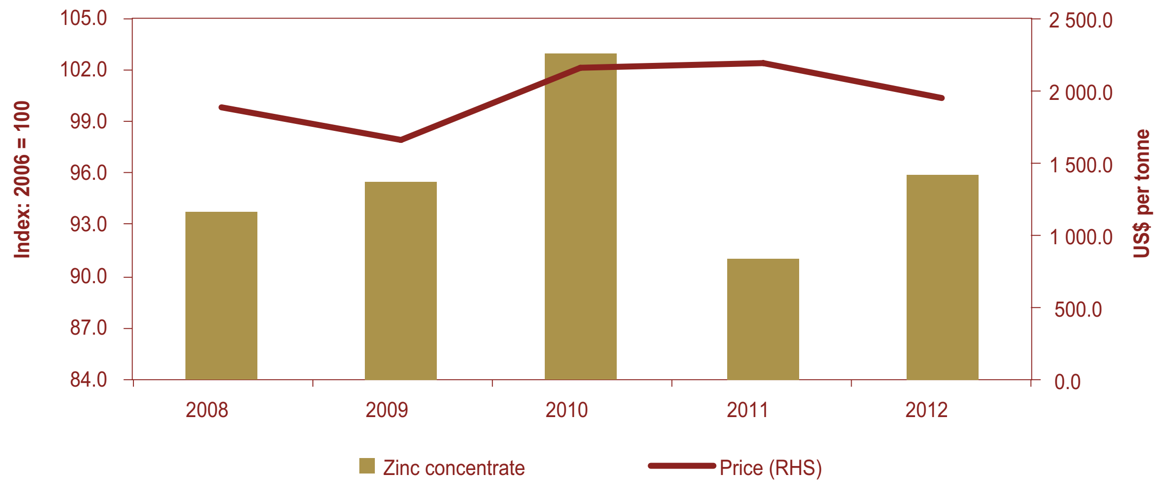
The production of *zinc concentrate* increased in 2012, despite the decline in international zinc prices. Zinc production increased by 5.6 percent to 94 303 tonnes in 2012 but remained below the seven-year-record high production levels of 2010 (Chart C.9). The price of zinc declined by 11.2 percent to US$1 950 per metric tonne due to the slowdown in global demand during 2012.

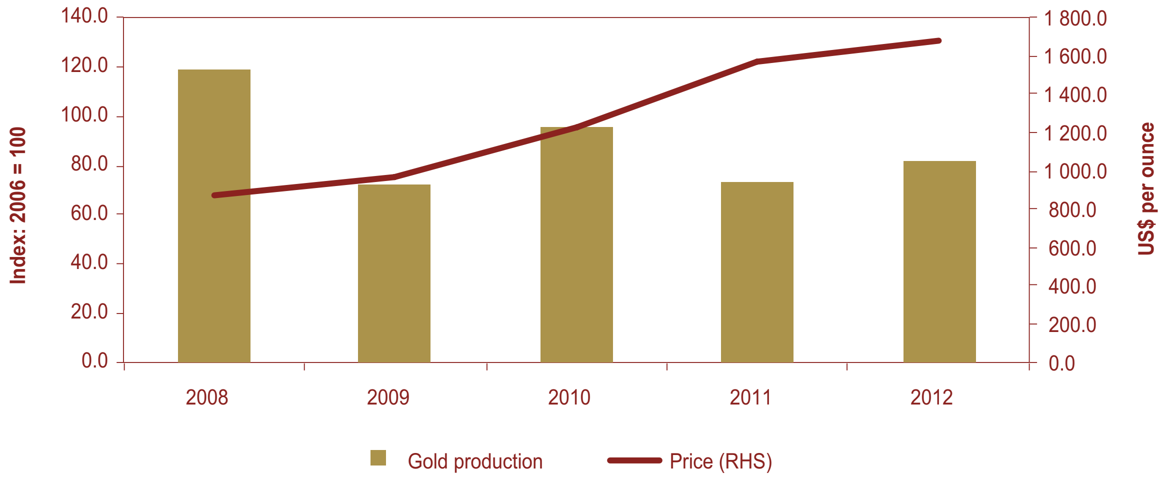
Chart C.9: Production of zinc concentrate



Sources: Rosh Pinah Zinc Corporation and IMF

***Gold* production increased in 2012 compared to the preceding year, due to improved mining operations and favourable international gold prices.** Gold production increased by 10.9 percent to 2 287 kilograms (Chart C.10). Much of the increase in production reflected efficiency gains stemming from the commissioning of a pre-concentration plant towards the end of 2011. Furthermore, good weather conditions allowed efficient operations of the mines. International gold prices continued to rise, reaching around US$1 678 per ounce during 2012, an increase of 7.2 percent when compared to the average price in 2011.

Chart C.10: Gold production



Sources: Navachab Gold Mine and the World Gold Council

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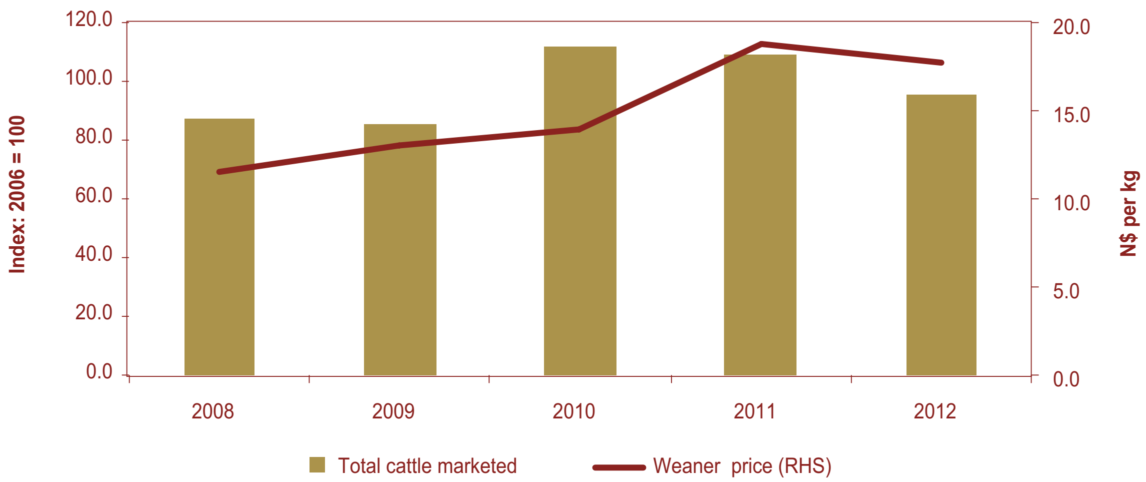
During 2012, growth in the *fishing and agriculture* sectors slowed owing to weak global demand and decline in the number of cattle marketed. In contrast, the number of small stock marketed and milk production were higher than the previous year.

***Fishing and fish processing* on board recorded a growth of 2.0 percent compared to 6.2 percent in 2011.** The sector's slow growth is attributed to the frail economic situation in the Euro Area, particularly Spain, which is a key export market for Namibia's fishing industry.

Growth in the *agriculture sector* is estimated to have slowed due to a reduction in the number of cattle marketed. The total number of cattle marketed declined by 23.9 percent in 2012 to 264 997 head of cattle compared to the previous year's figures (Chart C.11). The slowdown in the number of cattle marketed emanated from the decline in demand for live weaners, which resulted in lower prices. The lower demand for weaners emanated mainly from the rapid increase in input prices such as yellow maize. The average prices for weaners therefore declined by 5.1 percent to N$17.7 per kilogram in 2012. The restocking practice by farmers in 2012, after selling off heavily in the previous year, also contributed to the decline in the number of cattle marketed.

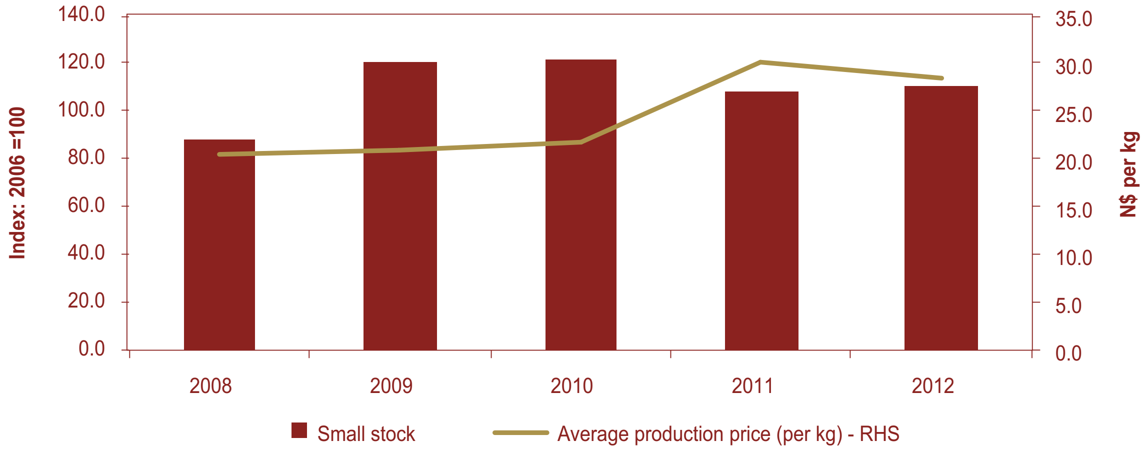
Chart C.11: Cattle marketed



Source: Meat Board of Namibia

Small stock marketed increased during 2012, driven mainly by marketing at the local abattoirs. The number of small stock marketed increased by 2.1 percent to 1 151 618 in 2012, despite a decline in small stock prices. The rise in sales was reflected in the domestic market, while marketing of live animals to South Africa declined slightly. The average price for small stock declined by 6.0 percent to N$28.42 per kilogram during the year under review (Chart C.12).

Chart C.12: Small stock marketed

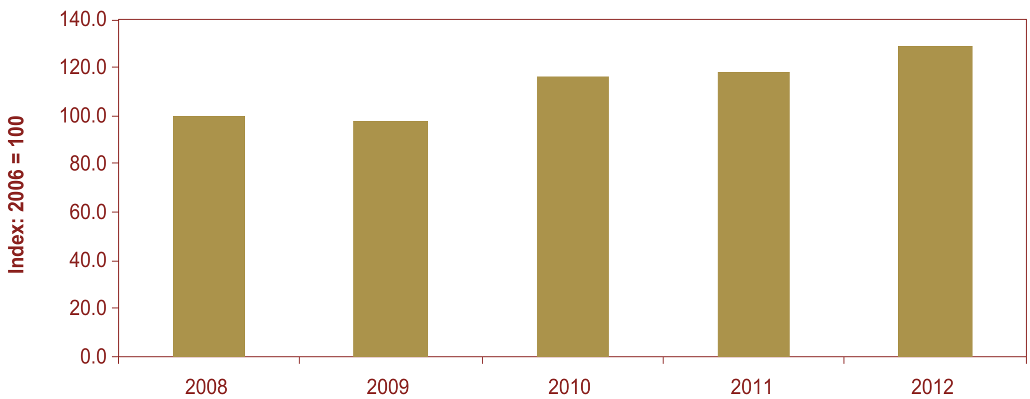


Source: Meat Board of Namibia

***Crop production* performed relatively well during the year under review, favoured by the good rainfall received.** The production was estimated to grow by 3.0 percent in 2012, driven by improved rainfall received, coupled with favourable harvest conditions during the year under review.

***Milk production* improved by 9.0 percent to 24.0 million litres in 2012 compared to the preceding year, owing to operational improvements at local farms and favourable weather conditions (Chart C.13).** The increased production in 2012 was due to enhanced operations, especially at the Mariental-based !Aimab Superfarm, with improvements in production inputs, including the number of cows.

Chart C.13: Milk production

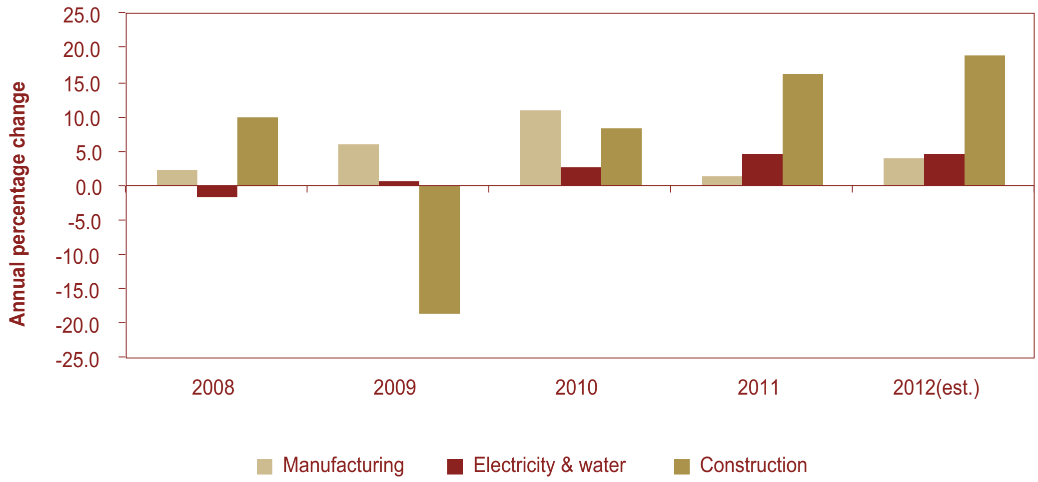


Source: Agricultural Union of Namibia

SECONDARY INDUSTRY

The value addition in the secondary industry rose in 2012, primarily due to the rapid growth in construction activities. The growth in this industry was supported by increases in public infrastructure, as well as residential and commercial property developments. Increased value addition in the other food products and beverages subsector within the manufacturing sector also contributed to the secondary industry growth, which is estimated at 6.7 percent in 2012 from 4.1 percent growth in 2011.

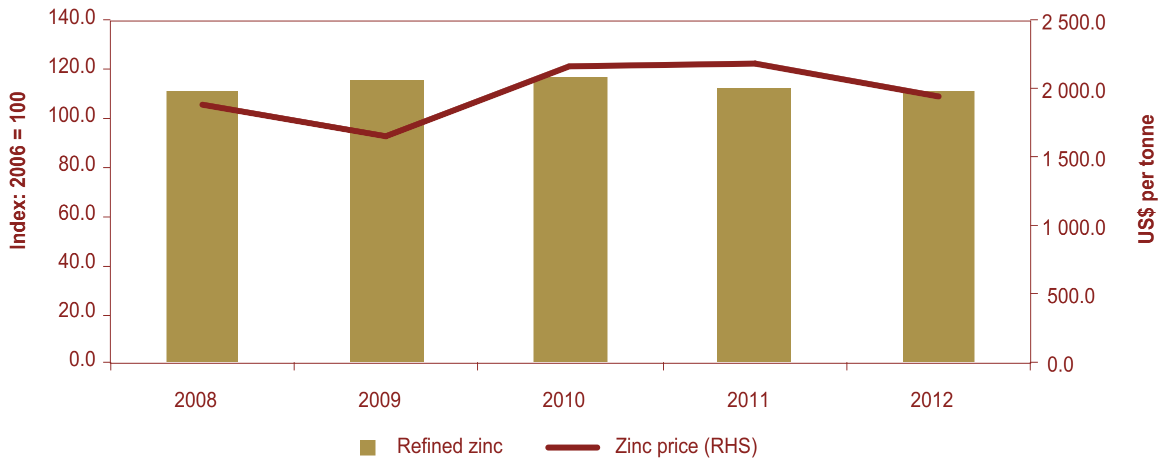
Chart C.14: Secondary industry real growth rates



Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

The value addition in the *manufacturing* sector is estimated to have expanded on the back of *other food products and beverages, fish processing* on shore and *other manufacturing* subsectors, despite a slowdown in mineral processing. This sector grew by 3.8 percent in 2012, compared to the 1.2 percent growth in 2011 (Chart C.14). No growth was realised with regard to value addition in the meat processing subsector.

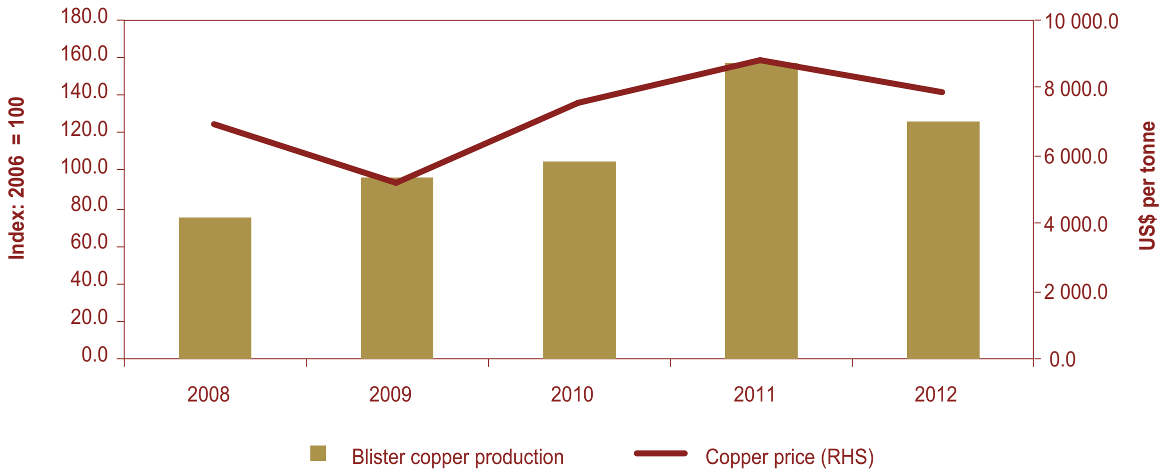
Chart C.15: Production of refined zinc



Sources: NamZinc and IMF

The annual production of *refined zinc* decreased slightly in 2012, partly due to operational challenges at the mine and also weaker global demand as reflected in the declined international prices (Chart C.15). The production declined by 0.8 percent to 144 508 tonnes during 2012 compared to the previous year. The price of zinc declined by 11.2 percent to an average of US$1 950 per tonne during 2012, underpinned by slowdown in demand in global trade.

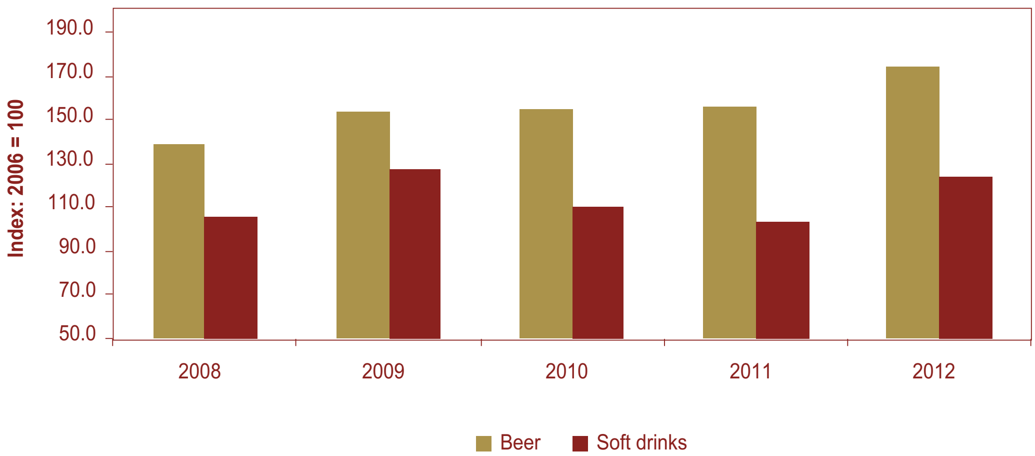
Chart C.16: Blister copper production



Sources: Namibia Custom Smelters and IMF

The production of *blister copper* declined by 19.2 percent to 27 767 tonnes in 2012 attributable to technical and operational challenges (Chart C.16). The Government's directive to reduce arsenic acid emissions, which resulted in scaled-down production, partly affected the smelter's output for 2012. This was compounded by technical and operational challenges experienced by the oxygen plant and the smelter during the review period. The slow output was also exacerbated by copper prices, which fell by 10.4 percent to an annual average of US$7 910 per tonne, reflecting the slower demand in China and the Euro Area.

Chart C.17: Production of beer and soft drinks



Sources: Namibia Breweries, Camelthorn Brewing and Namibia Beverages

***Beverages production* increased in 2012 due to improved market share in both local and external markets, alongside numerous branding improvements across product lines.** The production of beer and soft drinks rose by 11.7 percent and 19.8 percent, respectively (Chart C.17). Lower rainfall in 2012 compared to the previous year partly contributed to the improvement in soft drinks output. The heavy rainfall and flooding in 2011 adversely impacted on the distribution channels, making some market segments inaccessible.

The modest growth in the *electricity* and water sector in 2012 was driven by sustained demand by households and businesses. The sector recorded growth of 4.6 percent in 2012 from 4.5 percent in 2011. The imported volume of electricity rose by 9.6 percent during 2012 and offset a recorded decline of 4.5 percent in electricity generation over the same period (Chart C.18). Lower rainfall during 2012 reduced water inflow into the Kunene River at the Ruacana Hydro Power Station, hence the decline in electricity generation. Consumption of electricity, however, increased by 4.7 percent, on the back of continued rising demand for electricity by businesses and households (Chart C.18). Furthermore, the power and water utility companies embarked on projects that are expected to guarantee new power and water supply in the near term.

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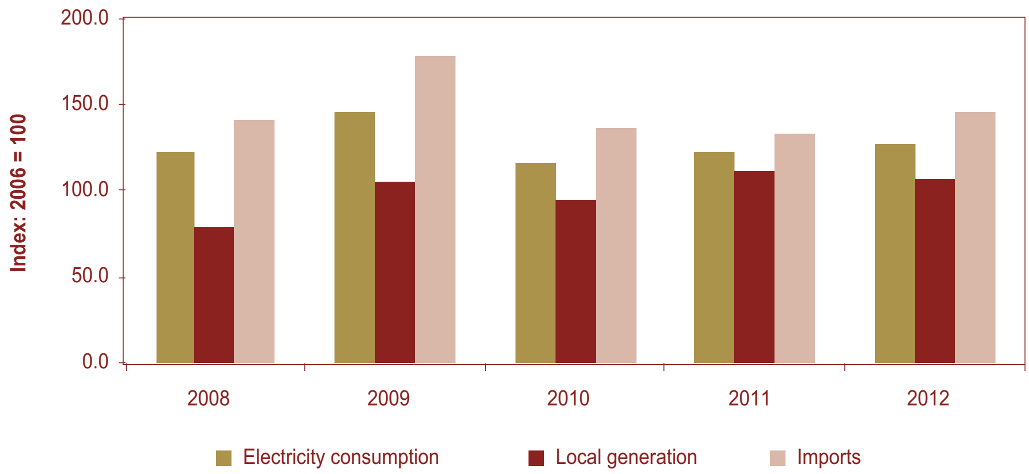
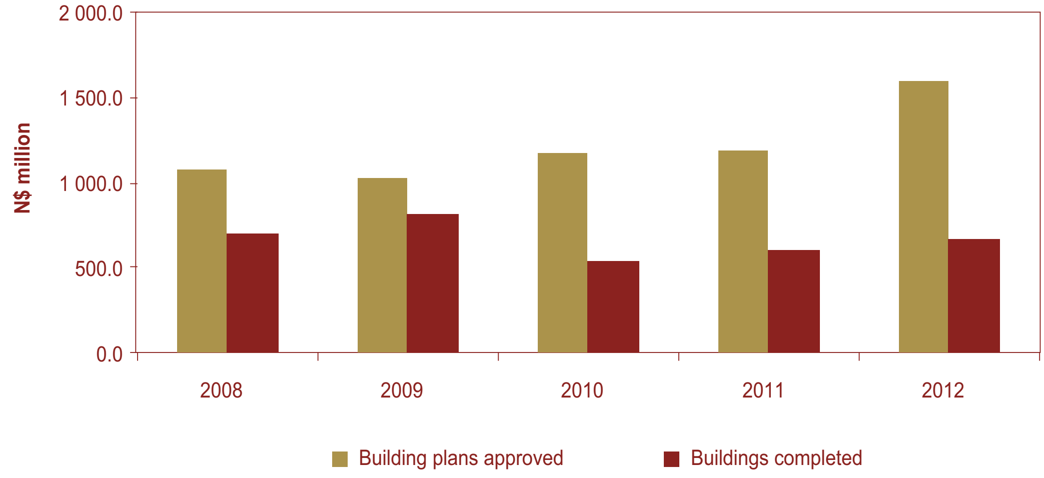
Chart C.18: Electricity production and consumption



Source: Nampower

Rapid growth in *construction activities* underpinned the growth of the domestic economy in 2012. The sector is estimated to have grown by 18.8 percent in 2012 from 16.2 percent in 2011. Increased investments in residential and commercial properties, road, water supply, airport and mining developments supported this growth. It was also partly sustained by the increased government spending on public works projects and the servicing of land in Windhoek (including Otjomuise) and other towns through the Targeted Intervention Programme for Employment and Economic Growth (TIPEEG). The real value of buildings completed rose by 10.8 percent to N$667.2 million in 2012 (Chart C.19). This augmentation was mostly driven by the large number of completed properties, inclusive of new buildings, as well as additions and alterations for residential and commercial properties in Windhoek, Walvis Bay and Swakopmund. Furthermore, the real value of building plans approved in the surveyed towns, which demonstrates future construction activities, rose significantly by 33.7 percent during 2012. Going forward, this could positively impact on the activities of the construction sector (Chart C.19).

Chart C.19: Real value of building plans approved and buildings completed[8]



Sources: Various municipalities and town councils

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TERTIARY INDUSTRY

During 2012, growth in the tertiary industry slowed across the board, including a marked deceleration of value-added growth in the public administration and defence sectors. The growth in the tertiary industry is estimated to have slowed to 3.1 percent in 2012 from 4.3 percent in 2011 (Chart C.20).

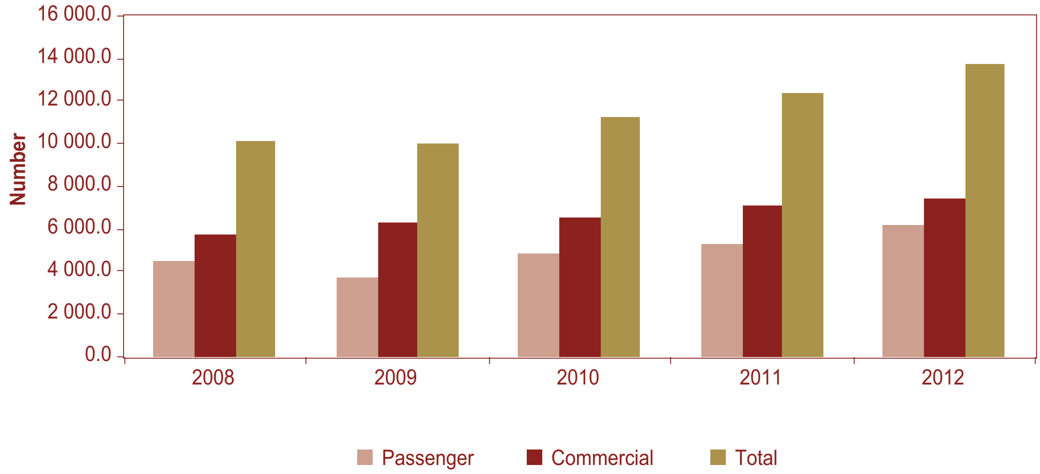
Chart C.20: Tertiary industry real growth rates

Sources: Namibia Statistics Agency for 2008-2011 figures, Bank of Namibia for 2012 estimates

Value added in the *wholesale and retail trade* sector grew by 3.3 percent in 2012 (Chart C.20). The sector's growth rate was the same as in 2011 and resulted from increased real turnover of clothing, furniture and wholesale trade activities while vehicle and supermarket sales declined. The number of new vehicles sold, however, continued to rise in 2012 supported by both commercial and passenger vehicles. The number of new vehicles sold rose by 10.1 percent to 13 689 units (Chart C.21). Sales of commercial and passenger vehicles rose by 5.2 percent and 16.7 percent, respectively.

8 The analysis is based on data collected from Windhoek, Swakopmund, Walvis Bay, Ongwediva and Rundu on new building plans approved and buildings completed, including additions and alterations of residential, institutions, industrial and commercial buildings.

Chart C.21: Total number of new vehicles sold



Source: Simonis Storm Securities

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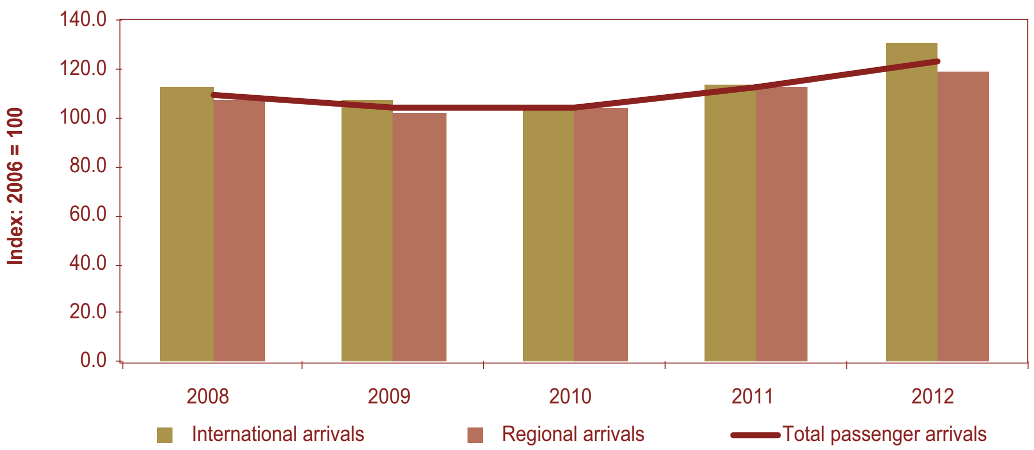
The *tourism* sector, as measured by economic activity of *hotels and restaurants*, grew by 2.7 percent in 2012 compared to 2.2 percent in 2011. The number of local, regional and international tourists increased during the year due to an increased flight frequency of the national airline, coupled with favourable exchange rate developments that made Namibia an attractive destination for foreign visitors. Total passenger arrivals, which include international and regional arrivals, increased by 9.0 percent in 2012 compared to the previous year (Chart C.22).

Chart C.22: Arrival statistics



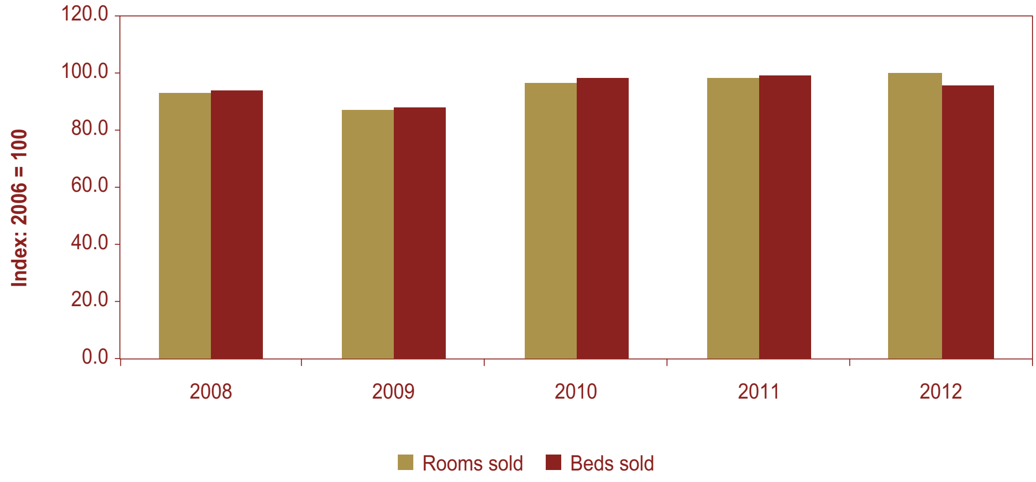
Source: Namibia Airports Company (NAC)

Statistics for *rooms sold*[9] confirmed improvements in tourism activities in 2012. Rooms sold increased by 2.4 percent, although beds sold decreased by 3.6 percent in 2012 compared to 2011 (Chart C.23).

Going forward, downside risks, however, remain due to depressed income and economic activity in the Euro Area and the USA that could negatively affect the local tourism sector.

9 This data should, however, be treated with caution due to the low response rates from some data providers. Also, data for establishments such as self-catering and camping are not included as these entities are not legally required to compile statistics.

Chart C.23: Occupancy rates



Source: Hospitality Association of Namibia (HAN)

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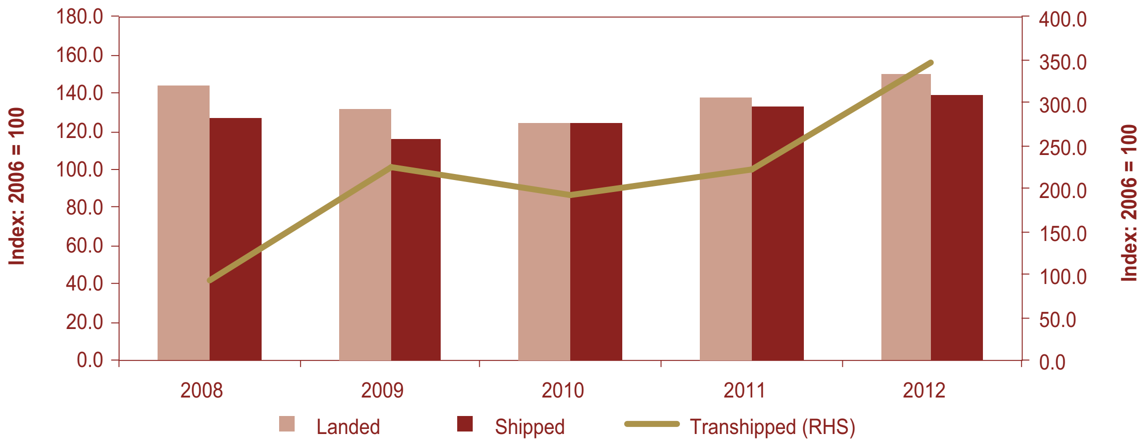
Value added growth in the *transport and communication* sector is estimated to have increased to 3.8 percent in 2012 from 3.2 percent in 2011 (Chart C.20). The commissioning of the West Africa Cable System (WACS) led to improved developments in the *telecommunication* subsector. The rise in transport output was reflected in increased cargo volumes owing to a recovery in the mining sector.

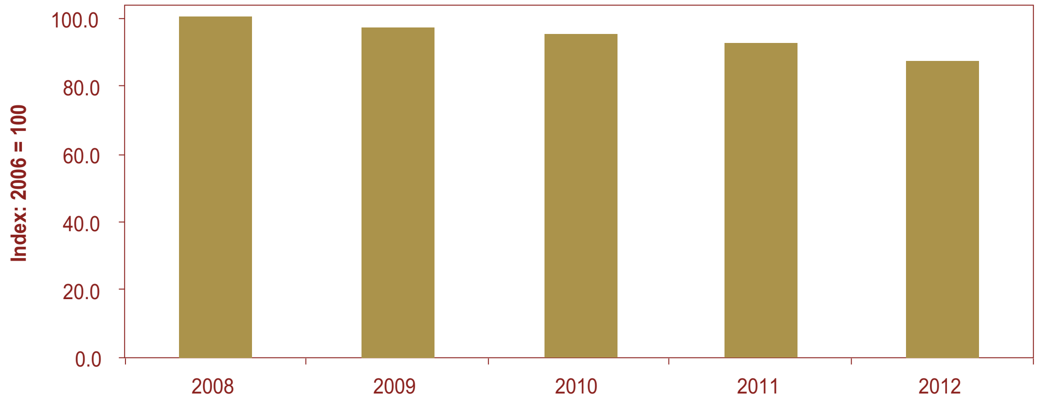
Chart C.24: Namport operations



Source: Namport

***Transportation activities* increased during 2012 compared to 2011, reflected in improved cargo via the ports.** Landed, shipped, and transhipped cargo rose by 8.2 percent, 4.0 percent and 55.5 percent, respectively (Chart C.24). The increase in trade volume is attributed to the improved port facilities at Walvis Bay during 2012. Less congestion – as a result of short waiting periods to dock at the port of Walvis Bay when compared to other ports in the region – also contributed to the improvement in transhipped volumes. In contrast, rail and road transportation activities declined in 2012 by 5.1 percent over the same period due to operational challenges (Chart C.25).

Chart C.25: Road and rail freight



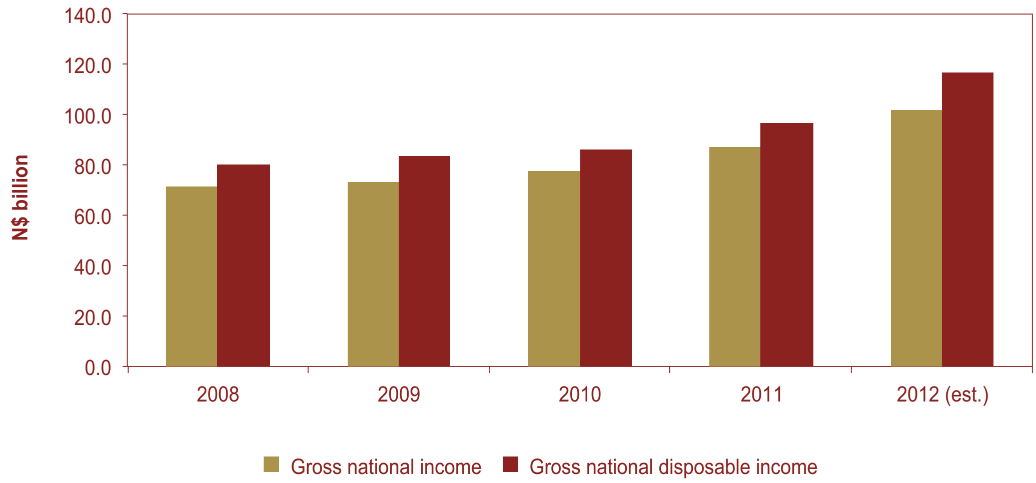
Source: Transnamib

Value added growth of *public administration and defence* declined from 5.4 percent in 2011 to 1.9 percent in 2012. These output trends largely reflected smaller employment gains in the sector than in 2011 due to the fiscal consolidation efforts targeted under the FY2012/13 budget.

GROSS NATIONAL INCOME AND GROSS NATIONAL DISPOSABLE INCOME

***Gross National Income (GNI)* measures national income generated by Namibian factors of production both inside and outside Namibia. As in the past, *Gross National Disposable Income (GNDI)* has been higher than GNI because of net inflows in current transfers that have been influenced mainly by high SACU receipts.** GNI is estimated to have increased from N$87.0 billion in 2011 to N$101.7 billion in 2012 (Chart C.26). GNDI is estimated to have increased to N$116.7 billion in 2012 from N$96.6 billion in 2011.

Chart C.26: GNI and GNDI (current market prices)

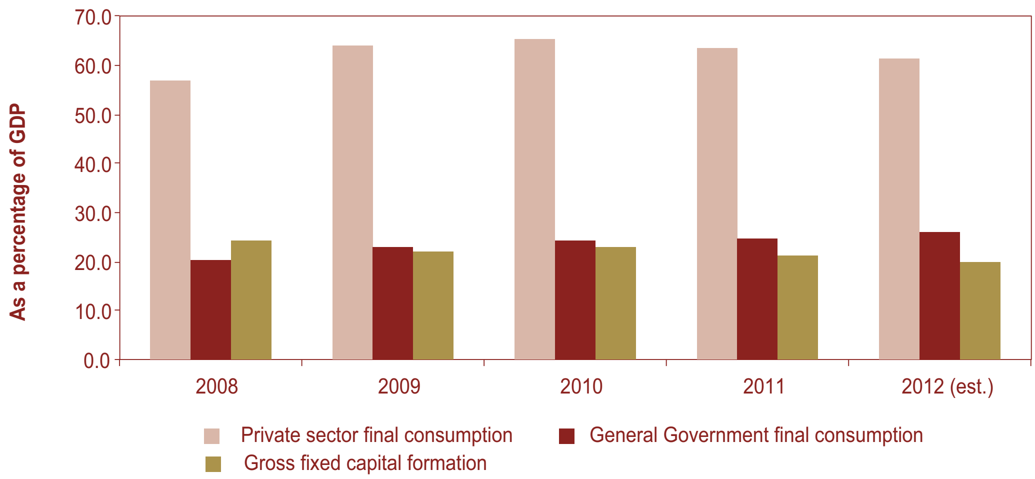


Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

GROSS DOMESTIC EXPENDITURE (GDE)

Final *consumption expenditure*, i.e. expenditure on consumption and investment, remained the main contributor to GDP by the expenditure approach. The average contribution of the final consumption expenditure to GDP over the last twelve years was 83.1 percent. In 2011, final consumption expenditure amounted to N$80.1 billion compared to N$72.7 billion in 2010 (Chart C.27). During 2011, private sector final consumption expenditure accounted for 72.0 percent of final consumption expenditure. As a percentage of GDP, general government final consumption increased slightly, by 1.4 percentage points to 26.1 percent, while private sector final consumption expenditure is estimated to have decreased to about 61.1 percent in 2012 from 63.4 percent the preceding year. As a percentage of GDP, gross fixed capital formation (GFCF) is estimated to have slowed down slightly to 19.9 percent in 2012 from 21.0 percent in 2011.

Chart C.27: Components of GDE



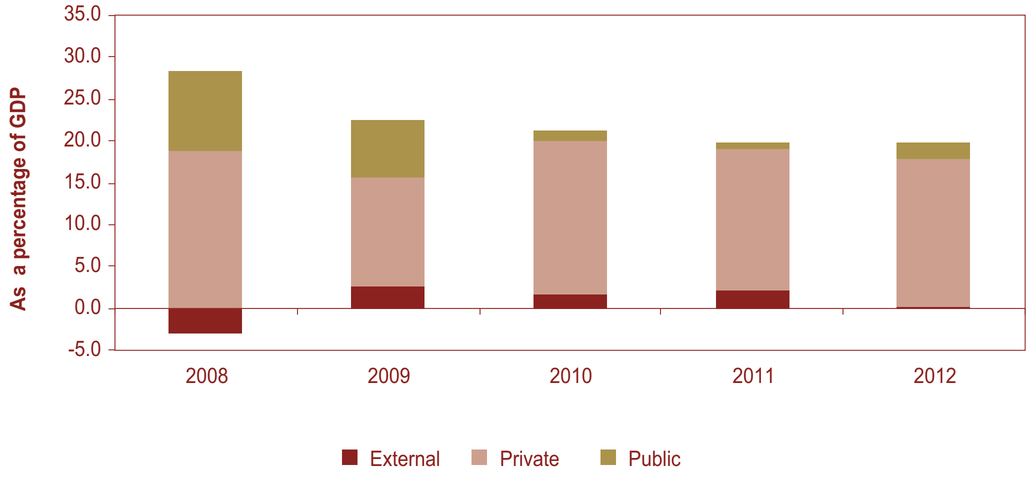
Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

SAVINGS AND INVESTMENT BALANCE

***The ratio of GFCF to GDP* is a vital indicator for the future development potential of any country.** Gross savings is calculated as the difference between disposable income and final consumption expenditure. The more a country spends of its national income on consumption, the fewer the resources available for investment and savings, and consequently for future production. Chart C.28 depicts the ratios of gross savings to GDP over time.

During 2012, domestic investment was financed by external and domestic savings. The recourse to external savings reflected the recorded external current account deficit, which complemented domestic public and private savings. The decline in domestic private savings has been significant in recent years, largely mirroring an increase in household indebtedness as recorded by a rapid expansion of banking sector credit to the private sector. Public sector savings are relatively small compared with private sector saving. The volatility of public savings has been largely influenced by that of SACU revenues. Public sector savings have also been under pressure due to hikes in government current expenditures.

Chart C.28: Savings



Sources: NSA for 2008-2011 figures, Bank of Namibia for 2012 estimates

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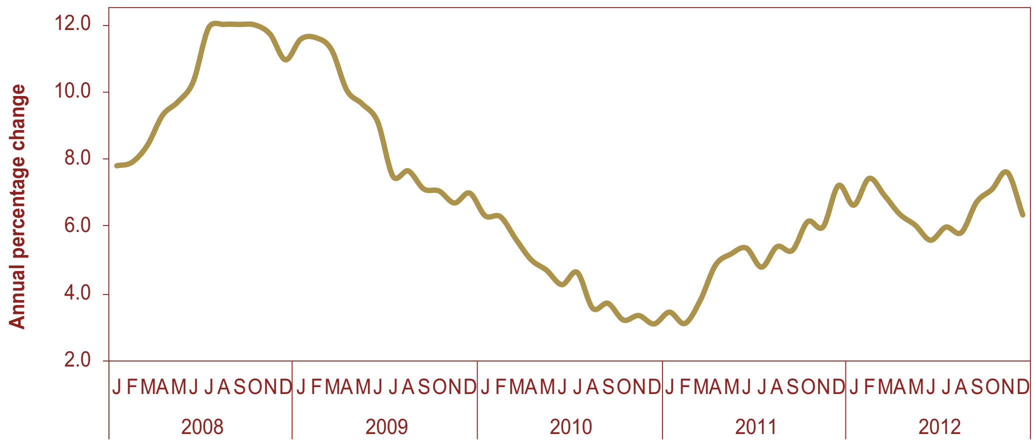
PRICE DEVELOPMENTS

Namibia's average *consumer price inflation rate increased* from 5.0 percent in 2011 to 6.5 percent in 2012, mainly due to rising inflation for food and transport during the second half of the year. Inflation rate declined during the first half of 2012 from 7.4 percent in February to 5.6 percent in June. However, that trend reversed during the second half of the year as inflation rate rose to 7.6 percent in November before moderating to 6.3 percent in December (Chart C.29). Inflation developments for the largest three categories of the Namibian Consumer Price Index (NCPI) – *food, housing and transport* – which collectively account for 65.0 percent of the NCPI basket, explained most of the variation in the overall inflation rate throughout the year.

Chart C.29: Overall inflation rate



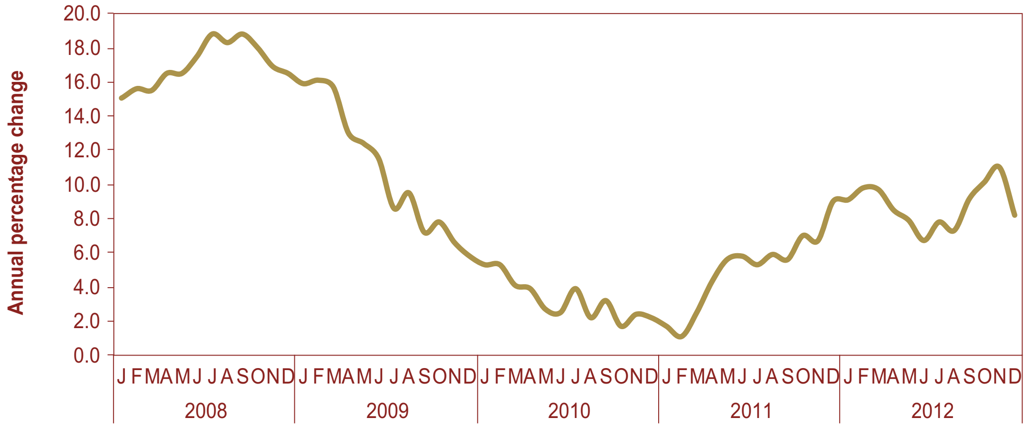
Source: NSA

INFLATION FOR FOOD AND NON-ALCOHOLIC BEVERAGES

The average annual inflation rate for *food and non-alcoholic beverages* accelerated from 5.0 percent in 2011 to 8.8 percent in 2012, mainly due to industrial strikes in South Africa and increments in administered prices. As of January 2012, the annual inflation rate for *food and non-alcoholic beverages* stood at 9.1 percent, gradually declining to 6.7 percent in June 2012. However, food inflation rate started to accelerate in July 2012 to reach a high of 11.0 percent in November, before subsiding to 8.2 percent in December (Chart C.30). Food inflation peaked between September and November 2012, when industrial strikes in South Africa's transport and logistics sectors disrupted delivery of most food items to local markets and exerted an upward pressure on food prices. Main staple food items, such as unprocessed maize, wheat and mahangu, are subjected to price administration[10] in Namibia. This implies that (lagged) adjustments in local prices may not coincide with price trends in international markets, as was apparently the case in 2012. Moreover, in 2012, South Africa's inflation rate for food and non-alcoholic beverages remained elevated, rising marginally to 7.2 percent in 2012 from 7.1 percent in the previous year. According to the IMF's global food index, the annual average inflation rate declined from 21.0 percent in 2011 to -2.5 percent in 2012.

10 Prices for maize, wheat and mahangu grains are traded subject to a floor price that is set at the beginning of each marketing season and remains in place until the local produce is fully marketed. This arrangement implies that a fall in international prices for these commodities is unlikely to affect local prices in the short term.

Chart C.30: Inflation for food and non-alcoholic beverages



Source: NSA

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The rise in inflation of food and non-alcoholic beverages was broad-based, as all subgroups within the index (with the exception of fish) registered higher inflation rates in 2012 compared to 2011. Staples such as *bread and cereals, meat, sugar, jam, honey, syrups, chocolate and confectionary,* and *oils and fats* registered relatively high inflation (Table C.4). All these subcategories recorded significantly higher inflation rates during 2012 compared to the previous year.

Table C.4: Food and non-alcoholic beverages inflation

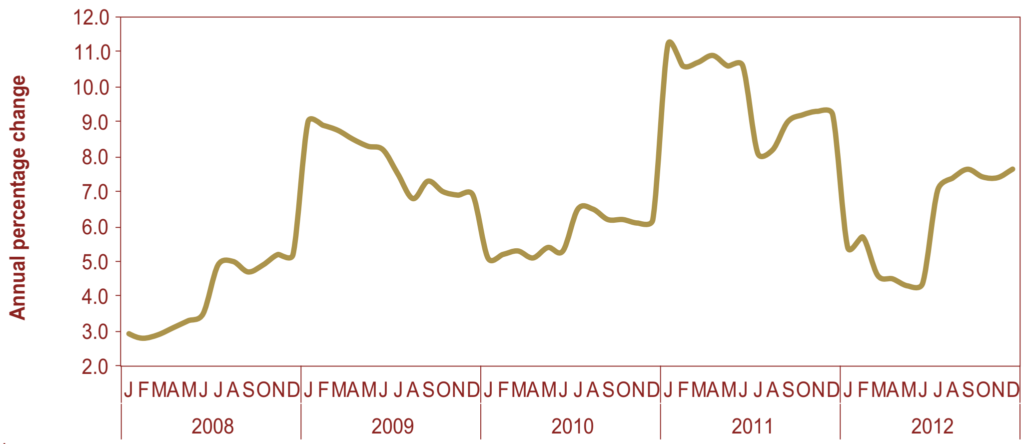
	Weight	2008	2009	2010	2011	2012
Food and Non-alcoholic Beverages	**29.6**	**17.0**	**10.8**	**3.3**	**5.0**	**8.8**
Food	**27.1**	**17.4**	**10.5**	**3.2**	**5.1**	**8.8**
Bread and cereals	8.7	20.1	7.7	2.4	5.8	9.9
Meat	7.6	13.6	9.1	2.2	8.2	11.9
Fish	0.9	14.4	11.7	2.5	1.3	-1.0
Milk, cheese & eggs	3.3	23.5	8.9	2.3	1.0	3.7
Oils and fats	1.0	29.3	2.5	-2.1	5.9	9.7
Fruit	1.1	19.4	16.4	5.7	0.3	1.7
Vegetables	2.9	18.3	17.5	5.3	3.2	5.9
Sugar, jam, honey syrups etc.	1.8	12.8	10.9	2.7	7.7	10.5
Food products	0.7	13.1	13.5	6.2	5.1	5.5
Non-alcoholic beverages	**2.5**	**12.0**	**15.8**	**5.1**	**4.1**	**8.4**
Coffee, tea, and cocoa	0.7	13.1	22.9	3.2	4.0	8.1
Mineral waters, soft drinks & juices	1.8	11.3	12.0	5.3	4.0	8.3

Source: NSA

INFLATION FOR HOUSING, WATER, ELECTICITY, GAS AND OTHER FUELS

The average annual inflation rate for *housing, water, electricity, gas and other fuels* declined to 6.1 percent in 2012 from 9.8 percent in 2011 due to lower average price increases for rent and maintenance than those registered in 2011. As in the case of food inflation, inflation for housing, water, electricity, gas and other fuels was relatively low during the first half of the year and accelerated in the second half of the year. The annual inflation rate for housing, water, electricity, gas and other fuels was 5.4 percent in the beginning of the year and gradually subsided to 4.3 percent by May. Inflation for this category, however, rose to levels above 7.0 percent during the last six months of the year, following annual price adjustments for municipal rates and taxes and utilities during July 2012 (Chart C.31). For instance, the most notable increases approved for the City of Windhoek that became effective on 1 July 2012, included a 25.0 percent hike in property taxes, a 15.1 percent increase for electricity tariffs, and a 10.0 percent increase for other utilities such as household refuse removal, solid waste management and sewerage.

Chart C.31: Inflation for housing, water, electricity, gas and other fuels

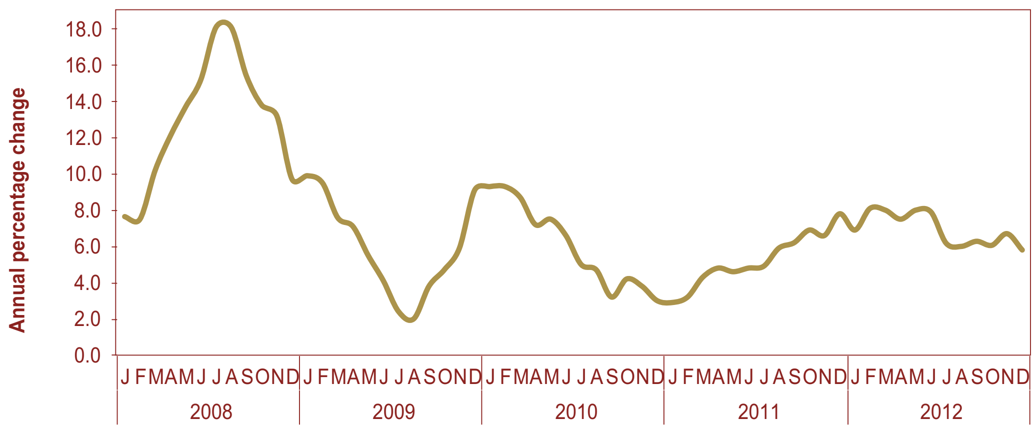


Source: NSA

TRANSPORT INFLATION

The annual average inflation rate for *transport* rose to 7.0 percent in 2012 from 5.2 percent in the previous year due to price increases for vehicles (Chart C.32). The *purchases of vehicles* subcategory, which constitutes 69.0 percent of the transport category, was the main contributor to the rise in transport inflation, although *public transportation services* also contributed to a higher inflation rate for transport than in 2011. Annual inflation for the latter subcategory peaked at 18.3 percent in November, reflecting large price adjustments for transportation fares. Transport inflation displayed a marginally decreasing trend during the second half of the year, which mirrored a low inflation rate for vehicles.

Chart C.32: Transport inflation

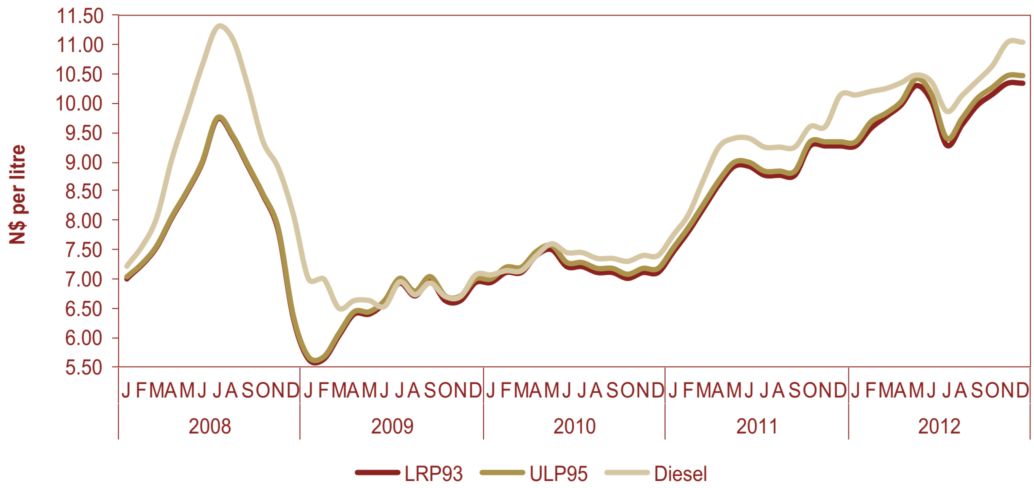


Source: NSA

***Domestic pump prices* for petrol and diesel were increased by an average of 11.8 percent during 2012, which was lower than the corresponding increase of 26.4 percent for 2011 but higher than 3.2 percent for 2010 (Chart C.33).** The coastal pump prices are recorded at Walvis Bay, where fuel imports are landed, while equivalent prices prevailing in other towns include inland transportation costs.

The rise in *crude oil prices* in international markets, as well as *the weakening of the NAD* during the year, have necessitated frequent upward adjustments in domestic pump prices. Pump prices were increased almost every month during 2012, except in January and December, when they were left unchanged and in July when there was a price reduction. Other developments that further contributed to the increase in pump prices during 2012 included an increment in the national energy fund levy needed for the construction of an oil storage facility, upward adjustments in dealers' margins[11] and the Motor Vehicle Accident Fund levy. At the end of December 2012, pump prices at Walvis Bay stood at N$10.34 per litre for petrol 93, N$10.47 per litre for petrol 95, and N$11.04 per litre for diesel.

Chart C.33: Coastal pump prices



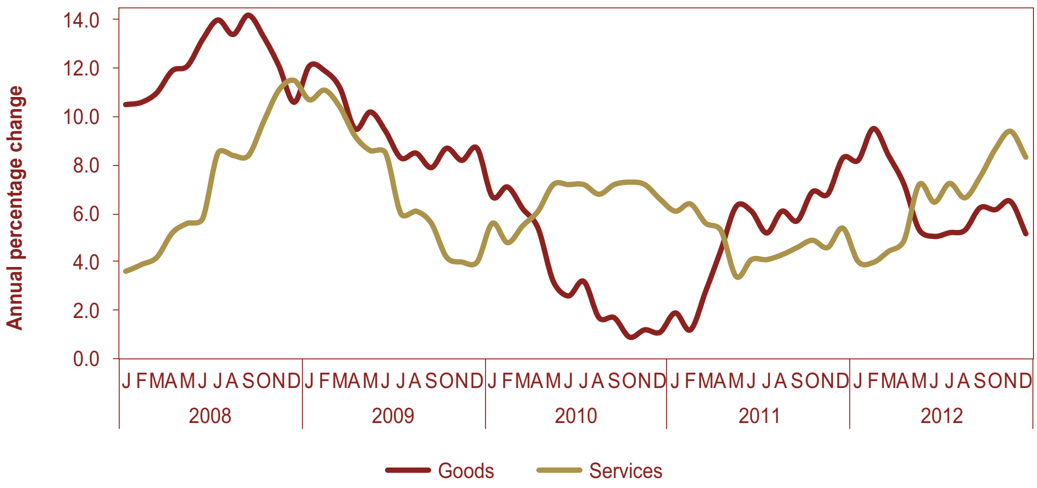
Source: Ministry of Mines and Energy

GOODS AND SERVICES INFLATION

Average annual inflation rates for both goods and services rose substantially during 2012, largely due to increased inflation rates for *food and utilities*, respectively (Chart C.34). The average annual inflation rate for *goods* rose to 6.5 percent in 2012 from 5.2 percent in 2011. *Goods* inflation rate started the year at 8.2 percent in January, slowed gradually to 5.1 in June, then rose again during the second half of the year. The trend in goods inflation mirrored that of *food and non-alcoholic beverages*, which is also made up of goods items. Similarly, annual inflation rate for *services* trended upwards during 2012, starting the year at 4.0 percent in January before peaking at 9.4 percent in November. As mentioned earlier, services inflation was mostly determined by developments in the inflation rates for *housing and utilities, public transportation services, recreation and culture,* and *hotels, cafes and restaurants*. Overall, annual inflation rate for services averaged 6.6 percent in 2012 compared to 4.9 percent in the previous year.

11 Dealers' margins are the profit rates (in cents per litre) that oil companies are allowed to make by importing and selling fuel in Namibia.

Chart C.34: Goods and services inflation



Source: NSA

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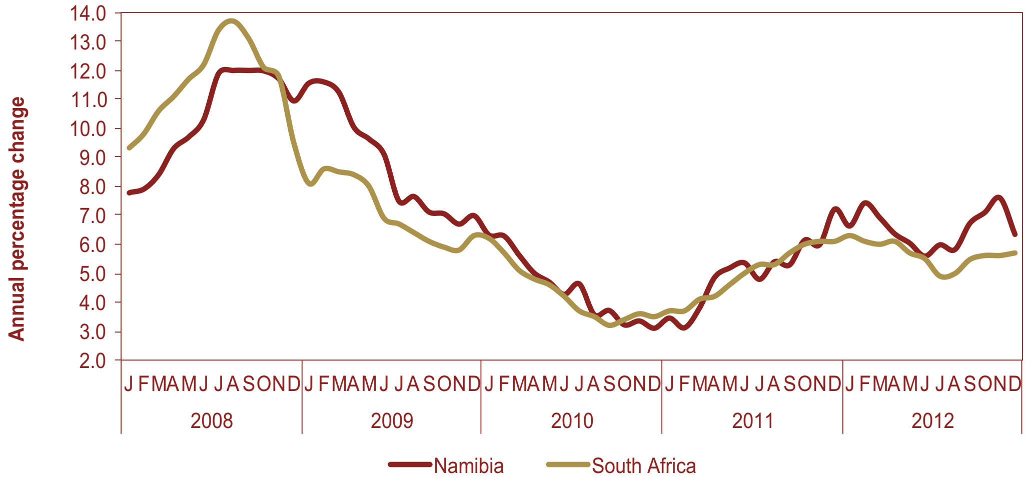
NAMIBIAN INFLATION VERSUS SOUTH AFRICAN INFLATION

Annual inflation **rates for Namibia and South Africa converged during the first six months of 2012 but diverged in the second half of the year, mainly due to dissimilar inflation outturn for food and municipal services (Chart C.35).** Annual inflation rates for the two countries were identical in 2011, averaging 5.0 percent. During 2012, however, annual inflation rates for the two countries diverged, possibly due to two factors. Firstly, Namibia experienced higher inflation rates than South Africa for the categories *food* and *housing*. A significant portion of these categories is made up of administered price items such as *maize, wheat, electricity tariffs* and *other municipal service charges*, of which the prices increased more in Namibia than in South Africa. Secondly, the main drivers of inflation for both Namibia and South Africa during 2012 (i.e. *food, housing* and *transport*) carry larger weights in the CPI basket of Namibia than that of South Africa. This implies that if the two economies experience a similar food-price increase, the overall inflation of Namibia would be affected more than that of South Africa.

Chart C.35: Namibian inflation versus South African inflation



Sources: NSA and STATSSA

MONETARY AND FINANCIAL MARKET DEVELOPMENTS

The Bank continued to pursue an accommodative monetary policy by reducing its key policy (Repo) rate during 2012. The Repo rate, which remained unchanged at 6.00 percent during the first seven months of 2012, was reduced by 50 basis points to 5.50 percent in August 2012. This downward adjustment was aimed at supporting ailing sectors of the economy and shoring up growth in an environment of uncertainty, especially in the global arena. The adjustment contributed further to the rapid growth in domestic demand, particularly credit extended to the private sector, rising on an annual basis. Growth in credit extended to the private sector rose on average to 14.0 percent during 2012 from 11.3 percent in 2011, driven by borrowing activities of the business and household sectors.

MONETARY AND CREDIT AGGREGATES

Despite a monetary stimulus in August 2012, the growth in broad money supply (M2) slowed in 2012, while the growth in credit aggregates remained robust. At the end of 2012, growth in M2 slowed, driven by the contraction in the Net Foreign Assets (NFA) of the banking sector (Table C.5). The contraction in the NFA was led by the reduction in long-term deposits of Other Depository Corporations[12] (ODC) placed with the Corporations' South African counterparts. On the contrary, domestic demand, as measured by private-sector credit extended, reached pre-crisis levels, recording double-digit growth at the end of 2012. The rapid growth in private-sector credit was driven mainly by robust demand in overdraft credit and other loans and advances.

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Table C.5: Monetary and credit aggregates

		2008	2009	2010	2011	2012
(N$ million)						
Net Foreign Assets		13 627.3	26 875.4	21 970.2	25 414.2	22 463.3
Net domestic assets		31 972.5	34 530.1	42 738.1	46 330.3	53 119.2
of which:	credit to individuals	22 066.7	23 341.1	25 059.5	28 004.9	31 898.3
	credit to businesses	11 229.2	13 248.1	15 528.5	16 434.4	20 069.8
	Net claims on central govt	-4 637.7	-5 199.7	-1 719.6	-587.0	-1 340.4
Other Items, net		-16 358.5	-12 146.0	-10 988.8	-11 698.0	-11 870.5
Broad money		29 241.4	49 259.6	53 719.4	60 046.5	63 712.0
(Annual percentage growth rates)						
Net Foreign Assets		24.9	45.3	-10.0	6.4	-4.9
Net domestic assets		7.5	8.7	16.7	6.7	11.3
of which:	credit to individuals	9.2	4.4	3.5	5.5	6.5
	credit to businesses	5.0	6.9	4.6	1.7	6.1
	Net claims on central govt	-18.7	-1.9	7.1	2.1	-1.3
Other Items, net		-14.5	14.4	2.3	-1.3	-0.3
Broad money		17.9	68.5	9.1	11.8	6.1

12 Includes commercial banks, money market unit trusts, Agribank of Namibia, National Housing Enterprise, Fides Bank and Namibia Post Office Savings Bank

MONEY SUPPLY

The *growth in M2* was buoyant throughout the year, alongside the rapid growth in domestic credit, but started to moderate somewhat from October 2012. The growth in M2 for most part of 2012 was driven by the movement in domestic claims. Although domestic claims were robust for the most part of 2012, the withdrawal of deposits by other depository corporations since the latter part of 2012 weighed down on M2. The annual growth of M2 slowed to 6.1 percent at the end of 2012 from 11.8 percent at the end of 2011 (Table C.6). The slowdown in NFA was the main contributor to the slowdown in M2, with a contractionary effect of 4.9 percent. This development in the NFA was also reflected in the decline in liquidity levels of the commercial banks at the end of the period under review. Further, all components of M2 trended downwards at the end of December 2012, thus contributing to the subdued growth in M2. In this regard, demand for currency, i.e. notes and coins in circulation, observed a negative growth rate of 0.7 percent at the end of 2012 from a growth rate of 31.4 percent at the end of the previous year. Transferable deposits slowed marginally by 0.3 percent to N$25.3 billion at the end of the period under review. Simultaneously, other deposits also slowed by 10.8 percent at the end of 2012. Growth over 12 months in the narrower aggregate (M1) declined to 0.3 percent at the end of 2012 from 11.9 percent at the end of the preceding year.

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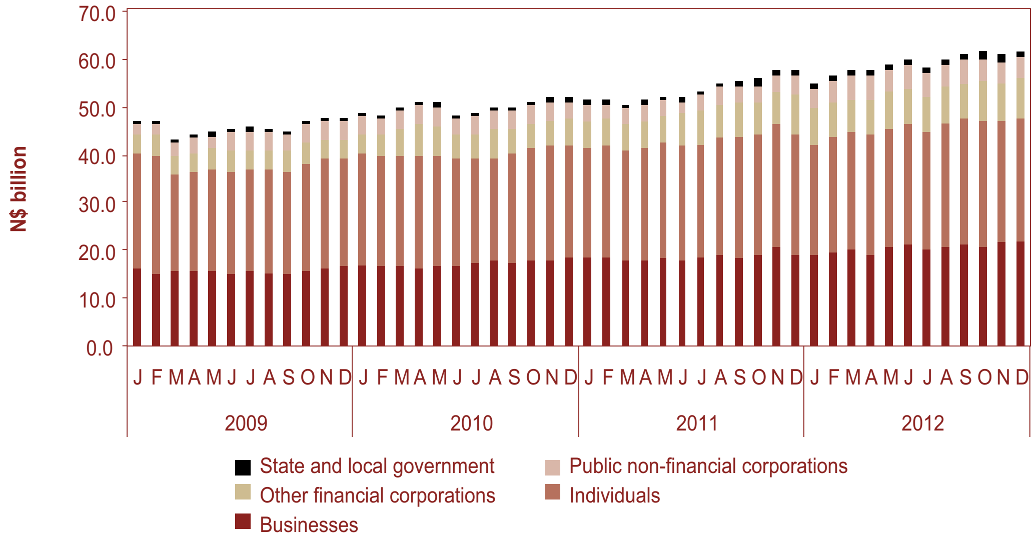
Table C.6: Annual growth in monetary aggregates

Monetary Aggregates	2011	2012
Broad Money (M2)	**11.8**	**6.1**
Narrow Money (M1)	**11.9**	**0.3**
Currency in circulation	31.4	-0.7
Transferable deposits	10.8	0.3
Other deposits	**11.7**	**10.8**

DEPOSIT HOLDING OF INSTITUTIONAL SECTORS

Growth in *short- and long-term bank deposits* slowed at the end of 2012. Deposit holdings of the household sector, which still remain the largest component of total deposits, recorded a negative growth of 0.6 percent at the end of 2012 when compared to the 5.5 percent growth registered at the end of the preceding year. Growth in deposits mobilised from other financial corporations, i.e. pension funds and insurance companies, among others, also contracted by 5.4 percent from growth of 57.6 percent over the same period. The growth in *deposits from State and Local Government* slowed to 17.3 percent from 22.3 percent over the same period (Chart C.36). Deposits from businesses, however, expanded by 14.5 percent to N$22.0 billion at the end of 2012 from the level recorded at the end of the preceding year. The composition of deposits by various institutions in Namibia remained virtually unchanged at the end of 2012, with the household sector accounting for 41.5 percent of total deposits, followed by deposits from the business sector, which accounted for 35.4 percent at the end of 2012. Other financial corporations, public non-financial corporations and State and Local Government account for the remaining 12.9 percent, 7.4 percent and 2.2 percent, respectively.

Chart C.36: Deposit holdings of institutional sectors



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DETERMINANTS OF MONEY SUPPLY

The major contributor to the downward movement in M2 at the end of 2012 was the reduction in *NFA of the depository corporations*. The NFA of depository corporations contracted by 5.6 percent to N$21.9 billion compared with 6.3 percent at the end of the preceding year. The decrease in the NFA of depository corporations largely emanated from a reduction in deposits of some other depository corporations placed with South African financial institutions as a result of changes in investor sentiments. This decline was also reflected in the decline in the overall liquidity position of the commercial banks at the end of 2012 when compared to the same period in 2011. Overall liquidity of commercial banks declined by 46.1 percent to N$2.4 billion from N$4.5 billion recorded at the end of 2011. The category *other items net* also continued to exert a contractionary impact on M2, largely due to valuation adjustments. The reduction in M2 was further dampened by the decline in *net claims on the Government sector*, which resulted from a decrease in Government securities holdings, coupled with an increase in Government deposits. All this exerted downward pressure on M2.

***Domestic claims* of the banking sector expanded at the end of 2012.** The expansion in domestic claims of the depository corporations sector contributed 11.2 percent to the growth in M2 at the end of 2012, higher than 6.6 percent at the end of the previous year (Table C.7). Total claims on other sectors of the economy, excluding Central Government, increased by 16.1 percent at the end of 2012. Total outstanding claims continue to be dominated by claims on the other sectors, which stood at N$54.5 billion at the end of 2012. The second largest is claims on Central Government, which contracted by 2.1 percent and stood at N$6.8 billion. This was followed by claims on public non-financial corporations (parastatals), which had claims of N$1.0 billion over the same period. This figure represents a growth of 14.0 percent from N$903.0 million at the end of the preceding year. Claims on other financial corporations contracted by 0.3 percent to N$1.0 billion at the end of 2012. The banking sector's claims on State and Local Government declined by 62.5 percent at the end of 2012 from a growth of 51.0 percent at the end of 2011. Nonetheless, the value of the total outstanding claims on State and Local Government remain relatively small, at N$66.0 million.

Table C.7: Claims by institutional sector (N$ million)

Institutional sectors	2011	2012	Percentage change
Claims on Central Government	6 969.0	6 825.3	-2.1
Claims on other sectors	46 917.4	54 459.7	16.1
Claims on other financial corporations	1 397.1	1 392.5	0.3
Claims on public non-financial corporations	903.0	1 029.6	14.0
Claims on the State and Local Government	175.9	66.0	-62.5
Claims on the private sector	44 327.0	51 880.5	17.0

PRIVATE SECTOR CREDIT EXTENSION (PSCE)

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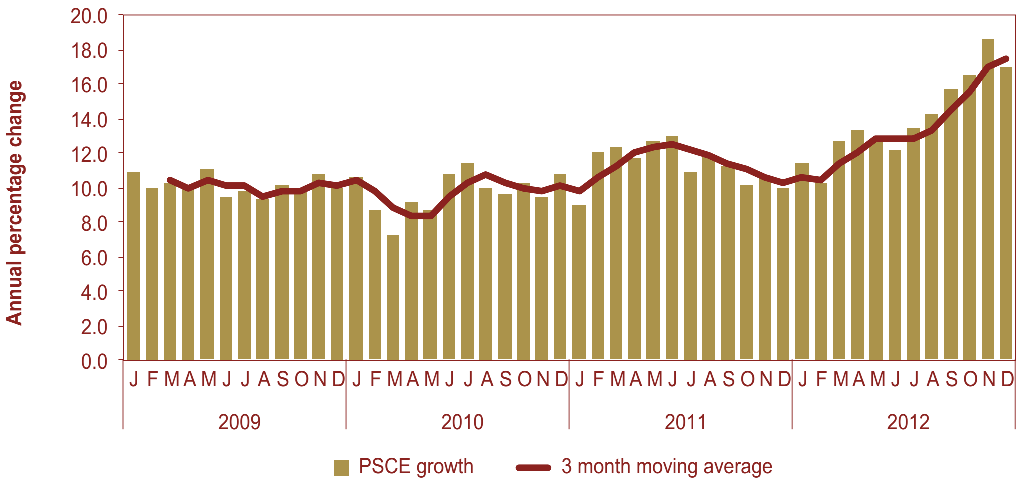
The growth in *private sector credit extended (PSCE)* accelerated at the end of 2012 to reach its highest growth rate in four years. Credit to the private sector has gained traction over the past year when compared to the growth of 10.0 percent, 10.8 percent and 9.9 percent at the end of 2009, 2010 and 2011, respectively. Growth in PSCE accelerated to 12.2 percent at the end of the first half of 2012, before reaching 17.0 percent at the end of December 2012 (Chart C.37). On average, over 12 months, PSCE grew by 14.0 percent, higher than the average of 11.3 percent over the same period in 2011. The surge in PSCE reflects a rise in borrowing activities by both the business and household sectors.

For the most part of 2012, individuals financed their rising consumption expenditure with bank credit, coupled with some large corporations who relied heavily on bank overdraft lending. Total PSCE in nominal terms amounted to N$51.8 billion at the end of the period under review, higher than the N$44.3 billion at the end of 2011. The increase in the categories *overdraft credit* as well as *other loans and advances* were the major contributors to the overall increase in total PSCE at the end of 2012. On an inflation-adjusted basis, growth in PSCE hovered around 7.0 percent on average over the 12 months of 2012, compared to 6.1 percent over the same period last year.

Chart C.37: Private sector credit extended (PSCE)



CREDIT EXTENDED TO BUSINESSES

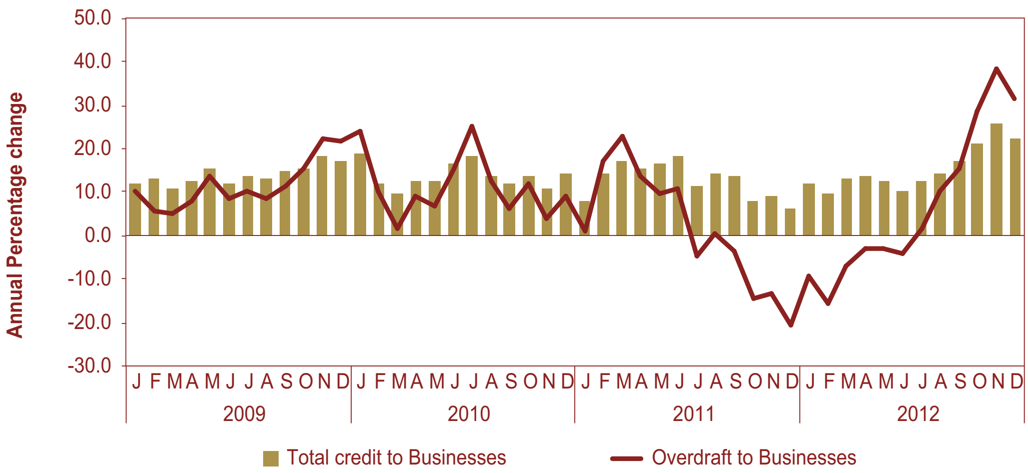
***Credit by the corporate sector* accelerated at the end of 2012 to become the dominant driver of credit extension.** Growth in credit extended to the corporate sector expanded by 22.2 percent at the end of 2012, compared to 6.0 percent at the end of the previous year.

The growth, the highest since July 2010, can partly be explained by the positive performance in the domestic economy (as reported under the Real Sector section). This is a confirmation of the literature[13] which states that access to credit makes it easier for businesses

13 In 1949, Schumpeter postulated that finance is necessary to channel resources to entrepreneurs by observing that: "He can only become an entrepreneur by previously becoming a debtor."

to start capital projects and also positively influences investment decisions, thereby affecting growth rates. For the most part of the year, corporations borrowed in the form of overdraft lending to finance working capital requirements, while others in the construction sector took mortgage loan advances for commercial purposes. Overdrafts to businesses, the only category which was in negative territory during the latter part of 2011 and early part of 2012, recorded positive growth of 31.5 percent at the end of 2012, from a contraction of 20.6 percent at the end of 2011. Growth in all other forms of credit, i.e. other loans and advances and installment credit, rose, with the exception of mortgage loans, which slowed over the same period (Chart C.38).

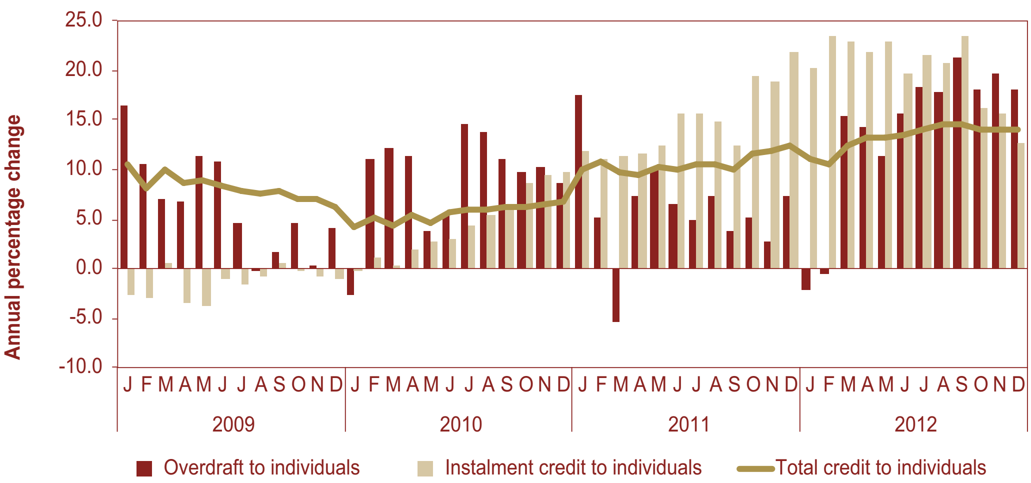
Chart C.38: Credit extended to businesses (percentage change over 12 months)



CREDIT EXTENDED TO INDIVIDUALS

Growth in *credit extended to individuals* rose at the end of 2012. Credit advanced to individuals stood at N$31.8 billion at the end of 2012, representing growth of 14.0 percent compared to 12.3 percent at the end of 2011. This increase was driven largely by the growth in overdraft credit and other loans advances, which rose to 18.0 percent and 15.0 percent at the end of 2012 from 7.4 percent and 4.8 percent, respectively, at the end of the preceding year. The increase was further supported by the growth in mortgage lending, which grew by 13.1 percent at the end of 2012 from 11.1 percent at the end of the preceding year (Chart 39).

Chart C.39: Credit extended to individuals (percentage change over 12 months)



CREDIT BY TYPE

Overall, *overdraft credit*, as well as other loans and advances, were the two major credit categories that contributed to the expansion in PSCE at the end of 2012. Total overdraft credit, which reached N$7.7 billion, emerged from the initial dip at the end of April to rebound to record 28.0 percent growth at the end of 2012, compared to negative growth of 14.7 percent at the end of the previous year (Chart C.40). The annual growth in other loans and advances, i.e. *personal loans* and *credit card advances* similarly rose to 22.3 percent from 11.8 percent over the same period. On average for the 12 months of 2012, *other loans and advances*, however, increased by 14.3 percent compared to 11.2 percent growth over the same period last year. The two categories, *overdraft credit* and *other loans and advances* account for 14.8 percent and 12.1 percent of PSCE, respectively (Chart C.40).

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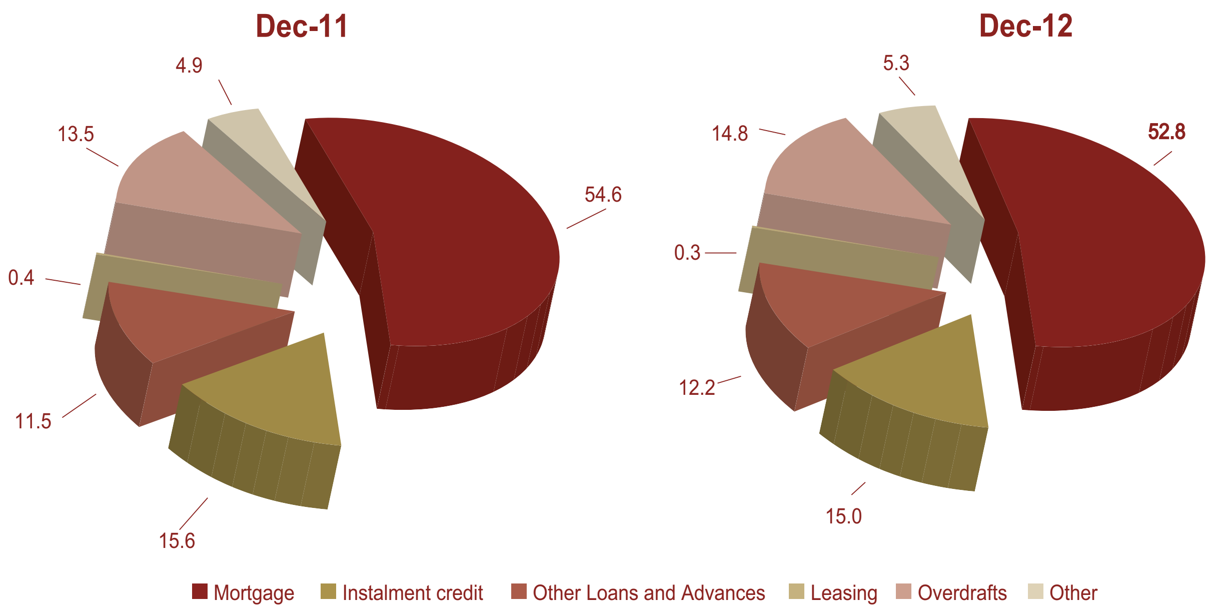
Chart C.40: Credit categories (percentage share)



The categories *instalment credit* and mortgage credit slowed at the end of the period under review. The year-on-year growth rate in instalment credit at the end of 2012 slowed to 12.5 percent from 16.9 percent at the end of 2011. Although instalment credit benefited from the robust demand in vehicles and other durable goods throughout the year, the slower growth at the end of 2012 is a comforting phenomenon, considering the burden that unsustainable levels in the growth of instalment credit can place on the economy as a whole. The slowdown came as a result of lower demand by individuals, and occurred alongside the decline in the demand of other durables during the review period.

***Mortgage lending growth*, which accounts for over half of total credit to the private sector, slowed to 13.2 percent at the end of 2012 to reach N$27.4 billion.** The *real estate* sector is characterised by strong demand for low-cost housing, while demand for luxury houses has been subdued.

Table C.8: Credit aggregates (N$ million)

Component	2011	2012	Percentage change
Asset-backed credit	31 104.8	35 179.9	13.1
Mortgage advances	24 186.2	27 387.4	13.2
Instalment	6 918.7	7 792.4	12.6
Overdraft lending	5 982.8	7 656.1	28.0
Other loans and advances	5 106.5	6 311.2	23.6
Total loans and advances	44 327.0	51 880.5	17.0

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CREDIT TO ECONOMIC SECTORS

***Bank loans* and *advances to economic sectors* increased at the end of 2012.** Total bank loans and advances increased by 19.6 percent to N$50.2 billion. As can be seen in Table C.9, the sectoral analysis reveals that credit extended to the *mining and quarrying* sector rose significantly from N$565.3 million at the end of 2011 to N$1.3 billion at the end of 2012. This is consistent with the generally improved conditions in the mining sector, which recovered during the year, resulting in high demand for bank credit. Credit extended to the *building and construction* and *agriculture* sectors also increased by 31.5 percent and 25.7 percent, respectively. This can partly be linked to the rapid growth in construction activities due to the increased investments in real estate development, road, water supply and airport development during the year. Credit to *other resident* sectors (individuals) continue to receive the largest portion of credit allocated, followed by the *commercial and services* sector, which accounted for 55.2 percent and 31.9 percent, respectively.

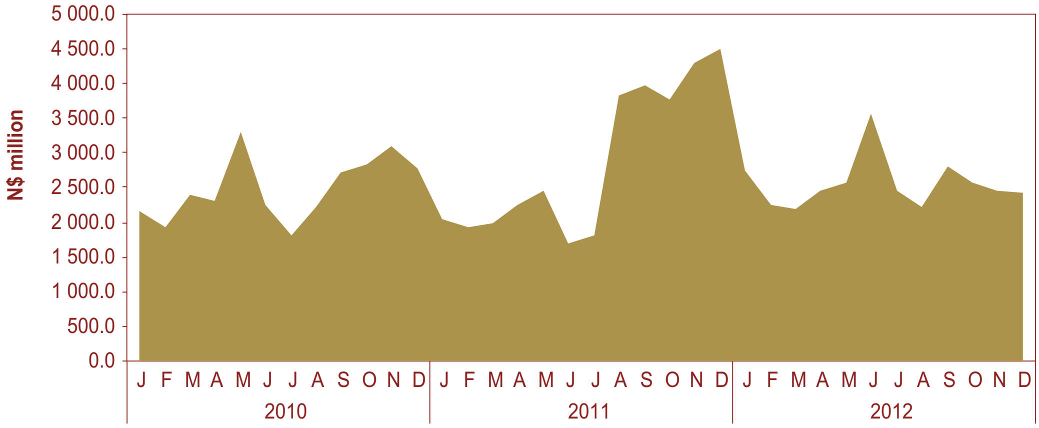
Table C.9: Direction of credit to economic sectors (N$ million)

	December 2011	December 2012	Percentage Change
Component			
Agriculture	1 874.3	2 355.7	25.7
Fishing	871.4	1 039.6	19.3
Mining and Quarrying	565.3	1 325.2	134.4
Manufacturing	897.0	908.2	1.3
Building and Construction	633.7	833.4	31.5
Commercial and Services	12 974.1	16 026.3	23.5
Other resident sectors and Others	24 189.4	27 730.1	14.6

BANKING SYSTEM LIQUIDITY

The overall *daily liquidity* position of the banking industry slowed slightly in 2012 when compared to the preceding year (Chart C.41). In this context, the annual average liquidity for 2012 stood at about N$2.6 billion, marginally lower than the N$2.9 billion recorded during 2011. The highest monthly average liquidity during 2012 was N$3.6 billion in June, while the lowest liquidity level recorded was N$2.2 billion in March. The moderation in banking system liquidity was observed despite increased government spending during the review period.

Chart C.41: Overall liquidity of the banking industry



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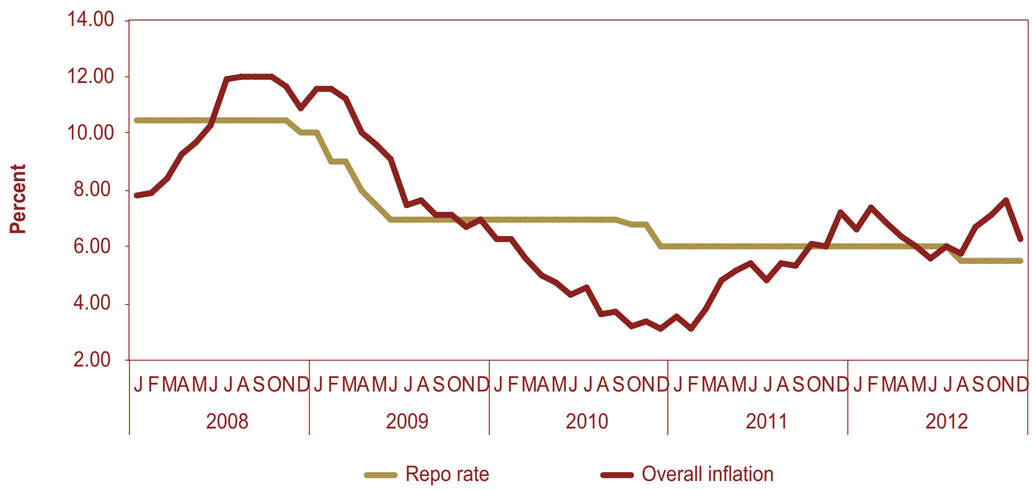
MONEY MARKET DEVELOPMENTS

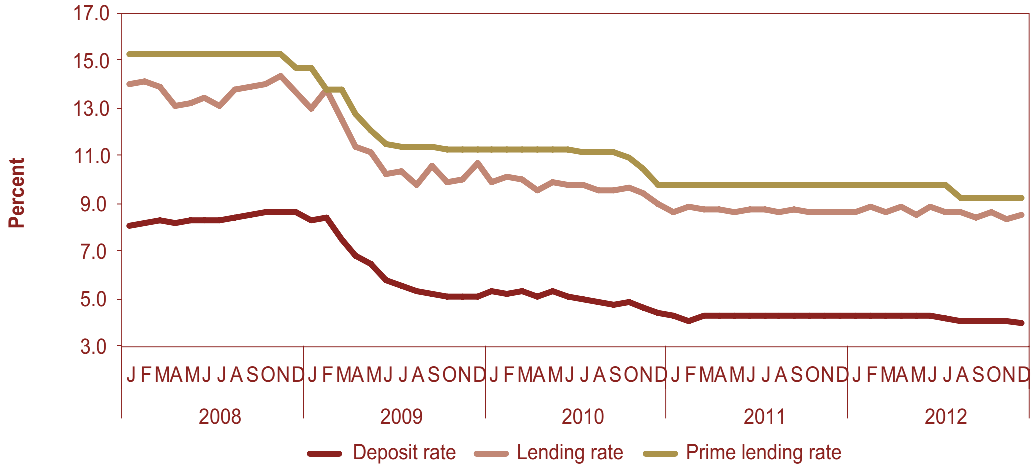
The Bank pursued an *accommodative monetary policy* and further *reduced its Repo rate* to its lowest level during the month of August 2012. In the nine meetings of the Monetary Policy Committee (MPC) from December 2010 to June 2012, the Repo rate was kept unchanged at 6.00 percent, before being adjusted downwards by 50 basis points, effective 23 August 2012 (Chart C.42). The adjustment was aimed at supporting the poor-performing economic sectors in an environment characterised by uncertainties and vulnerabilities, ranging from the European sovereign debt crisis to the fiscal challenges in the US. Although inflation rose throughout 2012 it remained at single-digit levels.

Chart C.42: Bank of Namibia Repo rate and overall inflation



Alongside the lowest level of the Repo rate since independence, *other money-market rates* continued to hover at historically low levels during 2012 (Chart C.43). The average lending rate hovered around 8.66 percent in 2012 and closed at 8.57 percent at the end of 2012 compared to 8.80 percent at the end of the previous year. Average deposit rates were around 4.23 percent and closed at 4.00 percent at the end of 2012 compared to 4.22 percent at the end of 2011.

Chart C.43: Average lending and deposit rates



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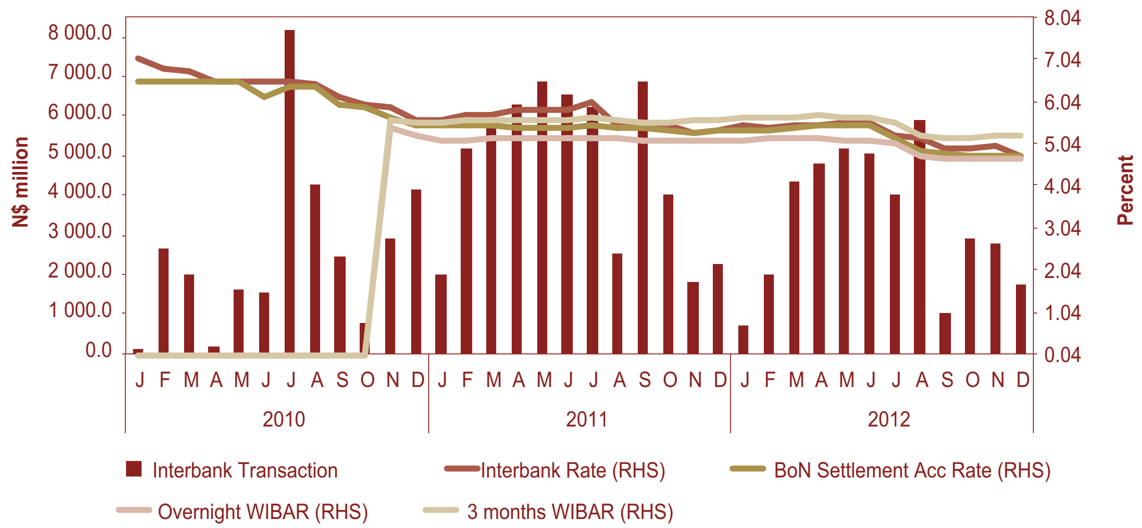
THE NAMIBIAN INTERBANK MARKET ACTIVITIES

The *value of transactions* in the interbank market and money-market rates decreased notably during 2012, in contrast to the preceding year. As indicated in Chart C.44, funds amounting to N$40.4 billion flowed through the local interbank market in 2012, 28.3 percent lower than the N$56.3 billion recorded in 2011. The highest monthly value of transaction, amounting to N$5.9 billion, was recorded in August. In line with the lower interest rates in the market, the weighted average interbank market rate fell from 5.63 percent in 2011 to 5.24 percent in 2012. The drop in the interbank market was also consistent with the movements in money market rates, following a fall in the benchmark rates, both in Namibia and South Africa. Similarly, the average overnight and the three months WIBAR also fell by over 10 basis points each during 2012 to 4.94 percent and 5.45 percent, respectively.

Chart C.44: Interbank trading activities and settlement rate



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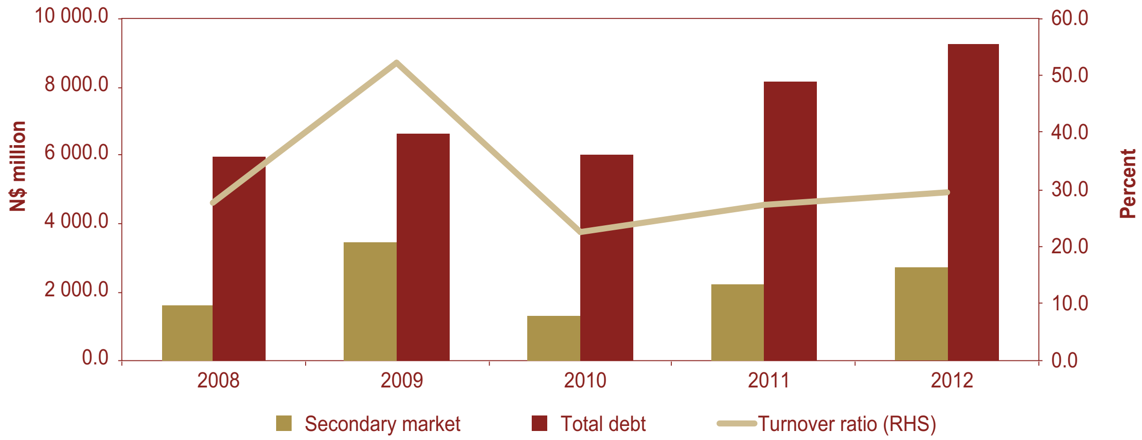
BOND MARKET DEVELOPMENT

SECONDARY MARKET TRADING OF GOVERNMENT DOMESTIC BONDS

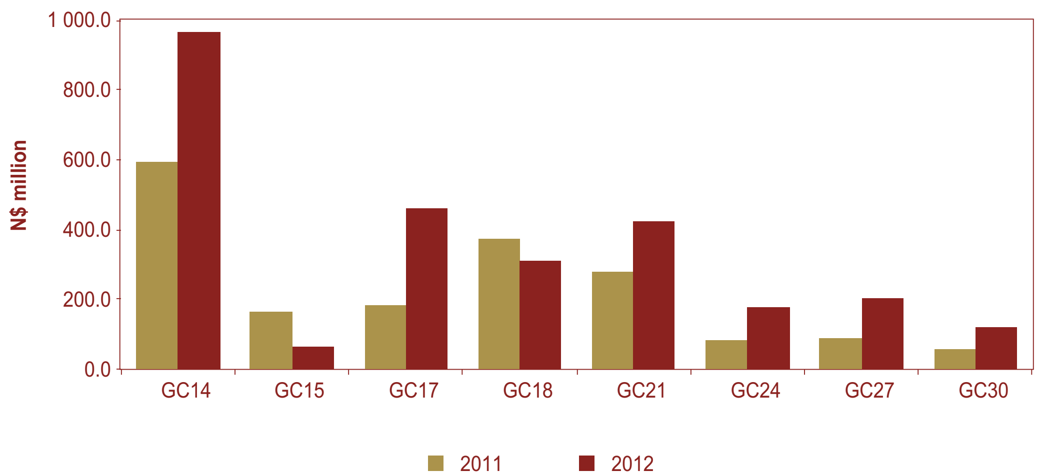
There were no new government domestic bonds introduced in the market during 2012. The total number of government bonds fell to eight in 2012 following the redemption of the GC12 in October. Nonetheless, the nominal government bonds outstanding increased from N$8.15 billion in December 2011 to N$9.24 billion at the end of December 2012 (Chart C.45).

Chart C.45: Turnover ratio of Namibian government bonds



The *secondary market trading for government bonds* was relatively high during 2012 compared to the preceding year (Chart C.46). Government bonds worth N$2.73 billion were traded on the secondary market during 2012, higher than the corresponding amount of N$2.23 billion registered in 2011. The turnover ratio of government bonds during 2012 increased to 29.5 percent from a rate of 27.4 percent recorded in 2011. The GC14 was the most traded bond, followed by the GC17 and GC21 (Chart C.46). Trades in these bonds accounted for 67.8 percent of secondary market trading in 2012. The GC15, on the other hand, traded the least, with total trades amounting to N$66.9 million, or 2.5 percent of turnover, during the year under review. Trades in bonds on the longer end of the maturity spectrum, i.e. GC24, GC27 and GC30, were also minimal (Chart C.46).

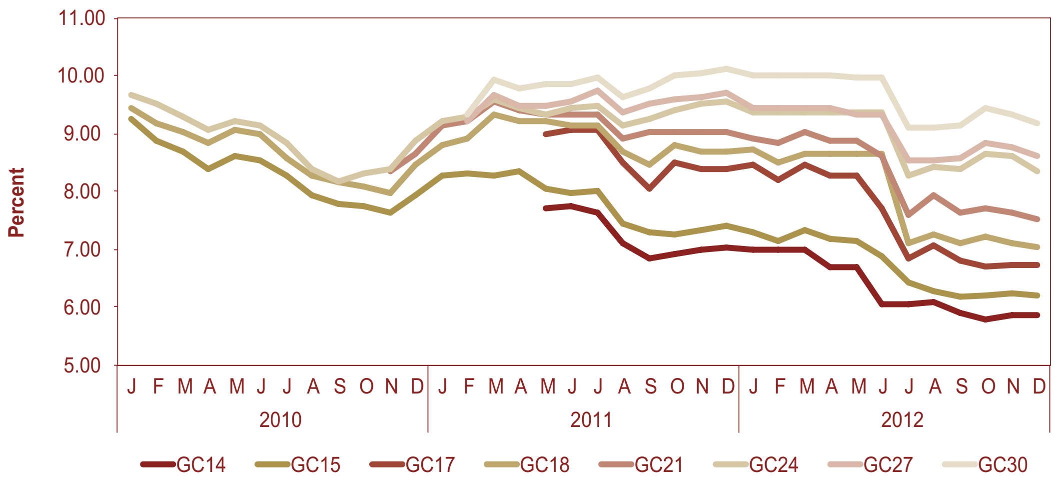
Chart C.46: Secondary market trading of government bonds, 2011



GOVERNMENT BOND YIELDS

Overall, the movements in the *yields on government debt instruments* followed a discernible downward trend during 2012, contrary to the mixed outcomes observed in 2011. The fall in the bond yields followed the general decline in the benchmark and central bank rates during 2012, both for Namibia and South Africa. Furthermore, influx of offshore funds in search for higher yields in the South African bond market also contributed to the observed rally in the bond prices. The rates on shorter- to medium-term bonds (GC14 and GC15) all fell by over 110 basis points. The yield on the GC14, the shortest-dated bond, eased from 6.98 percent in January to 6.07 percent in June, before falling further to 5.88 percent in December 2012 (Chart C.47). The decline in yields was more pronounced among medium-dated bonds, falling by over 140 basis points. For instance, yields on the GC18 moved from 8.79 percent to 7.04 percent between January and December 2012, thus falling by 175 basis points. Meanwhile, bonds at the longer end of the yield curve registered slight moderation in yields during the year under review. In this regard, the yields on the GC27 and GC30 fell by 109 basis points and 93 basis points, respectively.

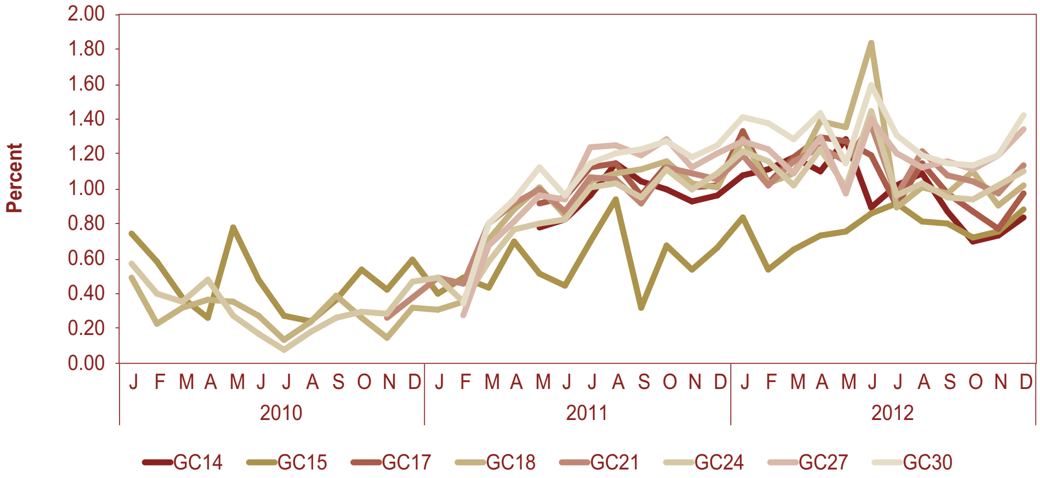
Chart C.47: Namibian government bond yields



YIELD SPREADS

The *average spread* between Namibian bonds and equivalent South African bonds widened during 2012 when compared to 2011, as *South African bond yields fell by higher margins* (Chart C.48). This was more pronounced during the second and fourth quarter, while mild narrowing was observed in the third quarter. The spreads on shorter-term bonds increased with similar magnitude throughout the year. In this regard, the GC14 and GC15 recorded an annual average spread of 99 and 77 basis points, above the R206 and R157, correspondingly. Meanwhile, the yield spread expanded rather significantly in the medium- to long-term bonds during 2012. The yields on the GC17, GC18 and GC21 averaged 108, 116 and 113 basis points above the RSA benchmarks, the R203, R204 and R208, respectively. Over the same period, the average spreads for the GC24, GC27 and GC30 were 107, 120 and 130 basis points, respectively. The widening of the spread could be ascribed to the fact that the Namibian market is not as liquid as the South African market.

Chart C.48: Spreads between Namibian government bonds and SA benchmark bonds



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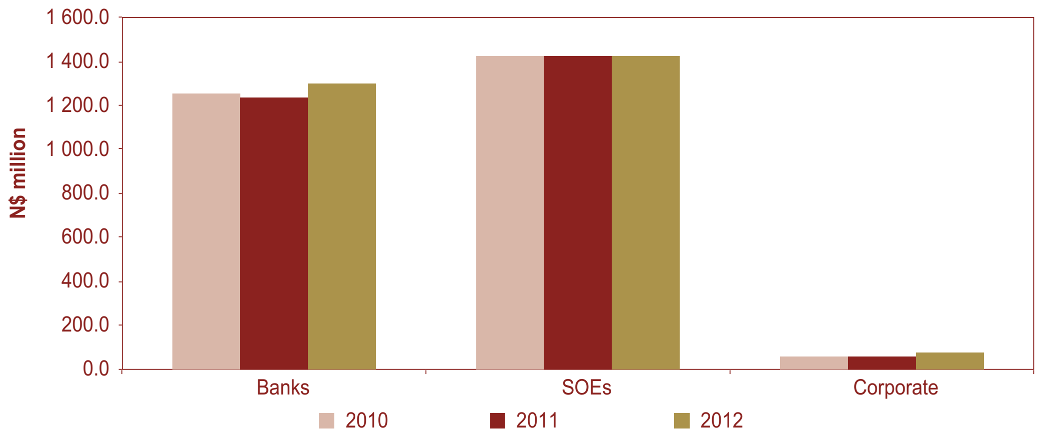
The year under review witnessed the *listing of only one corporate bond programme*, issued by one of the commercial banks, which listed a N$2.0 billion Medium Term Note (MTN) programme on the Namibian Stock Exchange (NSX) to issue bonds on the domestic market.

In terms of *new corporate bond issuances*, more issues took place in 2012 than in 2011. In this regard, five new corporate bonds were issued during the year, raising N$518 million. On the other hand, a total of N$100 million in corporate bonds matured during 2012.

On balance, these transactions *effectively increased the total number of corporate bonds outstanding* to 22 from 18 reported at the end of the preceding year. Nonetheless, the domestic bond market continues to be highly dominated by sovereign issues. Corporate bonds constituted only 16.7 percent of the total bonds outstanding in the market during 2012. This is slightly lower than the share of 18.9 percent of non-sovereign bonds of the total value of bonds outstanding in 2011.

Chart C.49: Outstanding non-Central government bonds



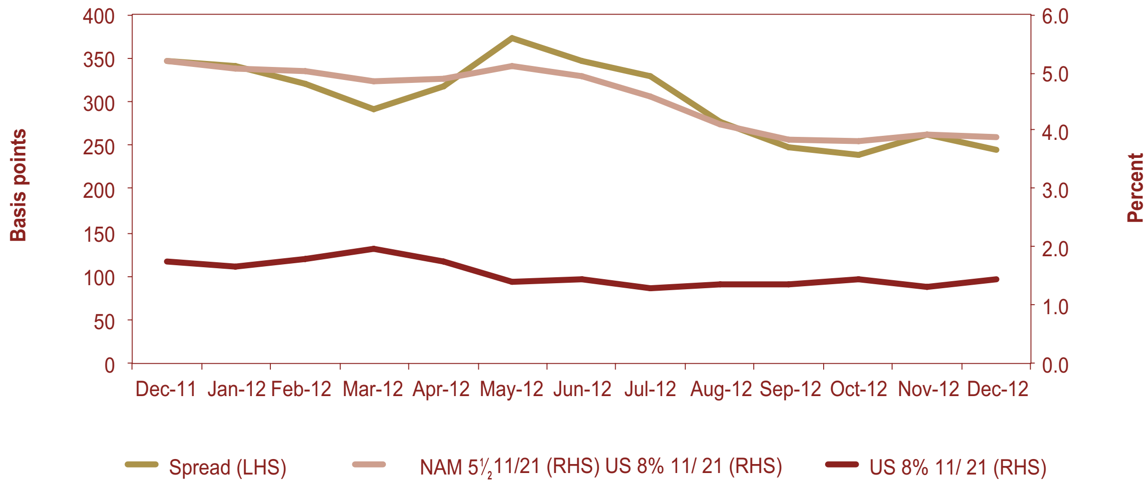
Source: NSX

NAMIBIA'S USD500 MILLION EUROBOND PERFORMANCE

Namibia's ten-year *USD500 million Eurobond*, issued during 2011, traded exceptionally well during 2012. The yields on the Namibian sovereign bond traded lower, tightening from 5.571 percent at the end of 2011 to 3.833 percent at the end of December 2012. The yield on this bond was at its lowest level during October 2012 (Chart C.50).

Investor demand for yield and increased risk appetite could explain the decline in the yield for this bond. In the current low interest rate environment, investors continued to seek new investment opportunities, especially in emerging markets, in order to pick up yield and diversification. Namibia's stable credit rating also supported the strong demand for this Eurobond. The good performance of Namibia's international bond also served as a benchmark for the pricing of the JSE-listed bond.

Chart C.50: Namibia's Eurobond performance



Source: Bloomberg

The yield on the Namibian Eurobond broadly tracked the movement of the South African Eurobond of the same maturity. The spread between the Namibian and the South African bond yields also narrowed towards the end of 2012, an observation that was different from the changes in the spread between the domestic bonds issued in these two countries.

INTERNAL REGISTERED STOCK REDEMPTION ACCOUNT (IRSRA)

The balance of the *IRSRA continued to increase* during 2012, despite the redemption of the GC12 in October (Chart C.51). This is because the redemption of the GC12 coincided with successful debt issuances of other instruments, which was partly used for the GC12 redemption. The IRSRA is an account in which the Government invests money to cater for the redemption of government domestic bonds. The balance on this account stood at N$2.6 billion at the end of December 2012, which is 28.1 percent higher than the N$2.0 billion recorded at the end of December 2011. The Government transferred an amount of N$109.65 million every quarter into this account in preparation for the other upcoming maturities. In this regard, the Government transferred roughly N$438.6 million during the year under review. On 15 October 2012, the N$1.38 billion outstanding on the GC12 was redeemed.

Chart C.51: Internal Registered Stock Redemption Account (IRSRA)

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The next government bonds to mature will be the GC14 and GC15 in 2014 and 2015, respectively. The outstanding balances of these bonds are currently N$1.53 billion for the GC14 and N$1.65 billion for the GC15. The funds invested in the IRSRA so far are sufficient to cover the entire outstanding debt in the GC14 and over 60.0 percent of the GC15. Going forward, the Government will continue to invest funds in this account to fully cover for the redemption of upcoming maturing bonds.

CREDIT RATINGS

SOVEREIGN CREDIT RATING

Fitch Ratings has once again affirmed Namibia's *long-term foreign currency Issuer Default Rating (IDR)* at 'BBB', *long-term local currency IDR* at 'BBB', and *short-term foreign currency IDR* at 'F3'. The outlook is stable. Given the current low interest rate environment, Fitch also expects investors to continue to seek new investment opportunities, with a focus on moving further down the credit ratings and maturity spectrum to achieve yield targets, and hence affirmed Namibia's country ceiling at 'A'. Fitch downgraded South Africa by one notch to 'BBB', just one grade above Namibia's rating.

The *strong balance* sheet of the Namibian Government supported this good rating. The Namibian Government's debt level, as a percentage of GDP, is relatively low compared to rating peers. The Namibian Government's budget deficit is expected to remain relatively low. This has also contributed to the favourable rating. Fitch also factored in the expected increase in government revenue, as well as the expected fiscal consolidation. The strong growth forecast and the country's political stability were two other important factors that contributed to the rating assigned.

Moody's Ratings Agency also reaffirmed Namibia's overall outlook as stable, thereby maintaining the country national rating of Baa3. The rating largely reflects the government's track record of responsible budget management as well as what has been an investor-friendly policy framework. This is reflected in the maintenance of a healthy government balance sheet, which permitted expansionary policies to be pursued to avert a larger domestic recession during the global financial crisis, despite a collapse in demand for some of the country's most valuable exports.

The sovereign rating by Moody's further benefited from predictable monetary and exchange rate policies in the context of its unitary currency peg to the South African Rand, which gave the country's currency an important degree of credibility and contributes to financial and price stability. Moody's reiterated that Namibia also has relatively low external vulnerability, attributable to a net external creditor position although the share of foreign debt in the government's portfolio was above 31 percent following the government's US$500 million international bond issue in September 2011 and its ZAR850 million issue in the South African market near the end of 2012.
Nonetheless, Moody's cautioned that the positive outlook remains balanced against structural legacy challenges, including wide income disparities, very high unemployment and the government's dependence upon the mining sector for foreign exchange earnings.

FITCH'S NATIONAL CREDIT RATING

Fitch Ratings assigned the Republic of Namibia an 'AA-' (zaf) South African *national scale rating* during June 2012. The outlook is stable. The rating benefited from Namibia's longstanding membership of the Common Monetary Area (CMA), centred on a credible one-to-one peg of the Namibia Dollar (NAD) to the South African Rand (ZAR). The peg is backed by foreign currency reserves which substantially exceed the amount of NAD in circulation. This strong backing for the peg instils confidence in the ability of Namibian entities to freely exchange NAD for ZAR. This was Namibia's debut national rating in South Africa. This was also the first time that a sovereign state achieved a national rating in South Africa. The national rating was mainly necessitated by the plan of the Namibian Government to issue a sovereign bond on the Johannesburg Stock Exchange (JSE).

The national scale ratings are similar to the global scale ratings in that they also measure credit risk. The national scale ratings are an opinion of creditworthiness relative to the universe of issuers and issues within a single country. The assignment of a rating to Namibia on South Africa's national scale therefore allows the credit quality of the Namibian sovereign to be judged relative to South African issuers on a single national scale. This is more helpful than the global scale in terms of the differentiation within a market. The national scale rating is, nevertheless, generally consistent with the global scale rating, given that the rating factors and the criteria used are the same.

JSE MEDIUM TERM NOTE PROGRAMME LISTING

The Republic of Namibia (hereinafter Namibia) listed its inaugural R3 billion Medium Term Note (MTN) programme on the Johannesburg Stock Exchange (JSE) during 2012. This was the first sovereign state's listing on the JSE. Listing on the JSE means that Namibia will be able to source funds of up to R3 billion. The funds sourced from the listed programme may be used for general budgetary purposes.

To take advantage of the strong market sentiment, the Namibian Government has already issued a ten-year, R850 million bond under the MTN programme listed on the JSE. A total of R1.78 billion was tendered at the auction, representing an oversubscription of 2.09 times. This suggested a strong demand for the Namibian bond, as well as an understanding of Namibia's credit quality by the South African institutional investor base. The bond is benchmarked to the South African R2023 bond. The coupon rate on the bond is 8.26 percent.

REASONS FOR LISTING A BOND PROGRAMME ON THE JSE

Namibia's debut bond is expected to set a Rand benchmark for future issuers from Namibia and other countries looking at approaching the South African capital markets. The Namibian Government also seeks to diversify its funding sources and attract those South African investors who have not previously taken part in the Namibian domestic debt markets. Having alternative funding sources becomes even more critical given the limited access to concessional funding that followed Namibia's classification as an upper middle-income country.

The bond in South Africa followed closely in the footsteps of Namibia's award-winning international USD sovereign bond issue in 2011 in which Namibia raised USD500 million in ten-year bond, marking Namibia's first approach in the international capital markets. It was therefore a natural extension by the Namibian Government to access the South African market with ample liquidity and without posing a foreign-exchange risk exposure. Despite the strategy to diversify funding sources, the Namibian Government is still committed to meeting close to 80 percent of its funding requirements from domestic markets, as stated in the Sovereign Debt Management Strategy, with a view to developing a domestic financial market.

Listing a bond programme on the JSE was also undertaken to take advantage of the demand for emerging market securities by international investors while the costs of funds were at attractive levels. The South African benchmark rates, like those in the international markets, were at a historic low during 2012.

It should be noted that issuance of debt instruments in the Common Monetary Area (CMA) is strongly encouraged by the CMA Multilateral Agreement, which makes provision for access by the CMA member countries to the South African capital and money markets. According to this Agreement, the CMA Governments and private entities are treated as local issuers in the South African market, and the issued instruments are classified as domestic in the South African market.

Having been classified as a domestic issuer means that Namibia is subject to the same relevant financial laws and policies that are applicable to South Africa's National Treasury when issuing a bond in the South African market. Generally, there are no restrictions for the Namibian Government to issue in South Africa, as the provisions of the CMA Multilateral Agreement free the Namibian Government to issue in the South African market with no limitations. As members of the CMA, South African investors are also permitted to freely buy Namibian bonds without restrictions.

INTERPRETING THE AUCTION RESULTS OF THE ZAR BOND ISSUANCE

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The bond was issued at 105 basis points above the benchmark, lower than general expectations and also lower than the issuer-set, maximum acceptable spread of 120 basis points. It was generally expected that the spread would be higher, as investors were expected to factor in a new issue premium.

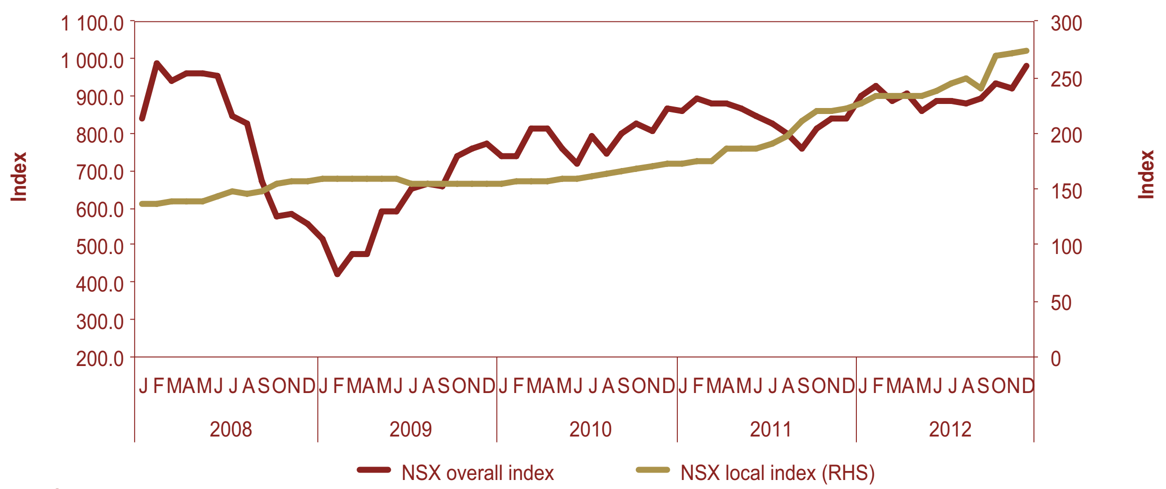
Going forward, the Namibian Government will continue to maintain a presence in international markets as a way of diversifying its sources of funds. This is also a way of marketing the country to international investors.

EQUITY MARKET DEVELOPMENTS

The *NSX Overall Index performed well* in 2012. The NSX Overall Index accelerated to close at 983.79 at the end of December 2012 (Chart C.52). This represents a rise of 17.4 percent when compared to the index at the end of 2011. Market capitalisation figures mirrored the increase in share prices. The dual-listed stocks were mainly driven by financial stocks, whose share price moved up strongly. The market capitalisation stood at N$1.4 trillion at the end of 2012, confirming the position of the NSX as the second largest stock exchange by total market capitalisation in Africa, after the JSE.

The *local index continued the upward movement* during the period under review, also reflecting the limited exposure of Namibian-listed companies to the impulses of global markets. When compared to the closing level at the end of December 2011, the local index gained 23.7 percent at the end of 2012, closing at 273.56 index points. Local market capitalisation rose by 18.8 percent to N$11.1 billion at the end of 2012.

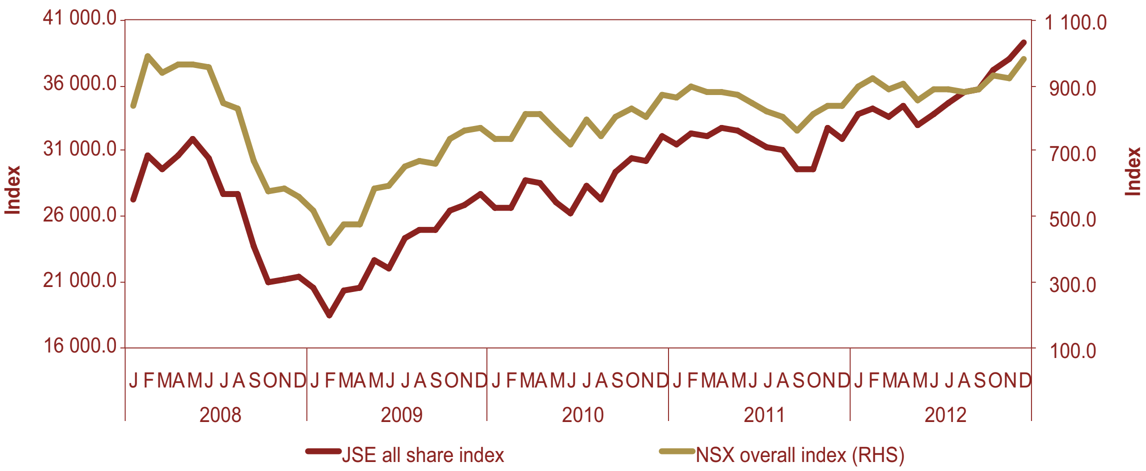
Chart C.52: Namibian Stock Exchange (NSX)



Source: NSX

The *JSE All Share Index* (Alsi) continued to track international developments during the period under review. The JSE Alsi rose by 22.6 percent to close at a then all-time high of 39 250.0 index points at the end of the year under review (Chart C.53). The majority of companies dual listed on the NSX are either primary or secondary listed on the JSE, therefore the close relationship in the movement of the two indices.

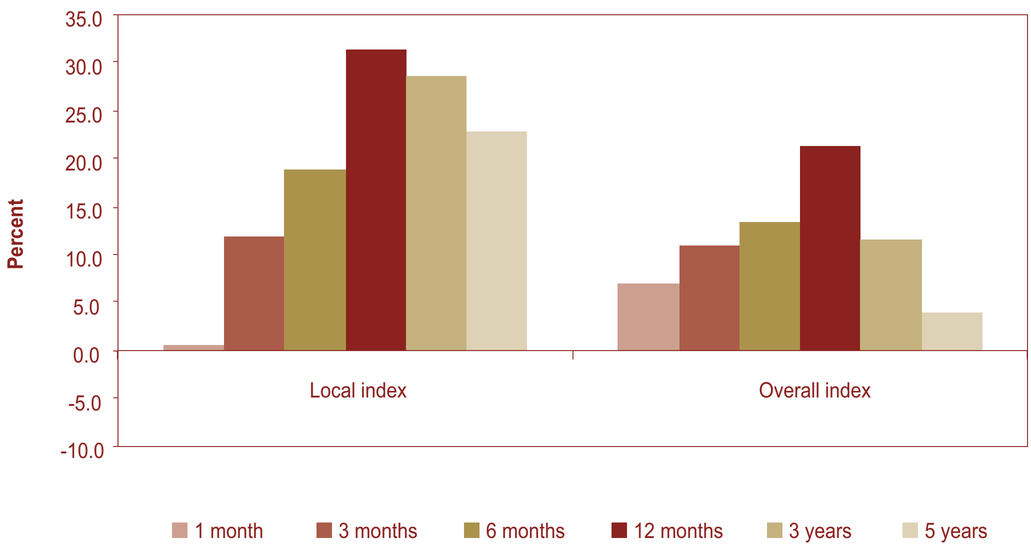
Chart C.53: NSX Overall Index; JSE All Share Index



Sources: NSX and JSE

As can be seen on Chart C.54, the total index returns of the local index have outperformed the returns of the overall index as calculated by IJG Securities. The highest return differential was observed in the 12-month period, where the NSX local index returned 31.21 percent compared to a return of 21.24 percent for the NSX overall index.

Chart C.54: Index total returns, December 2012



Source: IJG

The *NSX posted* a higher traded value of N$4.0 billion during 2012 compared to N$3.3 billion during 2011 (Table C.10). This improvement was due to an increase in share volumes and prices traded during 2012, with volume of 110.4 million, which is higher than the 96.5 million traded in 2011.

Table C.10: NSX summary statistics

Category	2011	2012	Percentage change
Overall			
Index (end of year)	838.24	983.79	17.4
Market capitalisation (N$ million) (end of year)	1 122 452	1 355 081	20.7
Free-float market capitalisation (N$ million) (end of year)	1 063 932	1 225 744	15.2
Volume traded (‘000)	96 511	110 448	14.4
Value traded (N$ ’000)	3 265 614	4 017 260	23.0
Number of deals	2 751	2 692	-2.1
Number of new listings (DevX)	2	4	100.0
Local			
Index (end of year)	221.19	273.56	23.7
Market capitalisation (N$ million) (end of year)	9 304	11 057	18.8
Volume traded (‘000)	11 129	39 927	258.8
Value traded (N$ ’000)	102 909	507 837	393.5
Number of deals	322	457	41.9
Number of new listings	1	1	0

PUBLIC FINANCE

FISCAL DEVELOPMENTS

After implementing an expansionary fiscal policy in recent years, the Government embarked on fiscal consolidation during the 2012/13 fiscal year. Expenditure increased at a slower pace during the reviewed fiscal year, while revenue and grants grew much faster, driven mainly by increases in SACU receipts and taxes on income and profits. According to the 2013/14 budget, government budget deficit is estimated at 2.9 percent of GDP in 2012/13, compared to a deficit of 4.6 percent of GDP, projected in the 2012/13 Budget. Namibia's debt stock increased during 2012, but declined as a ratio to GDP to about 25.6 percent of GDP by end-2012, thus remaining well below the government's debt ceiling of 35 percent of GDP. The government's total loan guarantees rose during 2012, reflecting increases in foreign guarantees, while guarantees to domestic creditors declined. As a share of GDP, loan guarantees have averaged at about 3.0 percent of GDP during the last five years.

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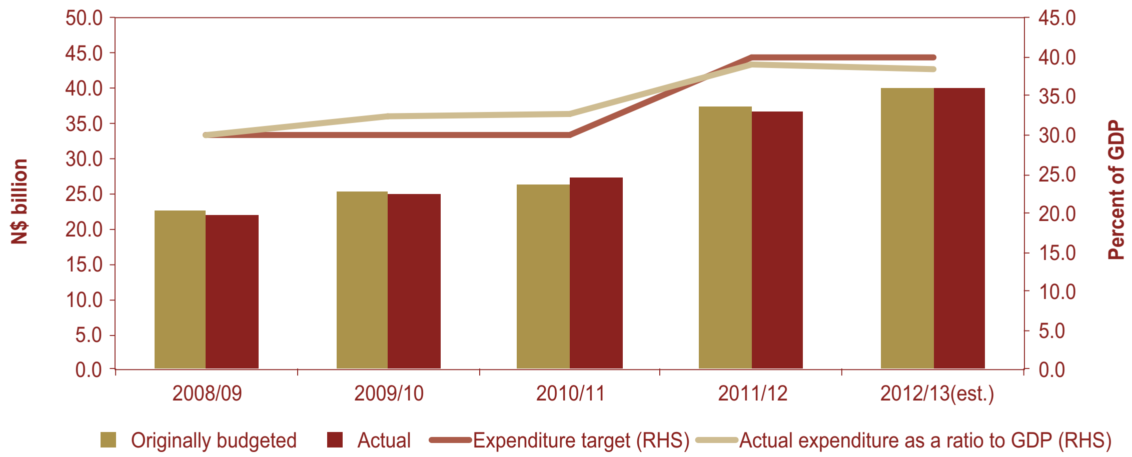
GOVERNMENT EXPENDITURE

During 2012/13, the government total expenditure increased, albeit at a slower pace than in the preceding fiscal year. Total government expenditure increased by 9.1 percent to N$40.2 billion during 2012/13 compared to an increase of 34.3 percent during the preceding fiscal year (Chart C.55). Expenditure as a ratio to GDP moderated from 39.1 percent to 38.4 percent over the same period.

Chart C.55: Government expenditure

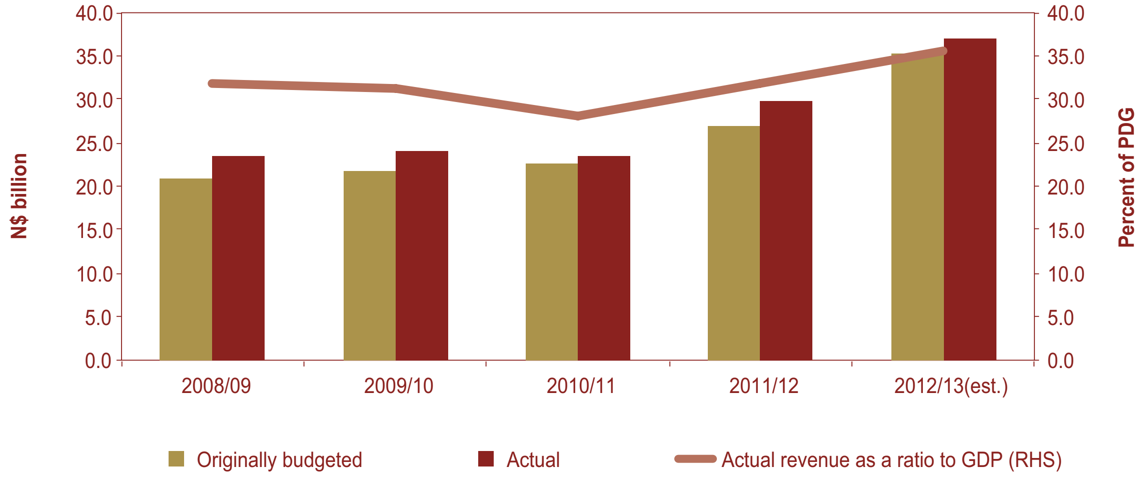


Source: Ministry of Finance

REVENUES AND GRANTS

Revenue growth has improved during 2012/13, reflecting increases in the SACU receipts and better performance in domestic revenue streams during the year, particularly individual income tax collections. Total revenue is estimated to have increased by 24.0 percent, to N$37.1 billion during 2012/13. Recovery in the SACU Common Revenue Pool, as well as the elasticity of domestic revenue streams, particularly taxes on income and profit, anchored revenue growth during 2012/13. SACU receipts almost doubled, increasing by 93.3 percent to N$13.8 billion, while taxes on income and profit increased by 12.9 percent to N$13.1 billion during 2012/13. Consequently, the ratio of total revenue to GDP increased by 3.5 percentage points to 35.5 percent during the period under review (Chart C.56).

Chart C.56: Government revenue



Source: Ministry of Finance

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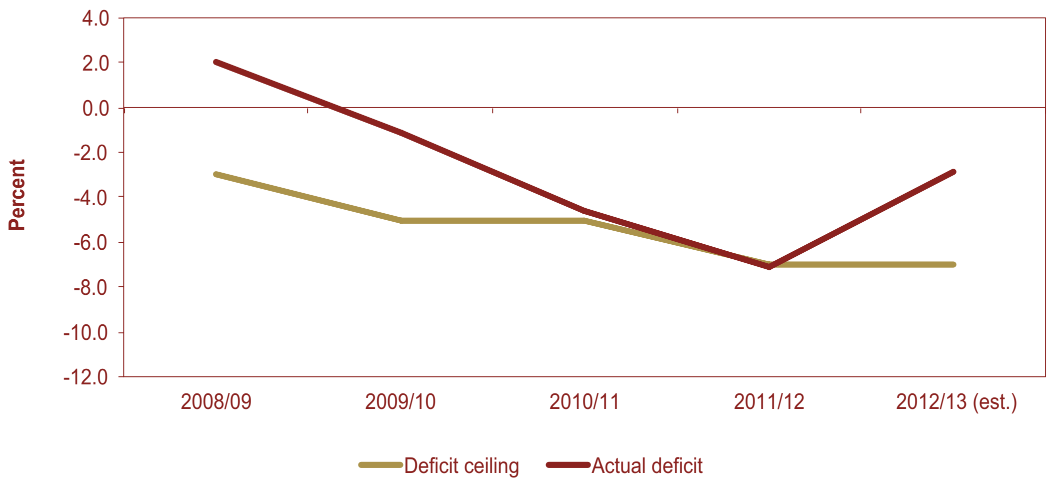
BUDGET DEFICIT

The fiscal consolidation policy undertaken during the 2012/13 fiscal year resulted in a lower budget deficit than in 2011/12. The ratio of budget deficit to GDP is estimated at 2.9 percent during the reviewed period, compared to a higher ratio of 7.1 percent during 2011/12 (Chart C.57). During 2012/13, the fiscal objective of keeping the budget deficit below 7 percent of GDP was therefore fully adhered to. Going forward, the budget deficit is projected to average 4.6 percent of GDP over the 2013/14 – 2015/16 MTEF period.

Chart C.57: Budget balance and deficit target as a percentage of GDP

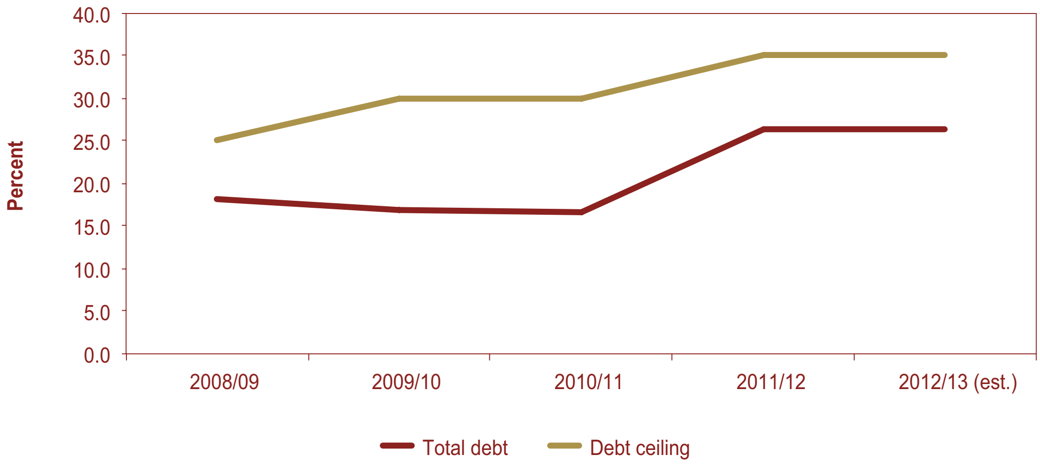


Source: Ministry of Finance

CENTRAL GOVERNMENT DEBT

Total government debt (domestic plus foreign) is estimated to have increased during 2012/13, but declined marginally as a ratio to GDP. Total debt increased by 10.3 percent to N$26.4 billion at the end of 2012 compared to the stock at the end of 2011. The nominal increases emanated mainly from the issuance of the Rand-denominated 850 million ten-year bond on 14 November 2012, listed on the JSE. Debt level as a percentage of GDP, however, declined by 2.9 percentage points to 25.6 percent by end- 2012, as GDP grew at a faster rate than the accumulation of debt. Total debt stock is estimated to have increased to N$27.5 billion (26.3 percent of GDP) by end-March 2013. At that level, the ratio of debt to GDP would remain below the Government's debt ceiling of 35 percent of GDP (Chart C.58).

Chart C.58: Government debt and debt target as a percentage of GDP



DOMESTIC DEBT

Domestic debt increased in nominal terms by the end of 2012 compared to the debt stock at the end of 2011. The total domestic debt stock increased from N$16.0 billion at the end of 2011 to N$17.2 billion at the end of 2012. The increase was reflected in both Internal Registered Stocks (IRS) and Treasury Bills (TBs), whereby IRS increased substantially by 13.4 percent to N$9.2 billion, while TBs increased by only 2.0 percent to N$8.0 billion at the end of 2012. The redemption of the GC12 bond amounting to about N$1.4 billion in October 2012 was offset by the issuance of new bonds during the review period. As a percentage of GDP, domestic debt constituted 16.7 percent, which is slightly lower by 0.9 percentage points compared to the previous year (Table C.11). The slight decline in the ratio is due to the fact that the economy grew at a faster rate than the accumulation of debt, as discussed above. As a proportion of total debt, domestic debt constituted about 65.4 percent at the end of 2012; 1.5 percentage points lower than the ratio at the end of the preceding year.

Table C.11: Central government debt as at 31 December 2012 (N$ million)

	2008	2009	2010	2011	2012
Nominal GDP	**72 946**	**75 070**	**81 136**	**90 842**	**103 158**
Total export of goods and services	**30 927**	**31 720**	**34 338**	**37 311**	**38 610**
Foreign debt stock	**3 690.2**	**3 322.0**	**2 986.1**	**7 917.4**	**9 135.9**
Bilateral	1 536.2	1 425.4	980.3	1 293.5	1 313.6
As % of total	41.6	42.9	32.8	16.3	14.4
Multilateral	2 154.0	1 896.6	2 005.8	2 548.8	2 736.0
As % of total	58.4	57.1	67.2	32.2	29.9
Eurobond				4 075.1	4 236.3
As % of total				51.5	46.4
JSE Listed bond					850.0
As % of total					9.3
Foreign debt service	**266.2**	**730.8**	**305.6**	**203.6**	**406.6**
As % of export	0.9	2.3	0.9	0.5	1.1
Domestic debt stock	**9 489.7**	**10 177.0**	**9 982.6**	**16 029.4**	**17 277.9**
Treasury bills	3 505.0	3 510.4	3 994.1	8 077.6	8 041.9
As % of total	36.9	34.5	40.0	50.4	46.5
Internal registered stock	5 984.7	6 666.7	5 988.5	9 792.6	9 236.0
As % of total	63.1	65.5	60.0	61.1	53.5
Total Central Government debt	**13 179.9**	**13 499.0**	**12 968.7**	**23 946.8**	**26 413.8**
Proportion of total debt					
Foreign debt stock	28.0	24.6	23.0	33.1	34.6
Domestic debt stock	72.0	75.4	77.0	66.9	65.4
As % of GDP					
Foreign debt stock	5.1	4.4	3.7	8.7	8.9
Domestic debt stock	13.0	13.6	12.3	17.6	16.7
Total debt	**18.1**	**18.0**	**16.0**	**26.4**	**25.6**

Sources: MoF, BoN and NSA

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FOREIGN DEBT

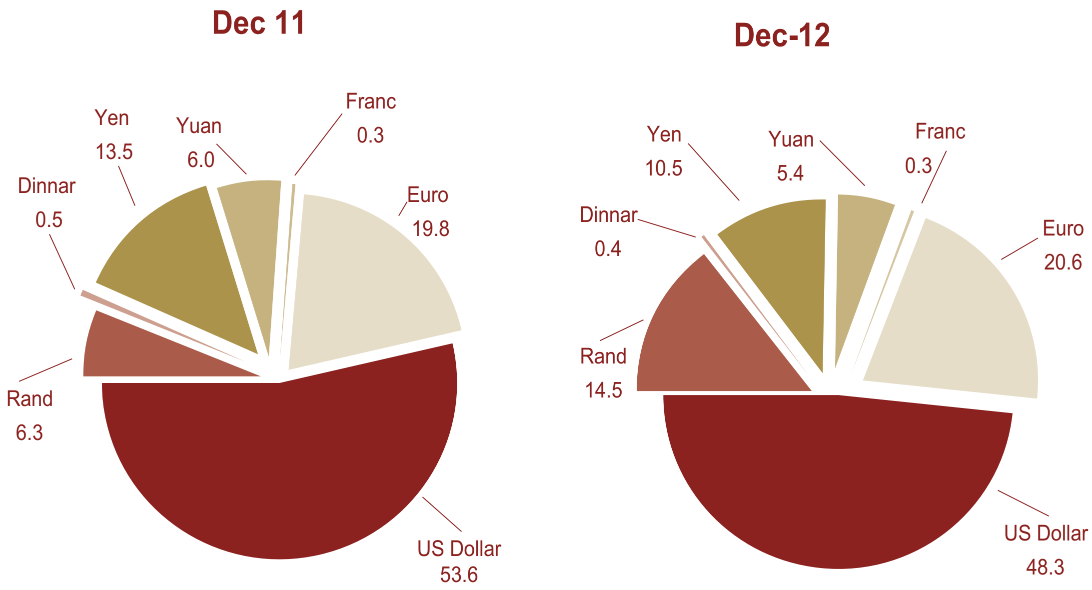
The Government's total foreign debt increased by the end of 2012, compared to the stock at the end of 2011. Foreign debt increased by 15.4 percent to N$9.1 billion at the end of 2012 (Table C.11). The increase was largely due to the issuance of the JSE listed bond, totalling N$850 million, as well as the depreciation of the Namibia Dollar against major trading currencies during 2012. External debt as a percentage of GDP increased marginally by 0.2 percentage point to 8.9 percent at the end of the review period.

The 2011 Eurobond issue took the lion's share of government's external debt portfolio in 2012. In this regard, the Eurobond's value increased by 4.0 percent to N$4.2 billion compared to the stock at the end of 2011, primarily due to the depreciation of the Namibia Dollar against the US Dollar. Multilateral loans, which made up the second largest component, increased by 7.3 percent to N$2.7 billion at the end of December 2012, while bilateral loans increased by 1.6 percent to N$1.3 billion, driven mainly by the local currency depreciation as mentioned above.

CURRENCY COMPOSITION

The US Dollar remained the dominant currency in the total external debt portfolio at the end of 2012, compared to the other currencies. Foreign loans denominated in the US Dollar accounted for 48.3 percent of total foreign debt at the end of December 2012, but were lower by 5.2 percentage points, compared to the ratio at the end of 2011 (Chart C.59). The decline resulted from a substantial increase in the Rand composition, which rose by 8.2 percentage points to 14.5 percent at the end of 2012. The increase in the Rand composition is primarily due to the issuance of the R850 million JSE-listed bond. Moreover, loans denominated in Euro accounted for 20.6 percent of the total external debt at the end of 2012, representing an increase of 0.8 percentage points compared to the end of 2011.

Chart C.59: External debt currency composition (percentage share)



Source: MoF

CENTRAL GOVERNMENT LOAN GUARANTEES

The government's total loan guarantees rose by the end of 2012, compared to the end of the previous year, due to additional borrowing by State Owned Enterprises (SOEs), coupled by a weaker exchange rate. Total stock of loan guarantees stood at N$2.3 billion at the end of 2012, representing an increase of 8.5 percent when compared to the stock at the end of the preceding year (Table C.12). The rise was reflected in foreign loan guarantees, while domestic loan guarantees declined. Total government loan guarantees as a percentage of GDP, however, declined by 0.8 percentage point to 2.2 percent over the same period due to a relatively faster increase in GDP as well as the moderation in domestic loan guarantees.

Table C.12: Central government loan guarantees as at 31 December 2012 (N$ million)

	2008	2009	2010	2011	2012
GDP	**72 946**	**75 070**	**81 136**	**90 842**	**103 158**
Domestic guarantees	1 106.5	1 095.6	1 081.4	945.9	918.0
As % of GDP	1.5	1.5	1.3	1.0	0.9
As % of total guarantees	35.6	41.9	44.5	48.4	43.3
Foreign guarantees	1 999.4	1 519.4	1 346.2	1 008.7	1 203.3
As % of GDP	2.7	2.0	1.7	1.1	1.2
As % of total guarantees	64.4	58.1	55.5	51.6	56.7
Total guarantees	**3 106.0**	**2 615.1**	**2 427.6**	**1 954.6**	**2 121.4**
As % of GDP	4.3	3.5	3.0	2.1	2.1

Sources: MoF, BoN and NSA

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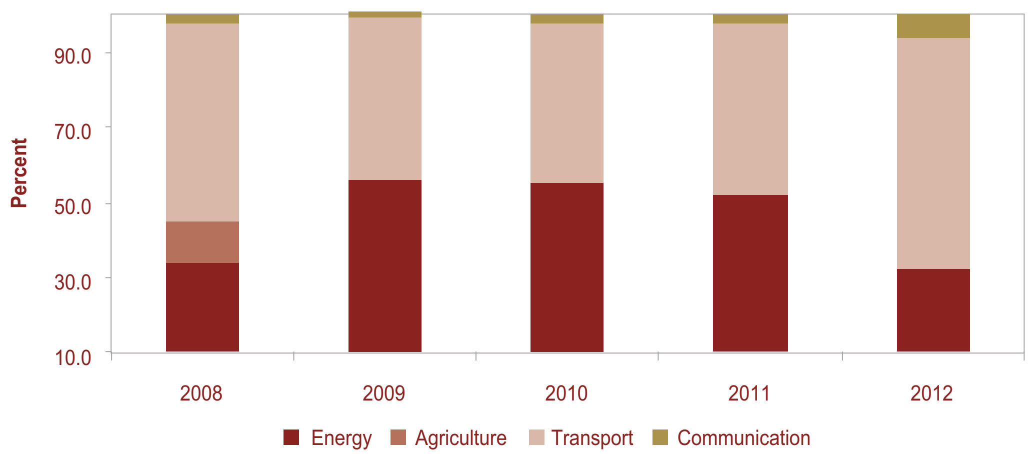
FOREIGN LOAN GUARANTEES

Foreign loan guarantees increased at the end of the review period. Loan guarantees to external creditors increased by 19.3 percent to N$1.2 billion at the end of 2012 compared to the level recorded at the end of the preceding year. The increase in foreign loan guarantees was mainly due to the issuance of the first ever Euro-denominated loan guarantee to the communication sector during the fourth quarter, amounting to N$67.8 million. Loans acquired by the transport sector, coupled by the depreciation of the Namibia Dollar against US Dollar, also contributed to the increase. As a result, the ratio of foreign loan guarantees to GDP rose by 0.1 percentage point to 1.2 percent at the end of 2012.

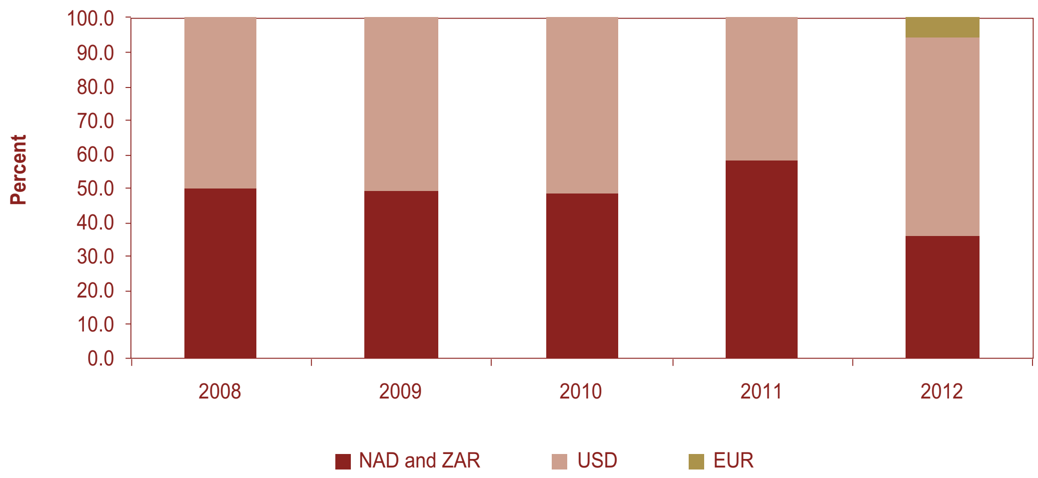
Chart C.60: Proportion of government foreign loan guarantees by sector



Source: MoF

The transport sector made up the largest portion of total loan guarantees issued to foreign creditors, increasing from 46.2 percent to 61.0 percent at the end of 2012 (Chart C.60). On the other hand, the energy sector – the most dominant sector over the past three years – saw a decline in its share to total foreign loan guarantees of 19.3 percentage points to 32.3 percent over the same period. The decline was due to the repayment made on its existing loans in the sector.

Chart C.61: Currency composition of government foreign loan guarantees



Source: MoF

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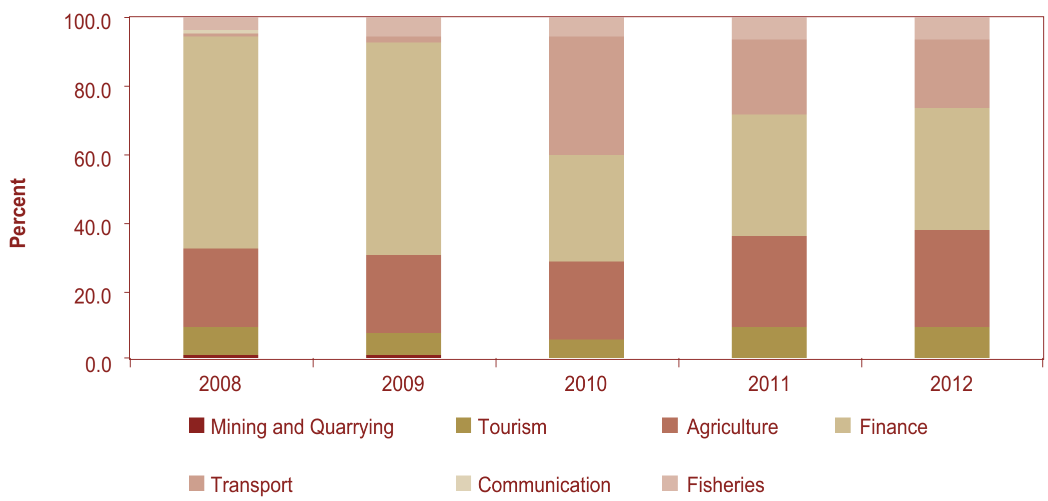
The proportion of government loan guarantees denominated in US Dollar increased by 16.3 percentage points to 58.3 percent at the end of 2012 (Chart C.61). Moreover, due to the new issuance, the portion of the Euro denominated loan guarantees made up 5.6 percent of the total currency composition. The share of Namibia Dollar-South African Rand denominated loan guarantees declined by 21.9 percent to 36.1 percent over the same period.

DOMESTIC LOAN GUARANTEES

Loan guarantees committed by the Central Government to domestic creditors declined at the end of 2012 compared to the previous year. In this regard, domestic loan guarantees declined on an annual basis by 2.9 percent to N$918.0 million at the end of 2012. The drop was reflected in the transport sector, which declined by 13.2 percent at the end of 2012. The finance sector made up the largest portion of domestic loan guarantees, reaching 36.1 percent (Chart C.62). This was followed by loan guarantees to the agricultural and transport sectors, which made up 27.4 percent and 20.0 percent, respectively. Consequently, as a ratio to GDP, domestic loan guarantees moderated slightly by 0.1 percentage point to 0.9 percent at the end of 2012.

Chart C.62: Proportion of government domestic loan guarantees by sector

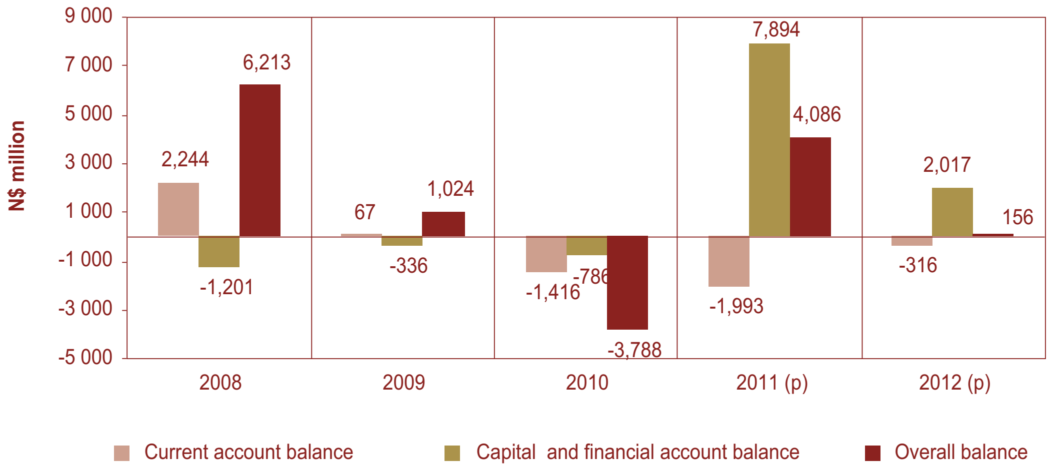


Source: MoF

FOREIGN TRADE AND PAYMENTS[14]

During 2012, the overall balance of payments (excluding valuation adjustments) recorded a small surplus of about N$156 million, compared to a surplus of N$4.1 billion in 2011 (Chart C.63). A significant reduction in capital and financial account inflows and the deficit in the current account, contributed to this development. In addition, the International Investment Position (IIP) of Namibia rose over the same period, largely due to a rise in portfolio investment. Regarding the foreign exchange market, the Namibia Dollar[15] depreciated in nominal terms against the currencies of major trading partners during 2012, in contrast to an appreciation a year earlier. These exchange rate developments were mainly due to negative investors' sentiments created by industrial actions, which led to the downgrading of South Africa's sovereign debt rating, coupled with the improved economic prospects of the advanced economies, especially the US.

Chart C.63: Balance of payments, major accounts



CURRENT ACCOUNT

Namibia's *current account* continued to register an external deficit during 2012, albeit smaller than that of 2011. The *current account* deficit was N$316 million in 2012, compared to N$2.0 billion during the previous year. The reduction of the *current account* deficit during 2012 emanated from sizeable SACU revenue inflows, which largely offset the impact of rapid growth in imports and net investment income outflows. SACU receipts totalled N$12.1 billion in 2012, almost twice the amount received in 2011. As a percentage of GDP, the *current account deficit* stood at 0.3 percent, compared to a deficit of 2.2 percent of GDP during the previous year.

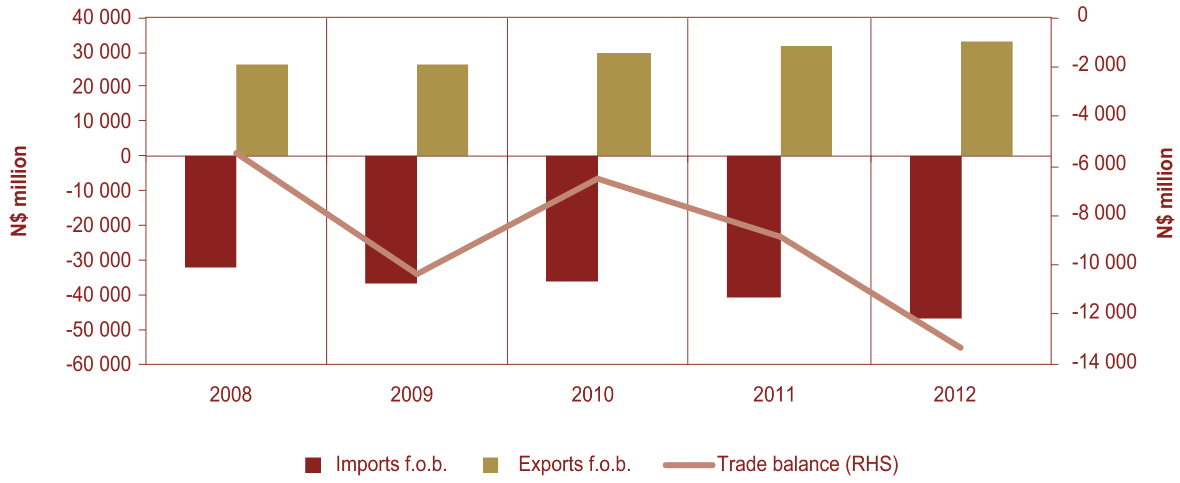
14 p in this section stands for provisional.

15 The exchange rate used for BOP transactions and those referred to in the Exchange rate development Section are simple average rates of the year for the respective currencies, while the exchange rates used for the IIP and External Debt and Public Finance sections are as at the end of period rates.

MERCHANDISE TRADE BALANCE

The deficit in the *merchandise trade balance* deteriorated in 2012 (Chart C.64). The value of *imports* increased by 13.6 percent to N$46.4 billion, while the value of *exports* only grew by 3.5 percent to N$33.1 billion over the same period. The rise in the value of *imports* resulted mainly from higher volumes and values of imported capital goods and increased value of the fuel bill. The growth in *export* earnings, on the other hand, was mainly due to the increase in *diamond* export earnings, coupled with the depreciation of the local currency against major currencies.

Chart C.64: Merchandise trade



Sources: NSA and BoN

EXPORTS

During 2012, Namibia's export *earnings* continued to grow steadily, owing mainly to the recovery of the mineral sector, especially *diamonds* and *gold*, coupled with the depreciation of the local currency. Export earnings for *diamonds* and *gold* rose by 26.3 percent and 29.2 percent to N$8.1 billion and N$981 million, respectively. *Zinc concentrate* and *uranium*, however, displayed poor performance over the same period, mainly due to the depressed global demand for these commodities. Technical constraints experienced at some local mines also contributed to this effect. The value for *manufactured exports* and *food and live animals* receded over the same period, constraining the overall export growth. The net effect resulted in the rise of export earnings by 3.5 percent to N$33.1 billion during 2012 when compared to 2011. *Mineral exports* remained the highest contributor to the total export earnings. The share of *mineral exports* to total exports rose by 4.2 percentage points to 45.3 percent in 2012, from 41.1 percent in 2011. The shares for *manufactured products, food and live animals* and *other commodities*, however, declined (Table C.13). Over the same period, South Africa, the Euro Area and the UK were the top three destinations for Namibian export products. South Africa absorbed commodities such as beverages, beef, live cattle and small stock and fish, while the Euro Area and the UK absorbed mostly diamonds, beef and fish products. Exports to Angola, the US and the Democratic Republic of Congo (DRC) were also significant.

Table C.13: Major export receipts (percentage of total exports)

Export receipts	2008	2009	2010	2011	2012
Minerals	54.3	56.7	44.0	41.1	45.3
Diamonds	24.8	17.3	20.6	20.0	24.4
Uranium	19.6	17.8	17.2	15.6	13.9
Other minerals	9.8	5.6	6.2	5.5	7.2
Food and live animals	11.4	12.0	12.3	12.7	11.4
Manufactured products	27.1	23.7	22.2	22.3	19.7
Other commodities	7.2	23.6	21.4	23.9	23.3

MINERAL EXPORTS

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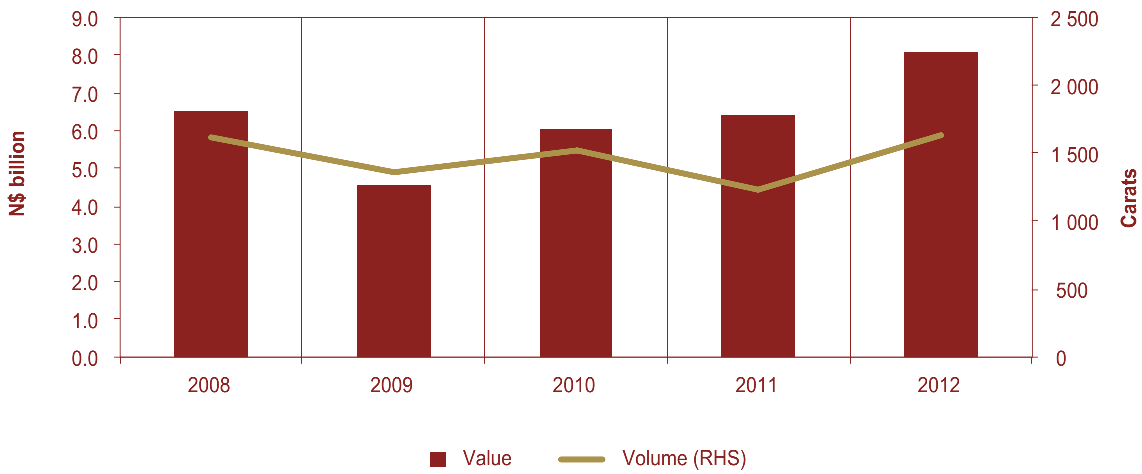
DIAMONDS

***Diamond export earnings* rose substantially during 2012 on the back of improvements in the volume of carats exported and the depreciation of the local currency against its trading currencies.** The increased volume exported was mainly due to the reopening of an old mine onshore and the restoration of an offshore mining vessel. As a result, the volume of exported diamonds rose substantially by 32.8 percent to 1.6 million carats, translating in increased export earnings by 26.3 percent to N$8.1 billion in relation to 2011 (Chart C.65). In 2012, 66.0 percent of the total carats were produced offshore, while 34.0 percent were produced onshore.

Chart C.65: Diamond exports

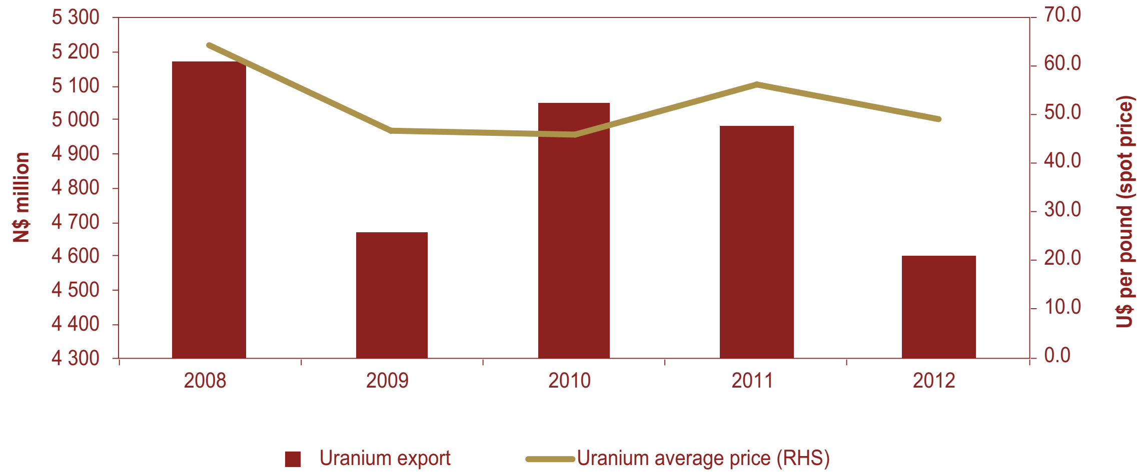


Source: Namdeb

URANIUM

***Uranium export receipts* declined in 2012 compared to 2011, primarily due to the decrease in volumes exported.** This resulted in reduced uranium export receipts by 7.6 percent to N$4.6 billion in 2012 from the earnings recorded in 2011, despite the increase in production (Chart C.66). Uranium exported volumes declined by 8.7 percent over the same period due to shipment constraints. During 2012, international uranium prices continued declining as a result of lower global demand. The average uranium price thus stood at US$49.4 per pound during 2012, representing a drop of 20.2 percent in relation to 2011.

Chart C.66: Uranium – export earnings



Source: Rio Tinto and Langer Heinrich

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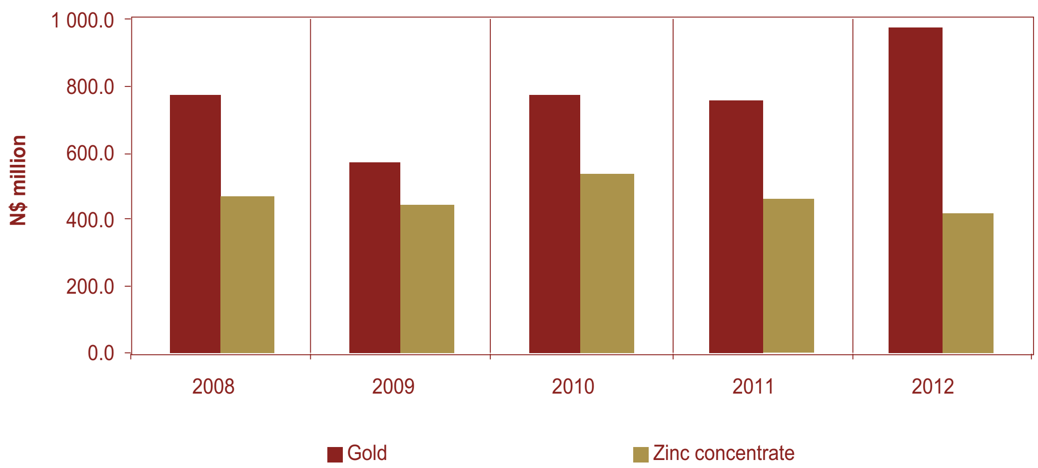
OTHER MINERALS

The *other minerals* category recorded higher export receipts, mainly due to increased earnings for gold and copper concentrate. Export earnings of N$2.4 billion were recorded for this subcategory during 2012, representing an increase of 37.3 percent (Chart C.67). The rise in *gold* receipts stemmed from increased exported volumes, triggered by attractive prices due to its 'safe haven' status. The rise in the export value for *copper concentrate,* however, reflected a low-base scenario, as production and exports at one of the mines only started during the second half of 2011. In contrast, prices for *copper concentrate*, *zinc concentrate* and *lead* showed a decline during 2012, mainly due to persistent uncertainty in the global economy.

Chart C.67: Other minerals – export earnings



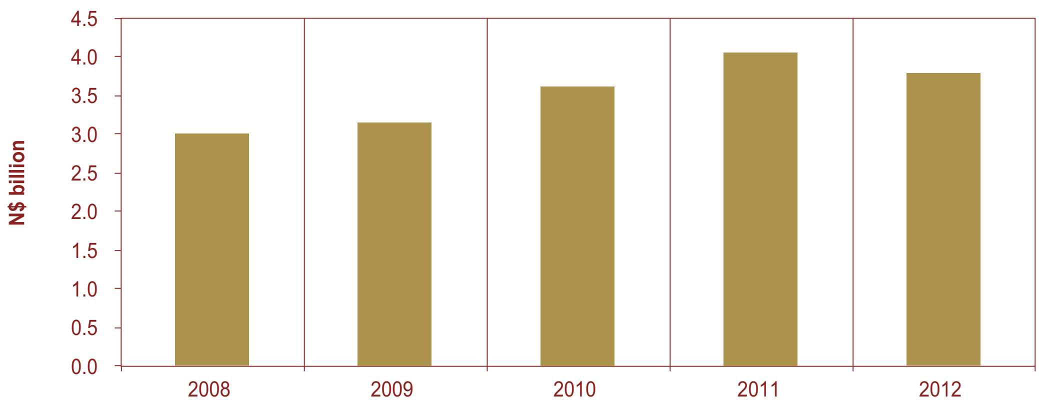
Source: Ministry of Mines and Energy

NON-MINERAL EXPORTS

FOOD AND LIVE ANIMALS

Export earnings for the *food and live animals subcategory* decreased in 2012, as a result of a drop in the export receipts for live animals and meat preparation (Chart C.68). This situation occurred despite the depreciation of the local currency, which caused Namibian exports, particularly *beef* and *fish products* to be relatively competitive on the international market. Furthermore, the diversification of *fish* and *beef products* to other non-traditional markets was unable to turn the overall subcategory into positive territory.

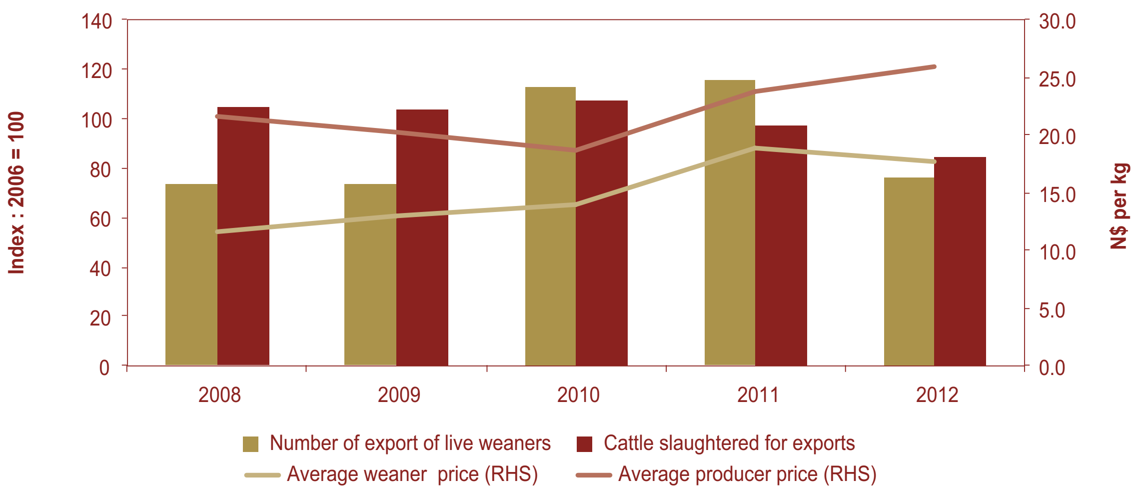
Chart C.68: Food and live animals – export value



Source: Meat Board of Namibia

During 2012, export receipts for the subcategories *live animals and meat and meat preparation* dropped by 39.9 percent and 12.1 percent to N$739 million and N$1.1 billion, respectively. The fall in export earnings for *live animals*, predominantly *live weaners*, resulted mainly from the low demand due to higher input cost for feedlots in South Africa. This has been exerting downward pressure on prices for weaners since the beginning of the year under review. As a result, the number of live weaners exported fell considerably by 33.9 percent to 132 449 during 2012, compared to 2011 (Chart C.69). The decline in the export earnings for *meat and meat preparation*, on the other hand, was partly due to the general shortage of cattle stock available for the market in 2012, following vigorous sale activities during the previous two years. The shortage resulted in a rise in the average producer price for beef by 9.1 percent, to N$26.0 per kilogram. *Fish, lobster and crab*, however, recorded a rise of 4.4 percent to N$1.2 billion over the same period. This was achieved despite economic volatility in the Euro Area, Namibia's main fish export destination.

Chart C.69: Cattle exported – live and slaughtered

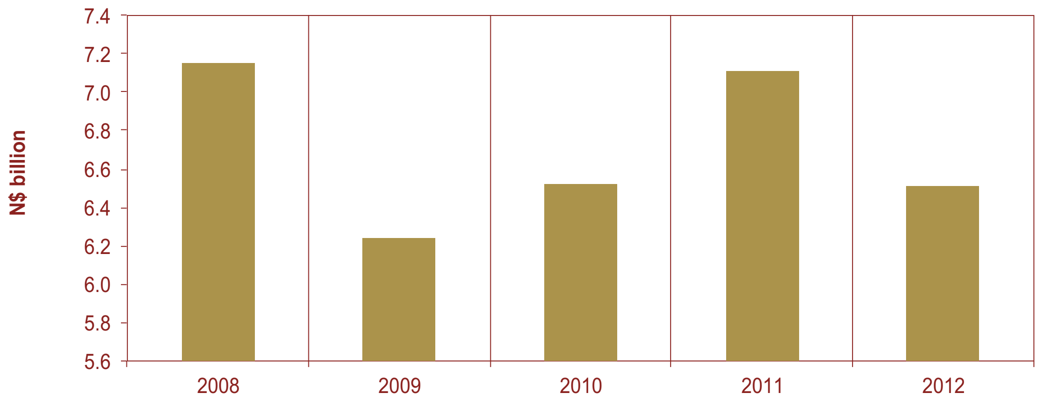


Source: Meat Board of Namibia

MANUFACTURED PRODUCTS

Export earnings for *manufactured products* were lower during 2012 mainly due to the poor performance of beverages and processed diamonds resulting from operational constraints. Consequently, export receipts for manufactured products declined by 8.3 percent in 2012 to N$6.5 billion. This was realised despite the increase in export earnings for *fish products* (Chart C.70).

Chart C.70: Manufactured products – export value



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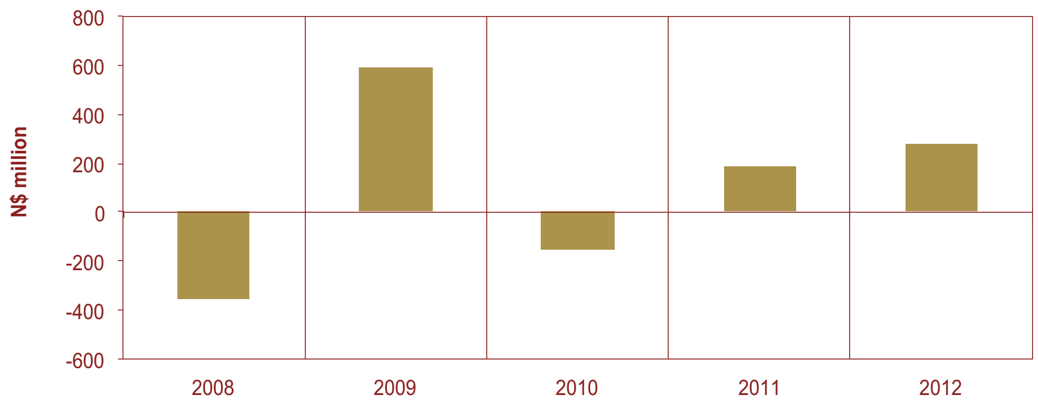
IMPORTS

During 2012, the value of *merchandise imports* increased by 13.6 percent to N$46.4 billion in comparison with 2011, owing to the rise in imported capital goods and fuel. South Africa remained the leading source of import for Namibia, from where *vehicles, fuel, pharmaceuticals*, *cigarettes, beverages* and various *household items* were imported. The Euro Area, China, the UK and Zambia were the other important sources of imports.

SERVICES TRADE BALANCE

Namibia's *net services* balance registered a surplus of N$278 million in 2012 compared to a surplus of N$192 million in 2011, due to increases in net travel-related services. *Net travel services* increased by 21.0 percent to N$2.7 billion during 2012 (Chart C.71). This could partly be ascribed to the depreciation of the local currency, which rendered affordable services to a growing number of non-resident tourists. This was, however, offset by the increased import-driven rise in the payments for *transportation* services.

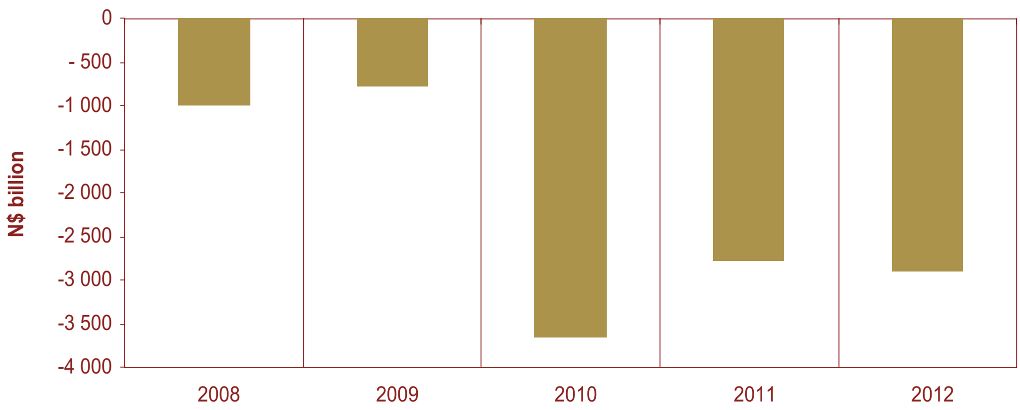
Chart C.71: Net trade in services



INVESTMENT INCOME

As in the past, *net investment income* was negative. Investment income recorded a higher net outflow of N$2.9 billion during 2012 from N$2.8 billion in 2011 (Chart C.72). The principal cause of the increased outflow was a rise in *other investment income* accrued to foreign investors.

Chart C.72: Net investment income



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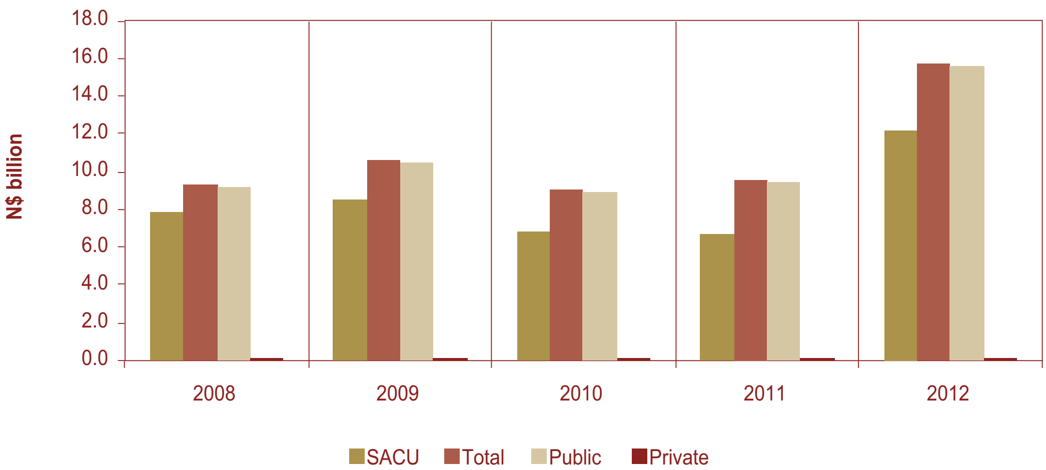
CURRENT TRANSFERS

***Net current transfers* rose by 63.4 percent to N$15.7 billion in 2012, primarily due to higher SACU receipts than in 2011.** SACU receipts, the main contributor to the overall *current transfers*, rose by 82.8 percent to N$12.1 billion compared to the amount received during 2011 (Chart C.73). For the year 2012, net current transfers represented 15.2 percent of GDP at current prices compared to 10.6 percent during 2011.

Chart C.73: Current account transfers



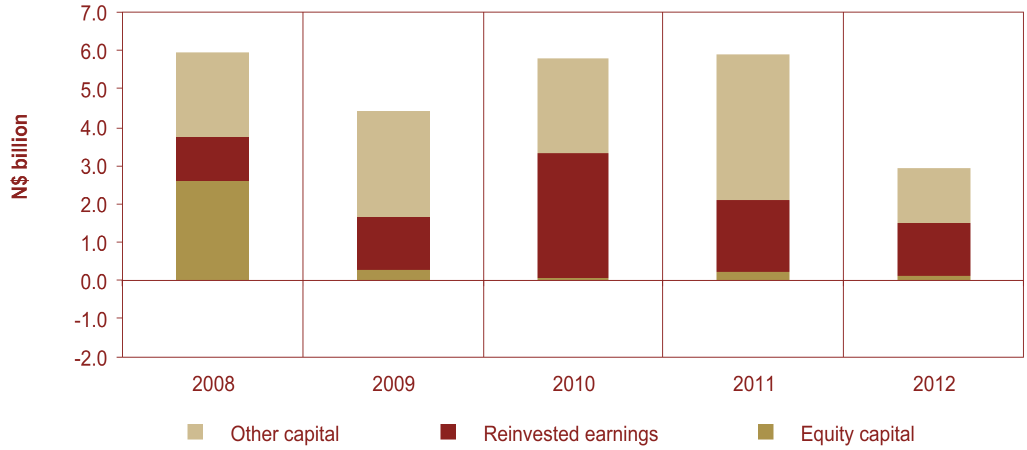
CAPITAL AND FINANCIAL ACCOUNT

During 2012, the *capital and financial account* registered a much smaller surplus of N$2.0 billion compared to a surplus of N$7.9 billion in the previous year. This was mostly attributed to reduced foreign direct investment (FDI) inflow and large net portfolio outflow, while net capital transfers decreased.

FOREIGN DIRECT INVESTMENT (FDI)

On an annual basis, FDI inflow declined from N$5.9 billion to N$2.9 billion during 2012 (Chart C.74). The category *other capital* (i.e. inter-company loans) dropped by N$2.4 billion to N$1.4 billion as a result of decreased net borrowing of foreign-owned entities from their parent companies abroad, thus contributing to the reduced FDI inflows. *Reinvested earnings* also decreased by N$532 million to N$1.4 billion when compared to 2011, due to lower operating profits made by Namibian entities during 2012.

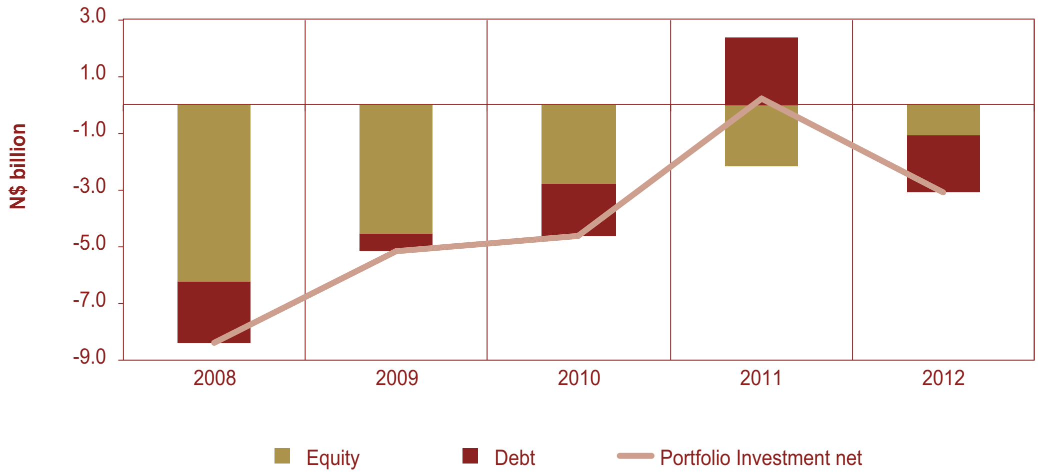
Chart C.74: Foreign direct investment inflows



PORTFOLIO INVESTMENTS (NET)

Compared to 2011, capital flows in *portfolio investment* moved from an inflow of N$224 million to a net outflow of N$3.1 billion in 2012, largely on account of reduced inflows in debt securities (Chart C75). The *debt security* issued amounted to N$850 million (JSE listed bond) against an inflow of N$3.9 billion in 2011, when Namibia made a debut in the Eurobond market. In 2012, outflows in *equity instruments* were lower than in 2011, continuing the trend observed during the previous few years.

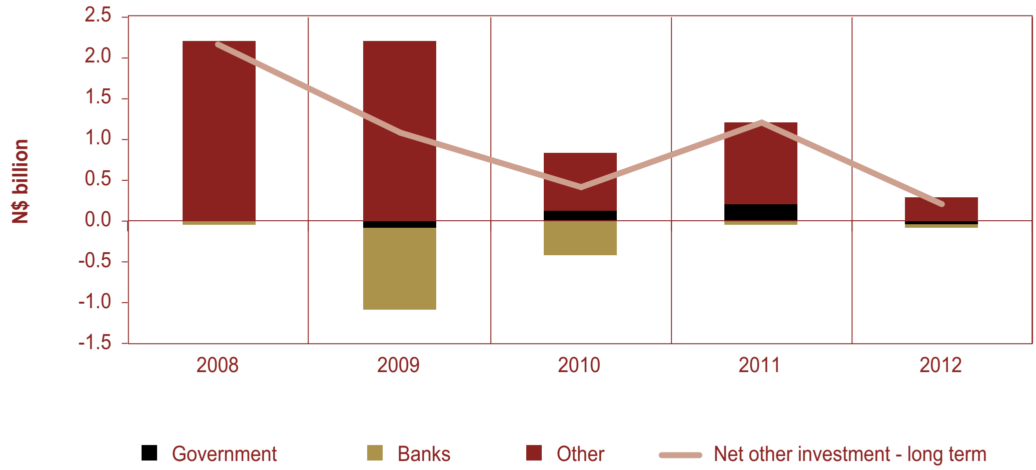
Chart C.75: Portfolio investments (net)



OTHER INVESTMENTS (NET)

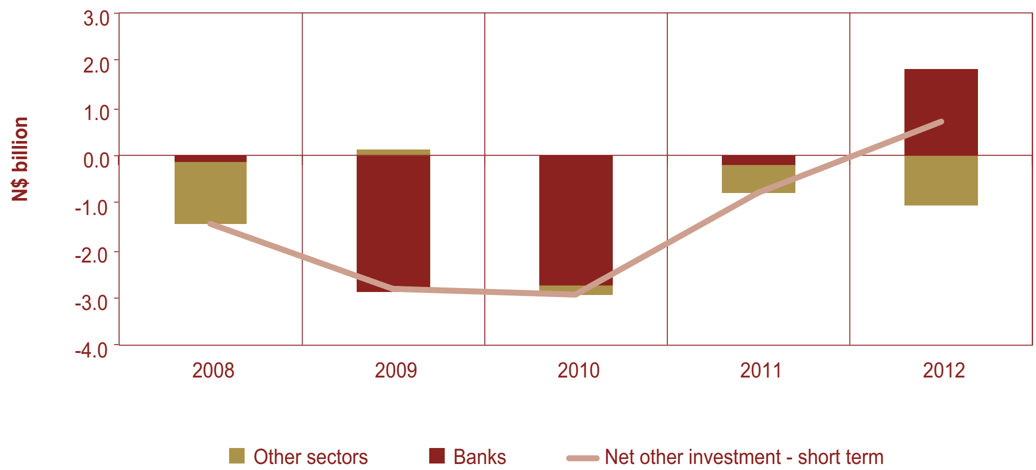
During 2012, other *investment–long term*[16] recorded a reduced net inflow due to a decline in drawings on loans by the General Government, while repayments increased. The lower inflow in this category amounted to N$179 million compared to an inflow of N$1.2 billion during the previous year (Chart C.76). Liabilities of *other sectors with non-residents* declined by N$806 million to N$72 million, while the foreign assets were reduced by N$107 million to N$218 million over the same period. This resulted in decreased capital inflows for *other sectors* by N$699 million to N$290 million during 2012.

Chart C.76: Other investment–long term (net)



The category other *investment–short term* registered a net inflow of N$731 million from a net outflow of N$797 million during the previous year (Chart C.77) due to increased liabilities of the banking sector. The private sector, on the other hand, decreased its foreign liabilities by a higher amount of N$1.2 billion compared to N$471 million during the previous year. The resultant outflow of capital from this transaction was, however, not enough to reduce the inflow derived from increased borrowings by banks, which was N$1.5 billion.

Chart C.77: Other investment short-term (net)

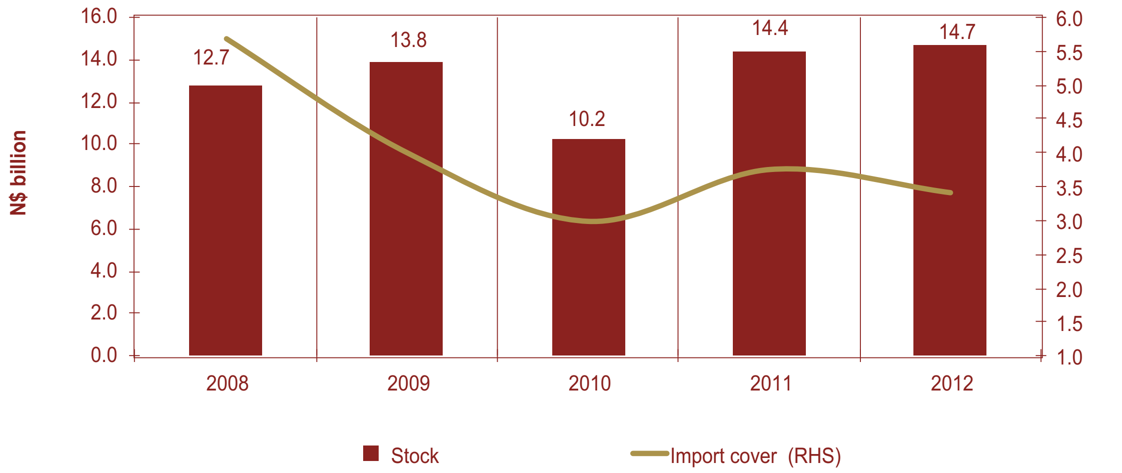


16 This consists of loans with an original contractual maturity of more than one year or with no stated maturity (e.g. equity securities), while other investment–short term is payable on demand (e.g. currency) or with an original contractual maturity of one year or less.

INTERNATIONAL RESERVES

The stock of *international reserves* held by the Bank rose by 2.1 percent to N$14.7 billion in 2012 as a result of higher net inflow of funds (Chart C.78). The increase in reserves emanated from the rise in SACU receipts, the issuance of the ZAR bond on the JSE, the repatriation of ZAR banknotes to South Africa, and valuation adjustments due to the depreciation of the Namibia Dollar. In line with a significant increase in imports, the months of import cover fell from 3.8 months in 2011 to 3.4 months in 2012. The aforementioned months of import cover is slightly above the international benchmark of 3.0 months.

Chart C.78: Stock of international reserves



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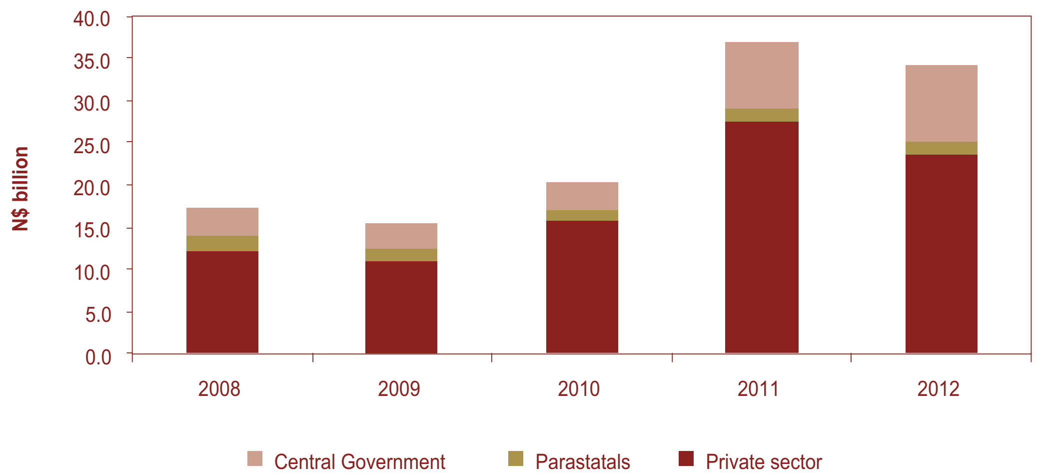
EXTERNAL DEBT

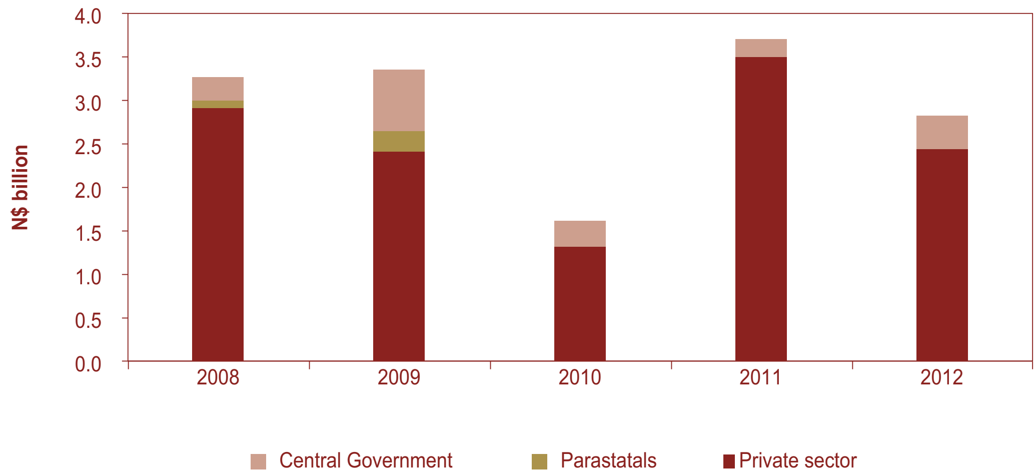
Namibia's total *external debt* stock declined by 7.0 percent to N$34.3 billion in 2012, from its level at the end of 2011. The decrease in borrowing primarily by the *private sector* resulted in declined overall external debt. *Private sector debt* decreased to N$23.6 billion in 2012, a decline of 14.3 percent compared to the stock level at the end of 2011. On the contrary, *Central Government* and *parastatal debt stock* rose by 15.4 percent and 9.1 percent to N$9.1 billion and N$1.6 billion, respectively, over the same period (Chart C.79). The current external debt levels as a ratio of GDP stood at 33.2 percent compared to 40.6 percent in 2011.

Chart C.79: External debt outstanding



Namibia's *external debt servicing* declined by 23.7 percent to N$2.8 billion in 2012 compared to the previous year due to decreased interest and principal payments on the debt servicing of the private sector. The loan repayments by the *private sector* declined to N$2.4 billion in 2012 from N$3.5 billion in 2011. On the contrary, debt servicing by the *Central Government* rose to N$403.5 million from N$203.6 million in the previous year, largely due to interest payments on the Eurobond issued in 2011 (Chart C.80).

Chart C.80: External debt servicing

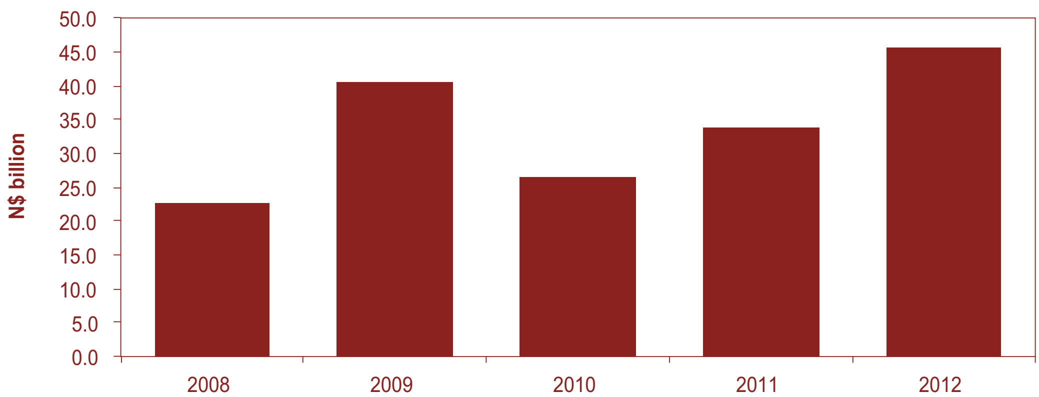


In 2012, the ratio of *debt servicing to exports* stood at 8.6 percent compared to 11.6 percent at the end of 2011. The decline in the ratio was due to a combination of lower external debt servicing and higher exports. The ratio remains below the international benchmark of 15.0 – 25.0 percent and implies that Namibia continues to meet its debt servicing obligations easily and is at a low risk of default.

INTERNATIONAL INVESTMENT POSITION

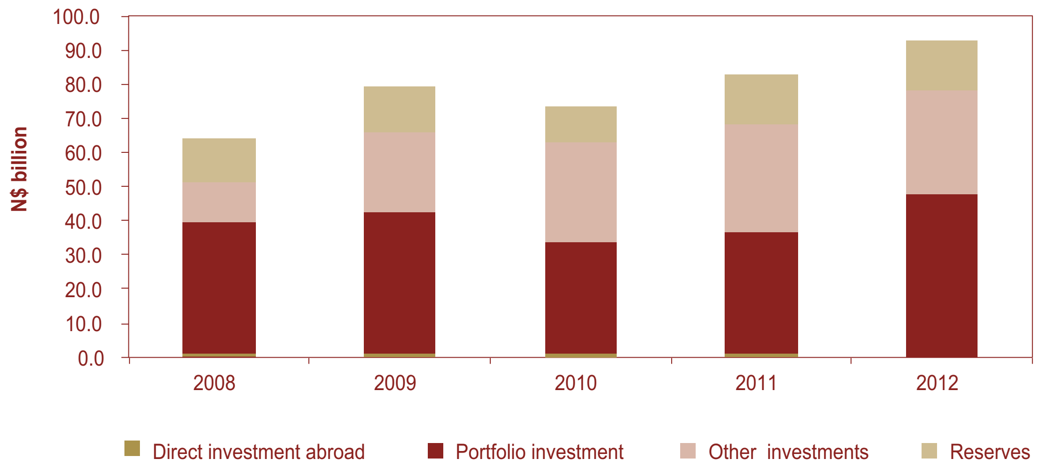
In 2012, the global economy was characterised by sluggish and uneven growth in most of the advanced economies, which had spillover effects to some emerging and other developing economies. In spite of these developments, the net asset position of Namibia rose from N$33.7 billion to N$45.4 billion in 2012, mainly due to a relatively high investment in *portfolio assets* abroad (Chart C.81).

Chart C.81: Net international investment position



Namibia's *foreign assets increased* in 2012 largely due to the rise in *portfolio investments*. The country's foreign assets rose by 12.8 percent to N$93.1 billion at the end of 2012 compared to the previous year (Chart C.82). *Portfolio investments* abroad rose from N$36.4 billion to N$47.6 billion, while *international* *reserves* rose slightly by 2.1 percent to N$14.7 billion. The rise in *portfolio investments* was mainly due to the increased investment in *debt securities* of 38.1 percent to N$19.6 billion. On the local platform, the liberalisation of exchange-control measures from 30.0 percent to 35.0 percent of total assets for institutional investors in 2010 continues to have a positive effect on such investments. In addition, the depreciation of the Namibia Dollar against most of the denominated foreign currencies, primarily the US Dollar and Pound, aided the increases in the asset position due to valuation adjustments.

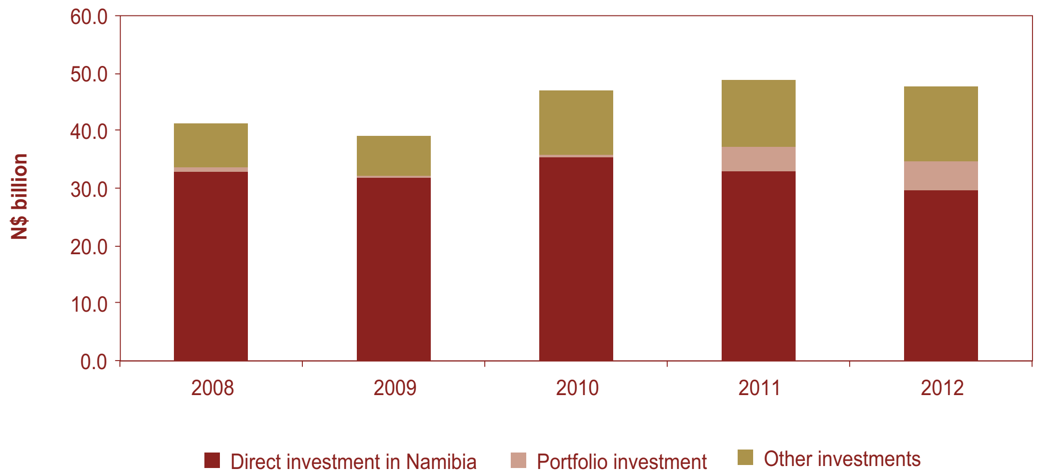
Chart C.82: International investment position – assets



Foreign liabilities declined by 2.4 percent to N$47.6 billion at the end of 2012, mainly as a result of a decrease in *direct investment in Namibia*. In this regard, *foreign direct investment into Namibia*, which is the country's most significant liability declined by 10.0 percent to N$29.7 billion. A reduction in inter-company loans of 18.8 percent to N$19.1 billion was the primary cause for this decline (Chart C.83).

The above developments in both Namibia's asset and liability position resulted in a higher net asset position for the country.

Chart C.83: International investment position – liabilities

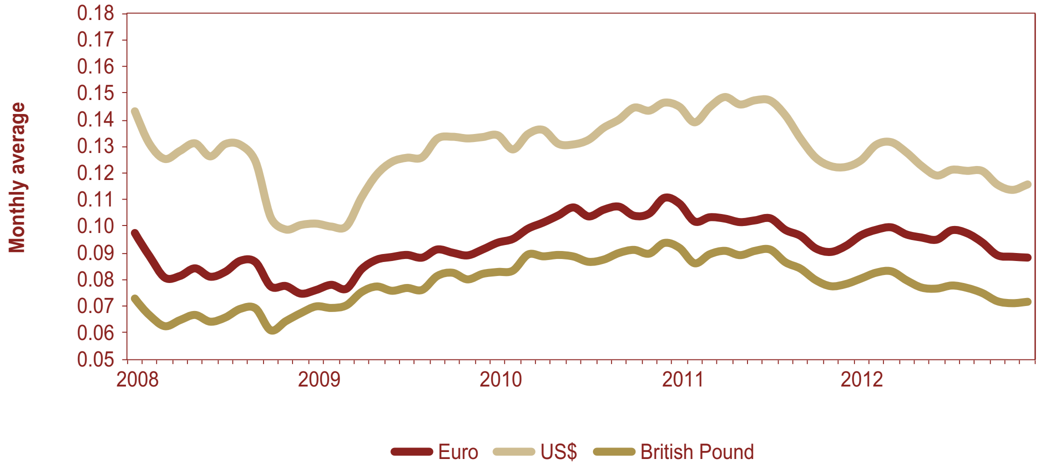


EXCHANGE RATE DEVELOPMENTS

During 2012, the Namibia Dollar/Rand weakened against the US Dollar, British Pound and Euro, resulting in some gains in external competitiveness. The weakening of the Namibia Dollar/Rand was attributed to the negative sentiment of investors arising from virulent industrial actions in South Africa, which led to the downgrading of South Africa's sovereign debt rating by Moody's and Standard and Poor (S&P).

The Namibia Dollar/Rand depreciated by 13.2 percent against the USD, 12.0 percent and 4.7 percent against the Pound and Euro, respectively (Chart C.84). The appreciation of the US Dollar against the Namibia Dollar/Rand was driven by improved US economic data and risk aversion stemming from the Euro area debt crisis, resulting in the US Dollar gaining precedence among investors, particularly during the fist nine months of 2012. The appreciation of the British Pound against the Namibia Dollar, reflected the cross rates between the US Dollar and British Pound.

Chart C.84: Selected foreign currency against the Namibia Dollar



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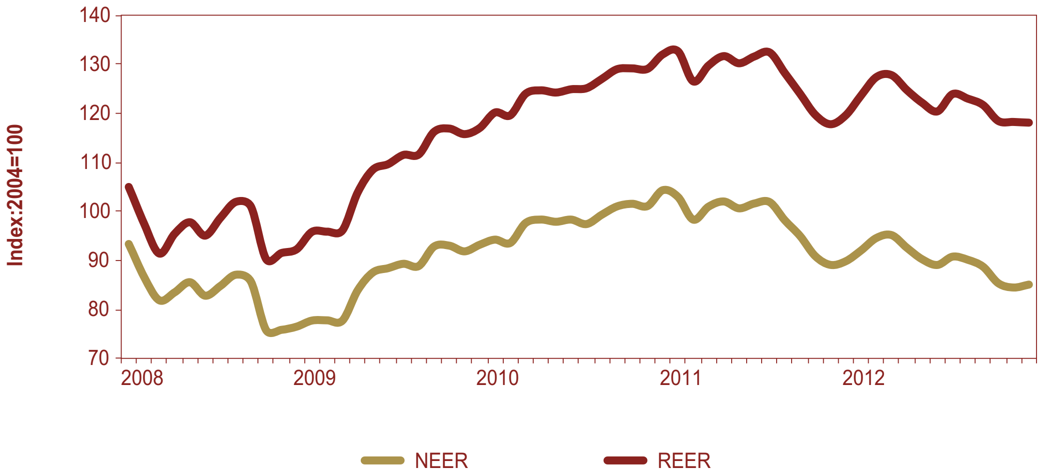
TRADE-WEIGHTED INDEX

Namibia's *external competitiveness* improved in 2012 on the back of a depreciation of the trade-weighted effective exchange rate (Chart C.85). The nominal effective exchange rate (NEER) index declined by 0.9 percent in 2012. The 0.9 percent depreciation of the national currency occurred mainly during the last quarter of 2012. Similarly, the real effective exchange rate (REER) index[17] decreased to 126.2 from 127.0 during the same period, representing a trade-weighted depreciation of 0.6 percent. The depreciation of the REER resulted in Namibian products gaining competitiveness on the international markets.

Chart C.85: Trade-weighted effective exchange rate indices



17 The REER index is the deflation of the NEER with the relative consumer price indices, that is, the ratios of Namibia's CPI and that of the major trading partners.

Part D | Banking Supervision

Content

INTRODUCTION

The *banking sector remained sound* during the period under review. This was supported by strong and consistent capital levels, together with strong aggregate balance sheet growth, improved profitability and liquidity. Non-performing loans remained at low levels, given the low interest-rate environment. The outlook for the banking sector remains positive, with strong balance sheet growth, expected.

DEVELOPMENTS IN THE LEGAL AND REGULATORY FRAMEWORK

PROPOSED AMENDMENTS TO THE BANKING INSTITUTIONS ACT

One of the key responsibilities of the Bank, as a regulator or supervisor of banking institutions, is to ensure that the applicable legal framework for the regulation and supervision of banking institutions in Namibia remains effective, relevant and current. To this end, the legal framework is benchmarked, at least annually, against applicable international best supervisory standards and practices, as well as developments in both the local and international financial markets.

During 2012, the Bank embarked on a review to consolidate the Banking Institutions Act, 1998 and the Banking Institutions Amendment Act, 2010. At the same time, the Bank also reviewed the banking legislation and identified a number of critical issues that necessitated urgent amendments to the Act. The following are the key issues identified and considered in the proposed amendments:

- Streamlining of definitions in the Act to provide more clarity and to ensure proper application thereof;
- Introducing a framework for micro-finance (second-tier) banking institutions in an effort to enhance broader access to financial services;
- Addressing challenges regarding the implementation of provisions relating to illegal (pyramid) schemes in the Act;
- Addressing challenges regarding the implementation of provisions relating to ownership in banking institutions as enacted in the Amendment Act of 2010; and
- Strengthening the provisions relating to regulatory intervention and problem bank resolution.

D

DETERMINATIONS AND OTHER BYLAWS

During 2012, the Bank continued to *develop and amend the various* bylaws in order to strengthen the enforcement of some of the sections of the Banking Institutions Act of 1998, as amended. As part of this exercise, the following Determinations have been repealed and replaced:

- Determination on the Appointment, Duties and Responsibilities of Independent Auditors of Banking Institutions (BID-10);
- Determination on Branches of Foreign Banking Institutions (BID-22); and
- Determination on Consolidated Supervision (BID-24).

In addition, the following bylaws were in the final stages towards gazetting:

- Determination on the Imposition of Administrative Fines (BID-25);
- Determination on the Appointment, Duties and Responsibilities of Directors, Principal Officers and Executive Officers of Banking Institutions and Controlling Companies (BID-1); and
- The Regulations applicable to Post Office Savings Bank.

DEVELOPMENTS IN THE BANKING INDUSTRY

LICENSING OF BANKING INSTITUTIONS

The *issuing of licences* to prospective banking institutions that meet the set minimum requirements forms part of the mandate of the Bank. During the period under review, the Bank granted a banking licence to Small and Medium Enterprise Bank Limited (SME Bank), an institution aimed at enhancing the financial inclusion and development agenda of the SME sector in Namibia. Also in 2012, the Bank received four new applications for authorisation to conduct banking business in Namibia or for authorisation as branches of foreign banking institutions. These applications are still under consideration.

ON-SITE EXAMINATIONS AND OFF-SITE ANALYSES

D

During the year under review, the Bank carried out its *supervisory function* as mandated by the Banking Institutions Act of 1998, as amended. In this regard, the Bank undertook a number of regulatory and supervisory activities through the conduct of on-site examinations and off-site analyses of banking institutions in accordance with internationally accepted best practices, as recommended by the Basel Committee on Banking Supervision. The financial analyses performed on banking institutions as at 31 December 2012 concluded that the banking industry remained financially sound and stable.

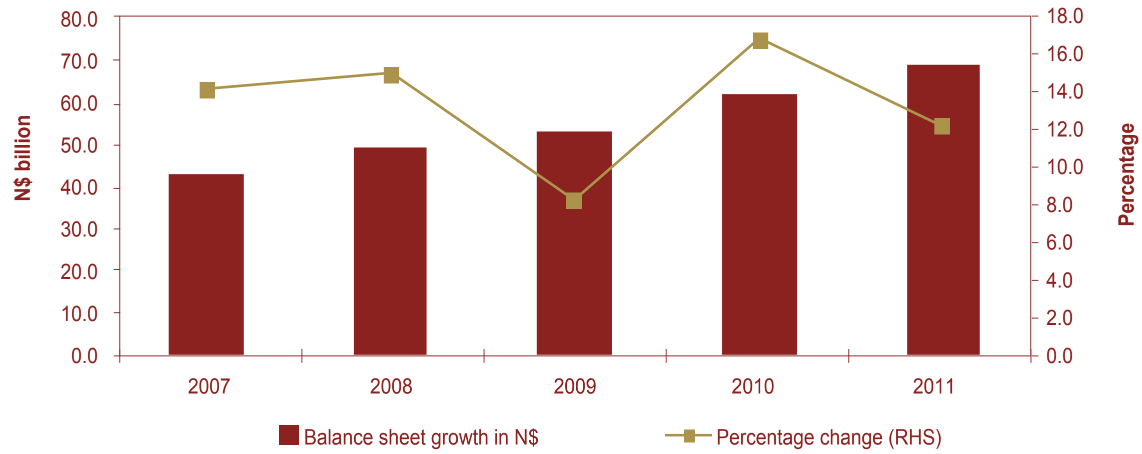
The Bank conducted *two targeted, risk-based examinations* and *two follow-up examinations*, the conclusions of which confirmed that the overall performance of the examined banking institutions was fundamentally sound. The primary objective of these examinations was to provide supervisory assurance on the financial condition and soundness of the Namibian banking system. In addition, the Bank, through its off-site analyses, analysed the banking institutions' monthly and quarterly statutory returns in order to monitor the financial soundness of supervised banking institutions and to ensure compliance with the prescribed prudential standards and limits. Weaknesses identified during the examinations were reported to the particular banking institution's Executive Management and presented to the Board of Directors, to facilitate timely remedial action. The assessments conducted during these on-site examinations confirmed that the overall performance of the examined banking institutions was fundamentally sound.

PERFORMANCE OF THE BANKING SECTOR

BALANCE SHEET STRUCTURE

During the year under review, the banking sector *balance sheet* grew, though the growth rate was lower than the rate recorded for the previous year (Chart D.1). The balance sheet grew by 11.8 percent to N$67.1 billion compared to the 16.4 percent growth rate recorded the previous year. Although at a reduced rate, the growth mainly stemmed from the increase in *total loans and advances* on the asset side, and *non-bank funding* on the liability side.

Chart D.1: Aggregated balance sheet growth

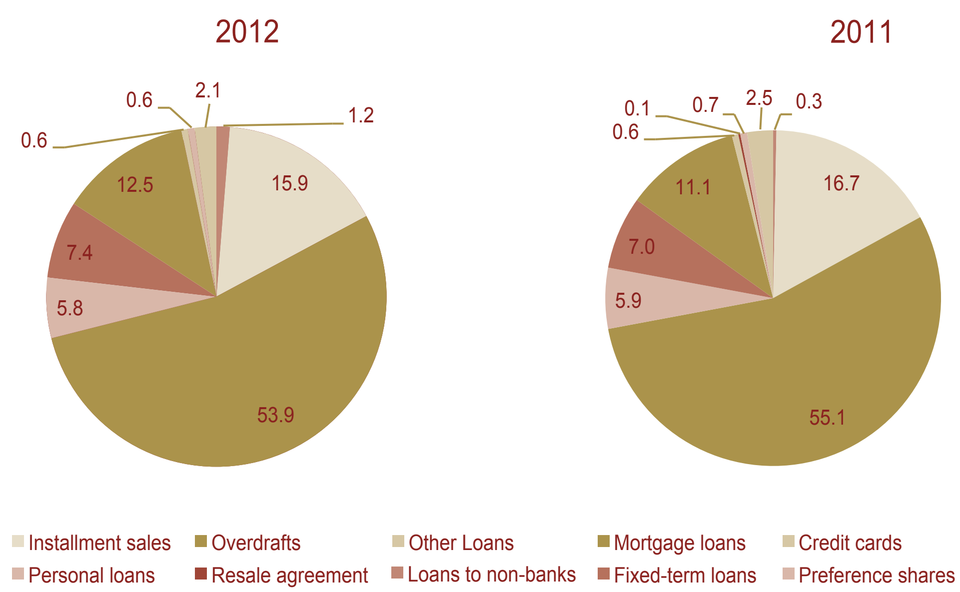


ASSETS STRUCTURE

On the asset side of the balance sheet, the growth was largely driven by the 17.2 percent increase in total loans and advances to N$50.5 billion (Chart D.2). *Loans and advances* were particularly influenced by an upsurge in the commercial real estate and residential mortgages which increased from N$23.8 billion to N$27.2 billion, and *overdrafts* which increased from N$4.8 billion to N$6.3 billion. The other categories that contributed to the positive asset growth were *short-term negotiable securities*, from N$6.3 billion to N$6.9 billion and the *investment portfolio*, from N$1.7 billion to N$1.8 billion.

In terms of the composition of assets, loans and advances continued to dominate the banking sector's assets, constituting 74.3 percent as at December 2012. *Short-term securities*, and *cash and cash balances with banking institutions* followed, at 10.4 percent and 9.8 percent, respectively. *Trading and investment*, *fixed assets* and *other assets portfolios* accounted for the remaining 5.5 percent of the total asset mix. A breakdown of the composition of loans and advances showed that the loan book remains concentrated in *mortgages* which account for 54.0 percent (Chart D.2). *Instalment sales* and *overdrafts* followed at 16.0 percent and 12.0 percent, respectively, while the remaining portfolios represented for the rest of 18.0 percent.

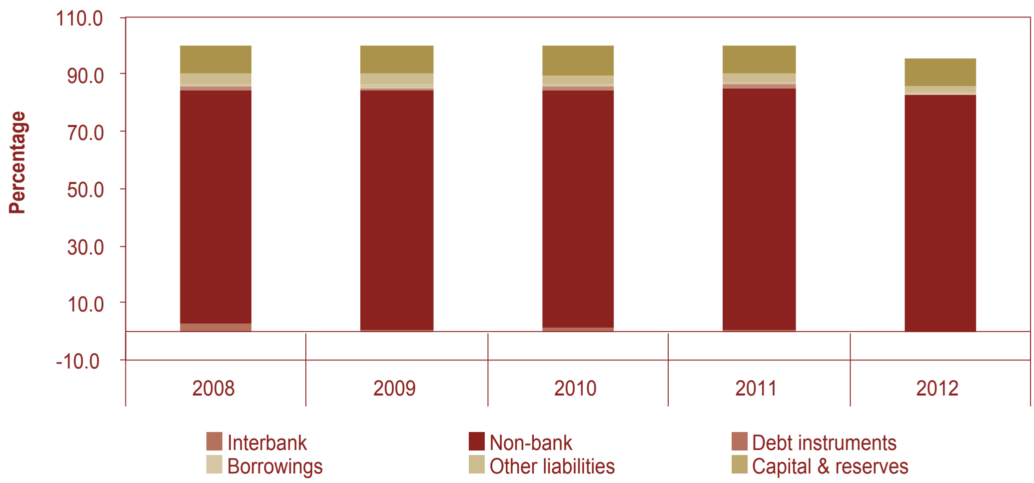
Chart D.2: Composition of total loans and advances (Percent)



FUNDING STRUCTURE

On the liability side of the balance sheet, the growth was mainly attributed to *non-bank funding (deposits)*, *interbank funding* and *capital and reserves*. *Deposits* grew by N$4.8 billion to N$55.3 billion, *interbank funding* by N$1.4 billion to N$1.9 billion and *capital and reserves* by N$749.8 million to N$6.5 billion, respectively. *Deposits* alone comprised 82.5 percent of the banking sector total funding[18], while *equity capital* and *interbank funding* made up 9.7 percent and 2.9 percent of total funding, respectively (Chart D.3).

Chart D.3: Composition of total liabilities and capital



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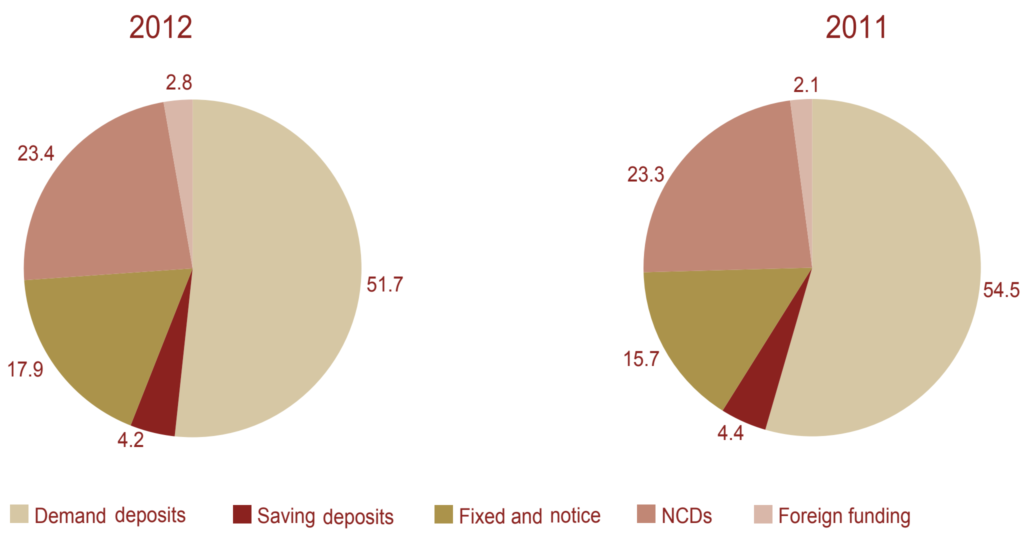
Further analysis of the total deposits showed that *demand deposits* continued to constitute the biggest share of non-bank deposits, representing 52.0 percent of funding (Chart D.4). *Negotiable certificates* came next, with *fixed and notice deposits* following, with a share of 23.0 percent and 18.0 percent of total funding, respectively. The remaining 7.0 percent was made up of *savings deposits* and *foreign funding*.

Chart D.4: Composition of deposits (Percent)



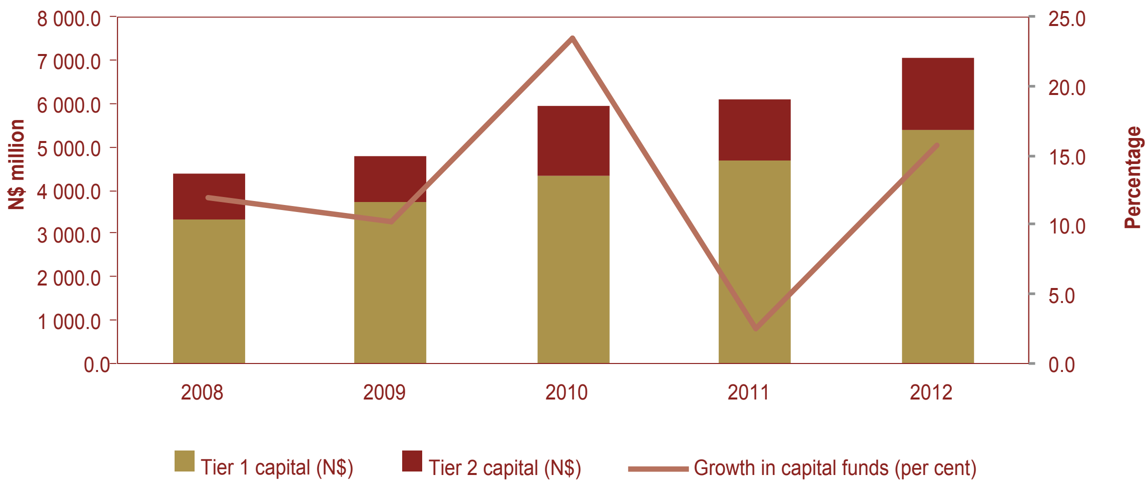
18 Total funding comprises all liabilities to the public, including capital and reserves; also termed 'liabilities and capital'.

CAPITAL ADEQUACY

During 2012, the banking sector remained *well capitalised,* although some instances of non-compliance with the provisions of BID-5 were observed. Banking institutions are compelled, in terms of the Determination on the Measurement and Calculation of Capital Charges for Credit, Operational and Market Risk (BID-5), to hold capital and reserves sufficient to support risk exposures that arise from their operations.

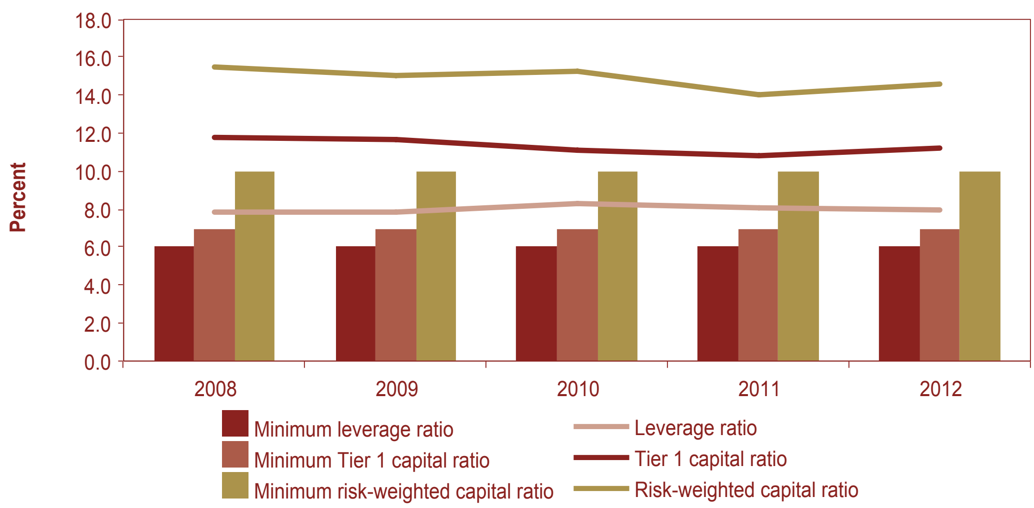
Total *qualifying capital* grew to N$7.1 billion, representing a growth level of 15.8 percent compared to the mere 2.5 percent growth reported in 2011. The growth in qualifying capital occurred in both the *Tier 1 capital* and *Tier 2 capital*, by N$692.0 million to N$5.4 billion and N$271.2 million to N$1.7 billion, respectively. The capital components that led to the increase in the Tier 1 capital were *general reserves*, *retained profits* and *share premium*, while *subordinated term debt*, *current unaudited profits* and *general provisions* contributed to the growth in the Tier 2 capital. The composition of total qualifying capital in terms of Tier 1 capital and Tier 2 capital is illustrated in Chart D.5.

Chart D.5: Elements of capital funds



The banking sector's *risk weighted capital ratio (RWCR)* increased to 14.6 percent from 14.0 percent reported in December 2011. The increase in the ratio stemmed from a higher 15.8 percent increase in the *qualifying capital* over the 11.0 percent increase in the *risk-weighted assets*. Similarly, Tier 2 capital ratio rose from 10.8 percent to 11.2 percent, whilst the tier 1 leverage ratio increased from 7.8 percent to 8.0 percent during the year. The *capital adequacy ratios* as discussed above were well above the minimum regulatory capital requirements as at December 2012 (Chart D.6).

Chart D.6: Capital adequacy ratios



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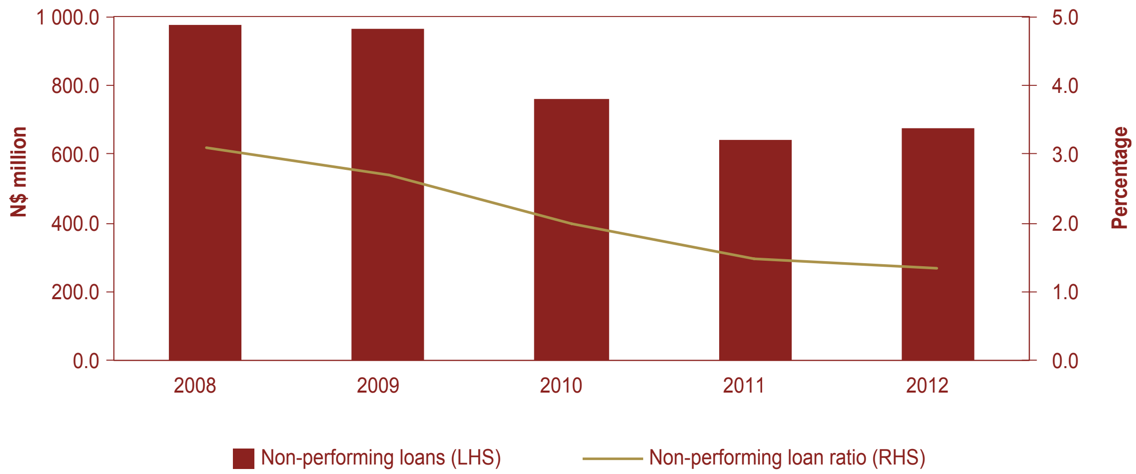
CREDIT RISK

The *quality of assets* remained healthy, complemented by the decline in the non-performing loans (NPLs) ratio[19], despite an increase in NPLs (Chart D.7). The level of NPLs in the banking industry increased by 5.4 percent during the year under review and amounted to N$676.0 million. NPLs, as illustrated in Chart D.8 demonstrated that, with the exception of *mortgages* and *overdrafts*, all other components (*instalment sales*, *personal loans*, *other loans* portfolios and *credit cards*) contributed to the increase observed. The NPL ratio, on the other hand, declined from 1.5 percent in December 2011 to 1.3 percent for the period under review. The growth of 17.2 percent in total loans and advances compared to the slower increase in the NPLs of 5.4 percent caused the contraction in the NPL ratio. The banking industry NPL ratio remains well below the 4.0 benchmark.

Chart D.7: Non-performing loans



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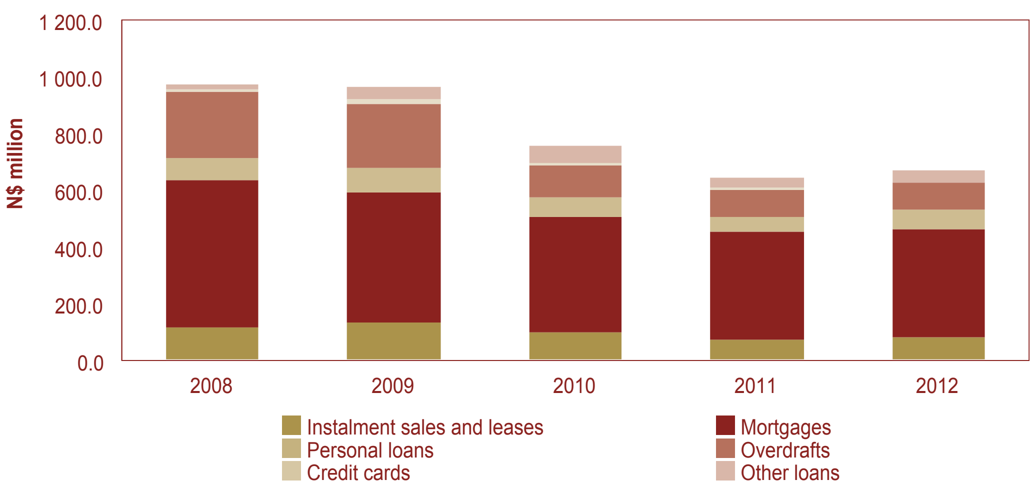
In terms of the composition of NPLs, *mortgages* constituted the largest portion at 56.2 percent (55.1 percent as at December 2011), trailed by *overdrafts* and *instalment sales* at 13.9 percent and 12.6 percent, respectively. *Personal loans*, *other loans*, and *advances and credit cards* made up for the remaining 17.3 percent.

Chart D.8: NPLs per product



19 NPL ratio refers to the NPLs as a percentage of total loans and advances.

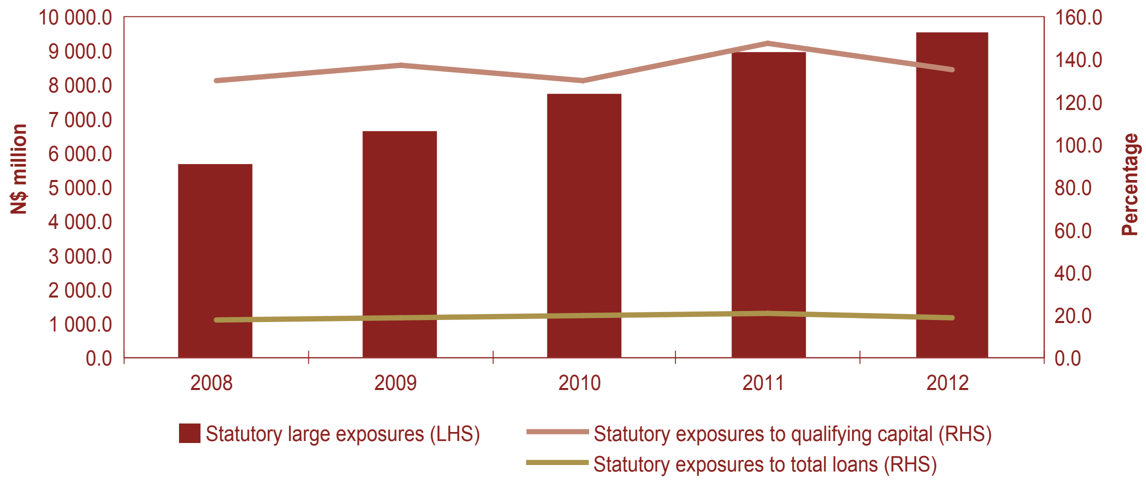
ADEQUACY OF PROVISIONS

Provisions made for *loan losses* by the banking sector remained adequate throughout the year and were in line with the minimum regulatory provisioning requirements as outlined in the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2). *Total provisions* increased by N$16.3 million to N$619.3 million during 2012, in contrast with the N$5.0 million decrease reported in 2011. Mixed fluctuations were noted in the components of total provisions, as *specific provisions* declined by 7.2 percent to N$198.4 million while *general provisions* increased by 8.1 percent to N$420.9 million. As a percentage of total loans, total provisions declined further from 1.4 percent recorded in December 2011 to 1.2 percent, while specific provisions as a percentage of NPLs also decreased from 33.3 percent to 29.4 percent.

STATUTORY LARGE EXPOSURES

The banking industry *large exposures* increased during the year but remained below the prudential ratio requirements. The banking industry large exposures amounted to N$9.5 billion, representing a growth of 6.4 percent compared to 2011. However, all banking institutions maintained the ratio of large exposures to capital funds below the minimum of 30.0 percent and the aggregate total prudential ratio of 800.0 percent. The latter ratio declined from 147.0 percent to 139.2 percent in 2012 (Chart D.9).

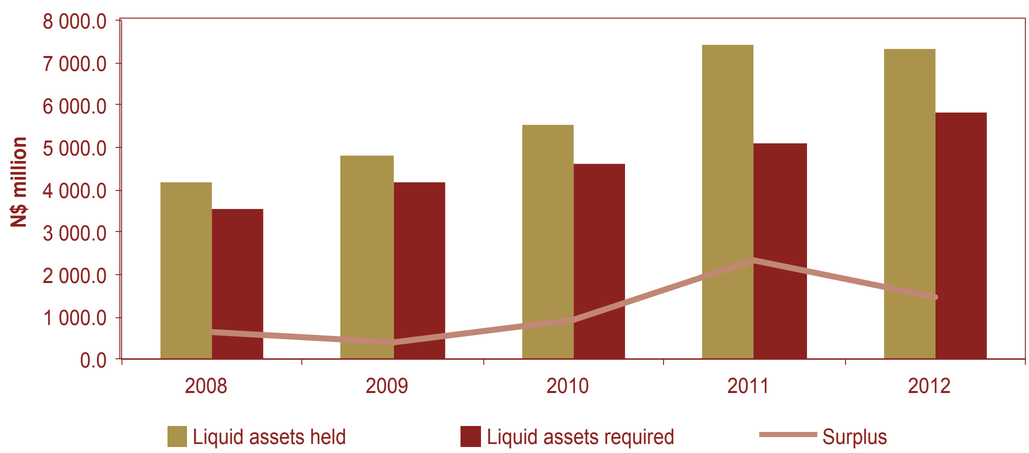
Chart D.9: Statutory large exposure relative to total loans and capital funds



LIQUIDITY

The banking industry was *relatively liquid* during the period under review and continued to keep liquid assets in excess of the statutory requirements. Chart D.10 illustrates the average liquid assets held as a percentage of liquid assets required to be held since January 2008.

Chart D.10: Statutory liquid assets

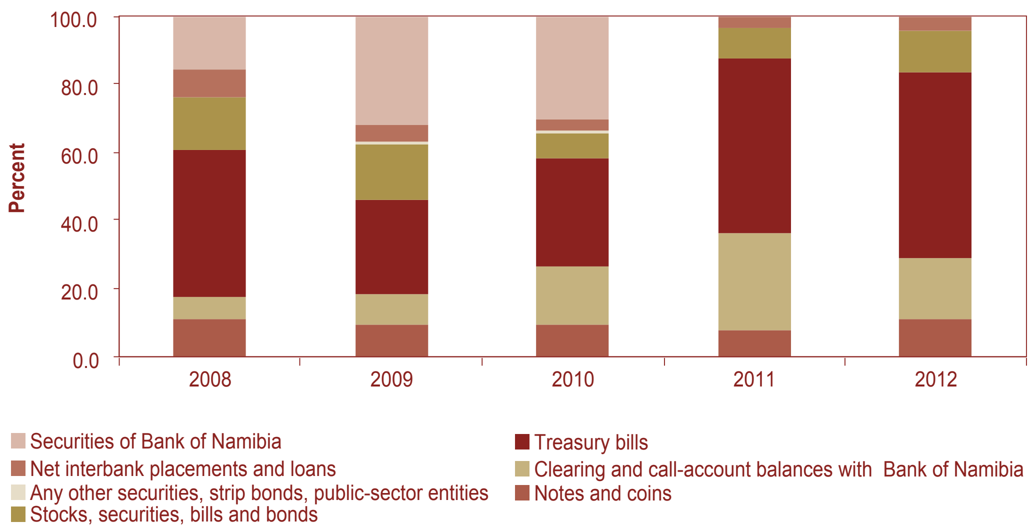


***Liquid* assets held by the banking sector as at 31 December 2012 were N$7.3 billion, with a surplus of N$1.5 billion over the minimum required limit of N$5.8 billion (Chart D.10).** The *liquid assets portfolio* declined by 1.7 percent during the year and consequently the ratio against growing assets also declined to 10.9 percent from 12.4 percent recorded in the previous year.

The *ratio of loans* to assets increased from 71.1 percent to 74.5 percent but remained below the international benchmark of 75.0 percent. The increase in the *loan-to-asset ratio* emanated from a higher percentage increase in the *net loans and advances* in comparison to the percentage increase in the *total assets*. Similarly, the *loans-to-deposit ratio* increased from 82.2 percent to 85.6 percent, emanating from a higher percentage increase in the *net loans and advances* in comparison to the percentage increase in the *deposits*, and remains favourably below the international benchmark of 100.0 percent.

The banking sector's liquid assets were dominated by Government Treasury Bills with a share of 54.0 percent, followed by clearing and call-account balances with the Bank at 18.0 percent. *Government stocks*, *securities*, and *bills and bonds* had a share of 12.2 percent, *notes and coins* were at 11.2 percent, *net interbank placements and loans* were at 4.1 percent, and *other securities*, including *strip bonds* and *public-sector entities (PSEs)*, were at 0.4 percent (Chart D.11). Holding of Government Treasury Bills increased from N$3.8 billion to N$4.0 billion.

Chart D.11: Liquid assets composition



The share of *clearing and call-account balances* with the Bank in liquid assets declined significantly to 28.8 percent recorded at the end of 2012. The share of *stocks*, *securities*, and *bills and bonds* in liquid assets increased to 9.2 percent, while the share of *net interbank placements and loans* also increased to 3.2 percent. The share of *notes and coins* increased from 7.8 percent to 8.4 percent.

Bank-specific *liquidity stress test* for the industry on aggregate projected, for the first 30 days, a cumulative funding shortage of N$6.1 billion as at 31 December 2012. However, the industry had sufficient funding sources, amounting to N$11.8 billion, to cover this mismatch. These funding sources comprise mainly *available-for-sale investment securities* and *draw-down capacity* in respect of *call loans*. Therefore, the banking sector continued to hold adequate funding to honour its commitments under stressful conditions and in the longer term.

Regarding the *concentration of funding sources* of the banking sector, the ten largest depositors constituted 35.2 percent of total related funding liabilities. In the 1-7 days time bucket, funding from large depositors stood at N$7.6 billion, constituting 12.9 percent of total funding-related liabilities of banking sector at the end of 2012, therefore indicating that the volatile portfolio improved compared to the position of 14.2 percent a year ago.

In terms of *foreign exchange exposures*, the banking sector recorded asset-sensitive positions in the short-term time bands. This scenario indicates that the industry is in a position to gain when the local currency appreciate against foreign currencies. The most-traded foreign currencies remained the USD and the EUR.

INTEREST RATE RISK

In terms of the banking industry's *interest rate risk* exposures, the short-term variable rate liabilities (0-30 days) amounted to N$44.1 billion, while the short-term variable rate assets amounted to N$52.6 billion as at 31 December 2012. In the event of rate changes, 78.8 percent of total assets would be repriced within seven days, while 63.7 percent liabilities are likely to be repriced over the same period.

***Fixed rate liabilities* constituted 19.0 percent of the total liabilities and capital, while variable rate liabilities equaled 68.8 percent, with the remainder shared by capital and non-rate sensitive items.** In contrast, *fixed rate assets* constituted 8.4 percent of total assets, while *variable rate assets* constituted 81.9 percent. As a result, the banking industry reported an asset-sensitive net repricing gap of N$18.0 billion for the first 30 days.

The effect of a positive or negative 200 basis points interest rate shock on the balance sheet of the banking sector over a 12-month period will cause a change of N$262.5 million in net interest income and a 0.08 percent shift in the value of capital, which will be insignificant.

PROFITABILITY AND EARNINGS

Banking institutions remained *profitable* and *solvent*. The banking industry registered an increase in total income (*net interest income* and *non-interest income*) of 9.6 percent, to reach N$4.6 billion from N$4.2 billion in 2011. The significant growth in total income from banking institutions was boosted mainly by the growth in net interest income. Net interest income (NII) increased by 19.9 percent to N$2.6 billion during the year (Chart D.12). NII remained the largest contributor to total income accounting for 56.9 percent. Over a period of 5 years the net interest income has seen an upward trend from N$1.6 billion to N$2.6 billion.

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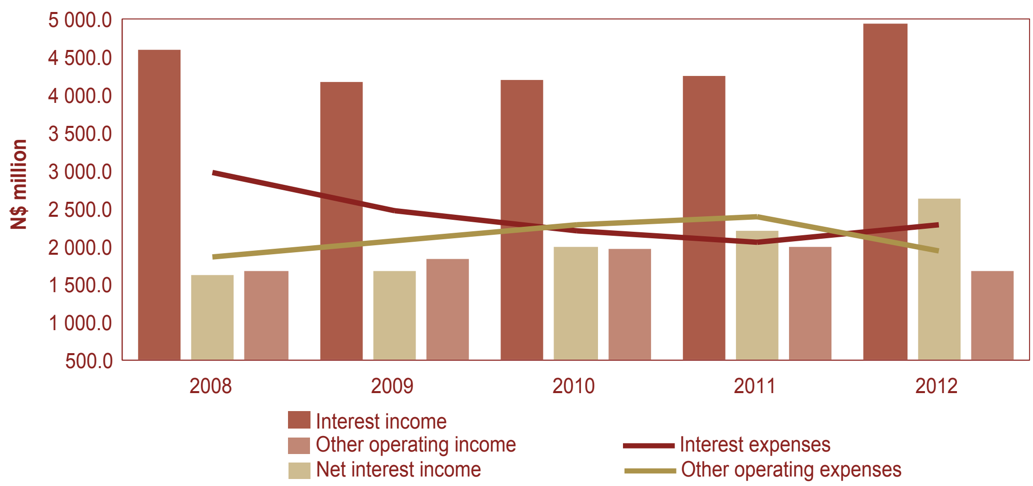
Chart D.12: Key income statement indicators

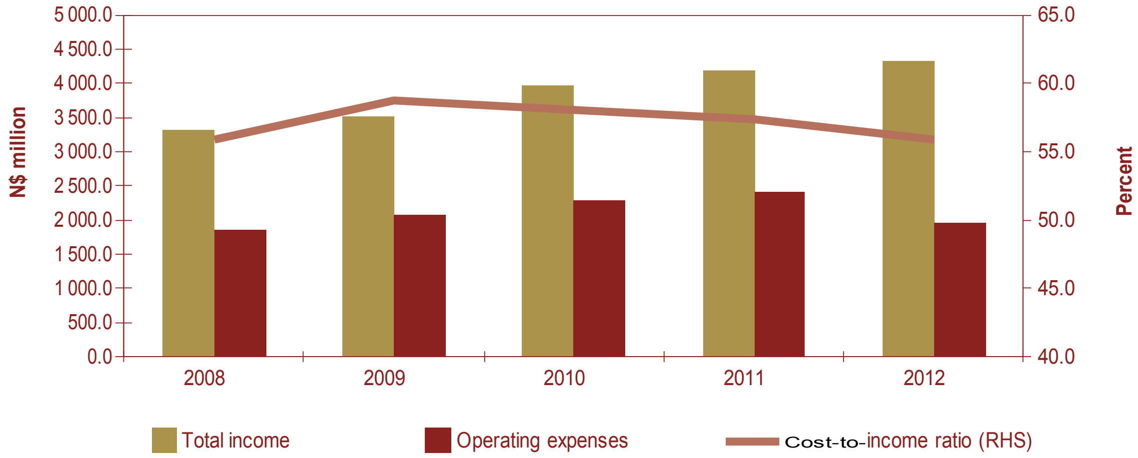


The sector's *other operating income* improved by a mere 0.6 percent during the year, while operating expenses increased by 8.0 percent during 2012. The major contributors to the increase in operating expenses to N$2.6 billion were the expansion in *staff costs*, *occupancy expenses*, *consultancy and management fees* and *depreciation and amortisation* costs. *Staff* costs continued to dominate operating expenses at 58.1 percent, followed by *administration and overhead* costs at 19.1 percent, *occupancy* expenses at 8.2 percent, *consultancy and management* costs at 5.8 percent, and *depreciation and amortisation* at 3.9 percent. The remaining 4.9 percent share represented *marketing expenses* and *director's and auditor's fees*.

***Provision charges* increased by 68.7 percent to N$61.0 million from the N$36.1 million recorded in the previous year.** The increase was due mainly to *general provisions,* which recorded write-backs of N$21.2 million in 2011 compared to the *general provisions* of N$5.0 million raised in the current period.

***Cost-efficiency* in the banking sector improved marginally in 2012.** The *cost-efficiency ratio*, which is a measure of the efficient allocation of funds (i.e. operating expenses) against operating income, was 55.9 percent in 2012 compared to 57.4 percent in 2011 (Chart D.13). Although the ratio still remained above the international benchmark of 50.0 percent, it is well below the Bank's trigger level of 65.0 percent.

Chart D.13: Efficiency indicators of the banking sector



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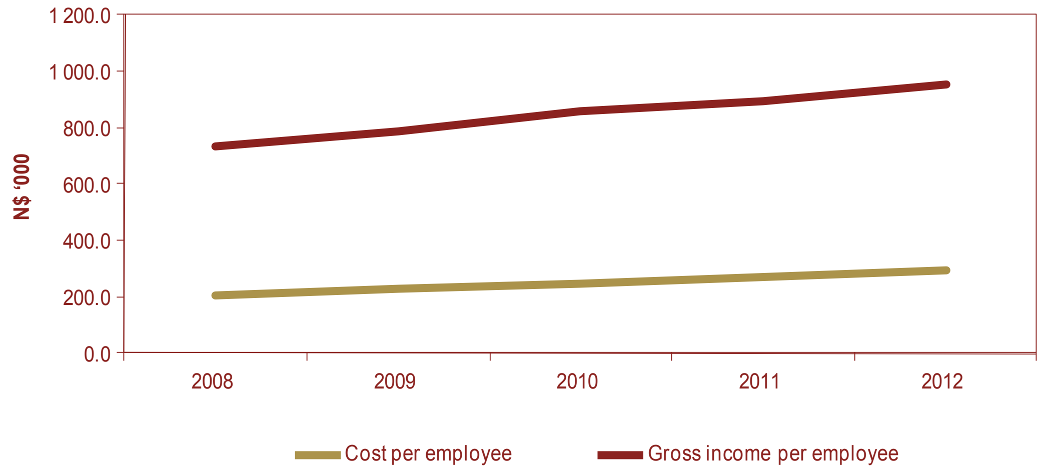
The banking industry *after tax profits* increased by 12.4 percent and stood at N$1.3 billion as at 31 December 2012. *Average gross assets* increased by 14.0 percent to N$63.5 billion. Consequently, the *ROA ratio* decreased slightly from 2.1 percent to 2.0 percent (Table D.1). On the other hand, the bank's *average total equity* increased by 12.3 percent to N$6.5 billion, resulting in an increase in the ROE ratio from 20.9 percent to 21.0 percent.

Table D.1: ROA and ROE ratio (Percent)

Earnings	2008	2009	2010	2011	2012
Return on assets	2.2	2.1	2.5	2.1	2.0
Return on equity	22.6	20.4	21.6	20.9	21.0

Chart D.14 indicates the banking sector cost efficiency performance. *Staff costs* increased by 14.8 percent, in contrast to the 4.0 percent growth in *staff complement*. The increase in the *cost of attracting and retaining a skilled workforce* inevitably pushed the cost per employee up by 10.5 percent to N$296 115, while the *gross income per employee* grew by 6.6 percent. The gap between the cost and gross income per employee widened further from N$628 577 to N$659 266 during the year.

Chart D.14: Productivity



The *total branch network* of the banking sector remains static at 171 branches and agencies (Table D.2). No new branches were opened or closed during 2012, in contrast to a decline of one branch and the additional opening of six new agencies in 2011.

Table D.2: Branch network

Description	2008	2009	2010	2011	2012
Branches	94	96	100	99	99
Agencies	64	66	66	72	72
Total	**158**	**162**	**166**	**171**	**171**

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The banking sector's staff complement increased by 4.0 percent during 2012 compared to 1.4 percent in 2011 (Table D.3).

Table D.3: Staffing levels

Description	2008	2009	2010	2011	2012
Permanent personnel	4 293	4 486	4 608	4 663	4 858
Temporary personnel	210	134	224	322	301
Total	**4 503**	**4 620**	**4 832**	**4 945**	**5 159**

SUSPENSION OF CHEQUE ACCOUNT FACILITIES

As per the requirements of the Determinations on the Compulsory Suspension of Cheque Accounts by Banking Institutions (BID-12), a cheque account needs to be suspended if a client issues five or more cheques over a period of three months of which all are dishonoured by the banking institution. The Bank therefore required banking institutions to suspend non-performing cheque account facilities of certain customers in order to maintain and uphold the credibility of the payment system in Namibia.

The *value of cheques returned* in addition to the number of cheque accounts suspended increased during 2012. The value of cheques returned increased to N$9.5 million from N$7.0 million reported at the end of December 2011, while the number of cheque facilities suspended grew to 311 from 73 reported previously. The increase in the number of suspended cheque accounts could be attributable to *non-compliance of customers* in respect of the stipulations of BID-12 and possible *lack of stringent measures* applied by banking institutions to curb these violations before.

FRAUD

The levels of fraud and other economic crime marginally increased during 2012 compared to the past three years. The amount involved in these fraudulent activities increased from N$43.9 million to N$56.5 million, while the actual amount lost decreased from N$21.1 million to $7.9 million (Chart D.15). An amount of N$33.3 million was recovered. This is an indication that the banking institutions are using all the mechanisms at their disposal to recover lost monies. The types of economic crimes experienced by the banking sector were mainly *ATM fraud*, *credit-card fraud*, *cheque fraud*, *theft of cash*, *computer fraud* and *counterfeit currency*.

Given the growing incidence of fraud and economic crime in the global perspective, banking institutions should be continually vigilant against such undesirable activities. Banking institutions are therefore required to strengthen their surveillance systems and institute adequate and appropriate internal controls in an effort to combat fraud.

Chart D.15: Fraud

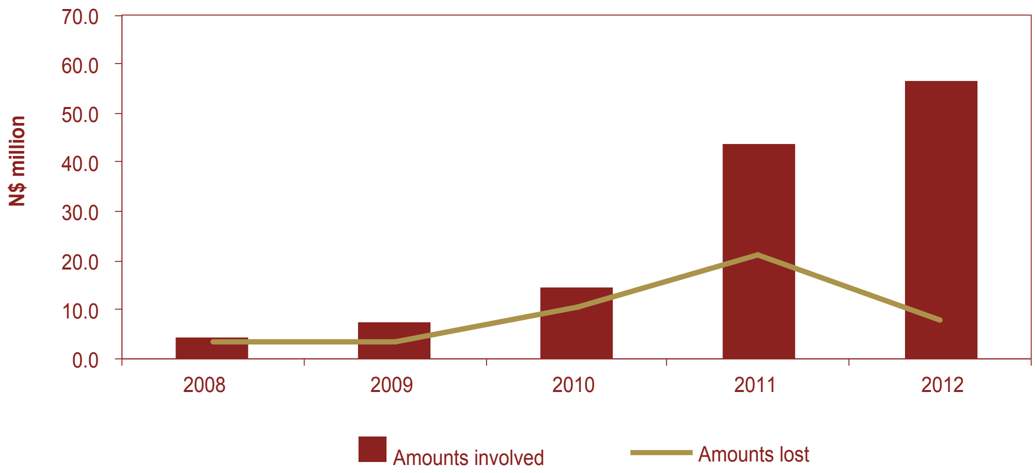

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Table D.4 Composition of the balance sheet - N$ '000

	2008	2009	2010	2011	2012
Interbank Funding	1 084 909	267 830	493 289	557 176	1 931 426
Non-bank Funding:	**33 834 963**	**39 761 640**	**42 885 051**	**50 525 687**	**55 334 033**
Demand	16 885 676	19 778 437	23 300 184	27 527 215	28 605 507
Savings	1 568 755	1 618 314	1 855 210	2 238 175	2 375 776
Fixed & notice deposits	8 810 661	7 604 343	5 961 519	7 909 775	9 904 067
Negotiable Certificate of Deposits	5 953 675	9 882 954	10 054 312	11 794 018	12 922 602
Foreign Funding	616 196	877 592	1 713 826	1 056 504	1 526 081
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	618 760	620 174	686 788	885 568	1 010 527
Other borrowings	548 617	551 188	518 703	389 258	655 172
Other liabilities	1 329 148	1 859 039	1 461 905	1 834 995	1 609 038
Capital & Reserves	4 146 311	4 609 321	5 455 463	5 778 759	6 528 521
TOTAL FUNDING	**41 562 708**	**47 669 192**	**51 501 199**	**59 971 443**	**67 068 717**
Cash and Balances	3 221 665	4 080 625	4 435 965	7 767 489	6 568 885
Short term negotiable securities	-	-	3 043 583	6 266 118	6 979 012
Interbank Loans and Advances	4 667	-	9	11	1
Foreign currency loans and advances	69 379	12 253	39 953	136 034	636 005
Instalment debtors and leases	5 492 819	5 639 406	6 202 258	7 193 255	8 038 539
Mortgage loans	15 733 111	17 464 902	20 237 838	23 755 059	27 248 392
Other fixed term loans	2 115 341	2 752 972	2 801 169	3 025 506	3 724 441
Personal loans	1 915 746	2 062 542	2 169 560	2 526 187	2 912 261
Overdraft	5 656 801	6 709 764	5 531 256	4 795 467	6 321 038
Credit card debtors	231 142	238 630	248 058	265 975	314 855
Acknowledgement of debts discounted	4 756	1 082	-	-	-
Loans granted under resale agreement	-	-	-	83 342	-
Investment in Preference Shares	325 638	270 320	229 030	283 531	317 121
Other loans and advances	426 146	266 949	1 266 039	1 073 944	1 038 375
Total loans and advances	31 975 546	35 418 820	38 725 170	43 138 311	50 551 028
Less: Specific provisions	285 241	276 900	230 386	213 774	198 430
Less: General provisions	346 605	362 658	367 565	389 165	420 833
Less: Interest- in- suspense	252 212	258 018	135 281	102 464	91 105
Investment portfolio	5 263 757	6 816 000	4 186 500	1 723 518	1 857 418
Trading securities	1 812 178	2 927 754	1 161 824	1 218 321	1 446 986
Available for sale securities	3 260 328	3 715 015	2 839 522	283 504	220 670
Held to maturity securities	163 297	157 223	167 234	204 994	169 078
Unconsolidated subsidiaries, associates	27 954	16 008	17 920	16 699	20 684
Property, plant and equipment	519 567	576 974	655 150	718 060	745 658
Other assets	1 466 231	1 674 349	1 188 063	1 063 350	1 077 084
TOTAL ASSETS	**41 562 708**	**47 669 192**	**51 501 199**	**59 971 443**	**67 068 717**
Average Assets	**40 968 062**	**45 472 529**	**49 599 927**	**58 064 394**	**65 994 937**
Average Equity	**4 047 128**	**4 476 445**	**5 192 629**	**5 705 175**	**6 405 980**

Table D.5 Capital adequacy - N$ '000

	2008	2009	2010	2011	2012
Tier 1 capital	**3 317 663**	**3 750 305**	**4 325 408**	**4 703 073**	**5 395 064**
Paid up shares	23 822	23 822	23 822	23 822	23 841
Share premium	1 791 099	1 791 099	1 791 099	1 791 099	1 912 574
Retained profits/(accumulated losses)	-	871 763	1 194 217	1 163 479	1 346 202
Reserves	1 803 218	1 491 120	1 628 187	2 065 925	2 285 721
Current Unaudited losses	28 325	177 220	-	-	-
Less: Intangible Asset/Goodwill	272 151	250 279	311 917	341 252	173 274
Tier 2 capital	**1 048 107**	**1 062 962**	**1 615 596**	**1 387 384**	**1 658 628**
Hybrid Debt	-	-	-	-	-
Subordinated-term Debt	635 557	636 048	672 140	572 565	705 126
Current Unaudited losses	0	177 220	543 836	334 698	411 237
General Provisions	376 315	401 028	380 658	459 298	523 589
Revaluation Reserves	36 235	25 886	18 962	20 823	18 676
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**4 365 770**	**4 813 267**	**5 941 004**	**6 090 457**	**7 053 692**
Aggregated Risk-weighted Assets	**28 225 790**	**32 087 728**	**38 847 413**	**43 483 180**	**48 268 067**
10% risk-weighted*	70 841	78 638	-	-	-
20% risk-weighted	494 135	865 417	-	-	-
50% risk-weighted	6 655 921	7 326 073	-	-	-
100% risk-weighted	21 004 894	23 817 600	-	-	-
Total Risk-weighted amount for Credit Risk			34 096 259	38 324 043	43 804 645
Calibrated Risk-weighted amount for Operational Risk			4 582 293	4 945 028	4 207 053
Calibrated Risk-weighted amount for Market Risk			168 861	214 109	256 368
Gross Assets*	**41 989 827**	**48 134 947**	**51 951 134**	**60 574 381**	**67 511 723**

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Table D.6 Analysis of overdue and non-performing loans - N$ ‘000

		2008	2009	2010	2011	2012
Overdue loans		**1 809 172**	**2 803 247**	**1 652 510**	**1 531 232**	**1 809 549**
Amounts overdue:	<1 month	450 706	1 411 571	373 458	589 378	376 347
Amounts overdue:	1 to < 3 months	381 928	425 385	518 208	300 670	757 160
Amounts overdue:	3 to < 6 months	149 151	213 194	182 756	183 127	129 771
Amounts overdue:	6 to <12 months	199 538	128 048	112 335	85 712	151 074
Amounts overdue:	12 to <18 months	465 359	471 003	376 498	291 368	332 747
Amounts overdue:	18 months and above	162 490	154 046	89 255	80 977	62 450
Total Non-performing loans		**976 537**	**966 296**	**760 844**	**641 186**	**676 046**
Instalment sales		114 794	131 782	97 486	70 106	85 476
Mortgages		518 799	462 485	411 165	381 754	380 203
Personal loans/ Other fixed loans		77 235	85 255	66 220	49 748	63 955
Overdraft		238 338	223 248	112 944	95 701	93 755
Other loans & advances		21 384	44 701	67 130	34 378	43 106
Credit cards		5 987	18 825	5 899	9 499	9 551
Realizable Security		477 079	459 037	489 091	334 066	391 822
Specific Provisions		285 240	276 900	230 386	213 776	223 663

D

Table D.7 Sectoral distribution of loans and advances - N$ '000

	2008	2009	2010	2011	2012
Total loans and advances	**31 975 547**	**35 418 822**	**38 725 171**	**43 138 313**	**50 551 028**
Agriculture and Forestry	1 051 586	1 188 120	1 332 828	1 331 272	2 059 280
Fishing	808 697	877 412	982 577	767 316	928 336
Mining	575 092	967 554	668 325	407 614	1 102 948
Manufacturing	968 699	705 983	902 789	1 154 429	1 260 633
Construction	557 510	542 582	1 114 058	980 296	1 642 809
Electricity , Gas and Water	144 382	201 994	191 160	244 982	410 283
Trade and Accommodation	1 967 230	1 589 353	6 468 010	10 412 803	10 790 577
Transportand Communication	392 869	647 337	867 346	889 241	1 166 495
Finance and Insurance	1 984 716	2 361 067	1 019 361	907 101	1 102 760
Real Estate and Business Services	4 994 871	6 339 497	6 828 118	5 577 534	5 627 413
Government Services	537 774	552 595	511 383	582 903	511 232
Individuals	17 439 194	18 357 267	17 084 843	18 664 141	22 843 338
Other	552 927	1 088 061	754 373	1 218 681	1 104 924

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Table D.8 Composition of income statement - N$ ‘000

	2008	2009	2010	2011	2012
Interest Income	**4 600 899**	**4 168 666**	**4 201 216**	**4 256 731**	**4 931 535**
Balances with banks	238 521	172 005	171 868	127 498	141 610
Installment debtors , hire purchase , etc	749 596	649 662	622 166	629 164	733 886
Mortgage loans: Residential	2 068 699	1 879 012	1 604 511	1 645 592	1 850 599
Mortgage Loans: Commercial	-	-	360 434	428 835	508 165
Personal loans	329 927	305 546	302 253	299 323	341 568
Fixed term loans	312 484	262 023	267 156	263 513	310 443
Overdraft	773 501	744 638	590 493	535 663	598 997
Other interest related income	128 171	155 780	282 335	327 143	446 267
Interest Expenses	**2 977 801**	**2 483 067**	**2 213 269**	**2 055 540**	**2 291 295**
Demand deposits	1 225 716	976 530	582 317	573 537	587 275
Current Accounts	-	-	336 783	268 249	298 843
Savings deposits	57 725	38 080	29 985	27 700	30 940
Fixed and notice deposits	855 585	634 244	390 291	345 175	466 656
Negotiable certificates of deposits	563 329	657 711	746 504	662 146	751 262
Debt instruments issued	67 747	61 403	57 896	78 058	77 068
Other interest related expenses	207 699	115 099	69 493	100 675	79 251
Interest Margin	**1 623 098**	**1 685 599**	**1 987 947**	**2 201 191**	**2 640 240**
Less: Provisions	145 062	136 417	56 543	36 151	60 990
Total operating Income	1 684 148	1 833 199	1 968 860	1 988 965	1 936 302
Trading Income	207 724	182 849	261 781	285 642	284 869
Investment Income	464 180	375 704	221 651	96 517	48 897
Transaction-based Fee Income	845 094	1 008 629	1 225 736	1 360 361	1 382 354
Knowledge-based Fee Income	67 694	72 080	77 424	98 587	81 344
Other income	99 456	193 937	182 268	147 858	138 838
Total Income	**3 307 246**	**3 518 798**	**3 956 807**	**4 190 156**	**4 576 542**
Total Operating Expenses	**1 849 510**	**2 068 006**	**2 297 349**	**2 403 057**	**2 594 881**
Staff costs	933 934	1 028 111	1 144 906	1 252 817	1 438 525
Administration & Overheads	512 985	586 592	665 169	630 274	588 384
Depreciation and amortisation	81 937	104 336	138 770	113 633	118 750
Occupancy expenses	132 302	140 589	136 196	167 896	190 855
Other operating expenses	188 352	208 378	212 308	238 437	258 367
Net Income Before Tax	**1 312 674**	**1 314 375**	**1 602 915**	**1 750 948**	**1 920 671**
Taxation	399 799	405 050	480 312	556 057	642 389
Net Income After Tax	**912 875**	**909 325**	**1 122 603**	**1 194 891**	**1 278 282**

Table D.9 Selected key ratios

	2008	2009	2010	2011	2012
Capital					
Tier 1 Leverage	7.9	7.8	8.3	7.8	8.0
Tier 1 Risk-weighted Capital	11.8	11.7	11.1	10.8	11.2
Total Risk-weighted Capital	15.5	15.0	15.3	14.0	14.6
Asset Quality					
Non-performing loans to Total loans	3.1	2.7	2.0	1.5	1.3
Overdue loans to Total loans	5.7	8.0	4.3	3.6	3.6
Total Provisions to Total loans	2.0	1.8	1.5	1.4	1.2
Specific Provisions to Non-performing loans	29.2	28.7	33.3	33.3	29.4
Earnings					
Return on Assets	2.2	2.1	2.5	2.1	2.0
Return on Equity	22.6	20.4	21.6	20.9	21.0
Net Interest Margin	4.0	3.8	4.0	3.8	4.0
Other Operating Income: Total Assets	4.1	4.1	3.8	3.3	2.9
Other Operating Income: Total Income	50.9	52.1	49.8	47.5	42.3
Other Exp: Total Income	55.9	58.8	58.1	57.4	55.9
Liquidity					
Liquid Assets / Total Assets	10.1	9.5	10.7	12.4	10.9
Liquid Assets / Average total liabilities	11.8	11.0	12.0	14.2	12.5
Total Loans / Total Assets	76.9	74.3	75.2	71.9	74.5
Total Loans / Total Deposits	94.5	94.3	90.3	85.4	85.6
Growth Rates					
Total Assets	13.9	14.7	8.0	16.4	11.8
Total Qualifying Capital	10.5	10.3	23.4	2.5	15.8
Tier 1 Capital	14.1	13.0	15.3	8.7	14.7
Total Loans	12.3	10.8	9.3	11.4	17.2
Total Deposits	17.2	17.5	7.9	17.8	9.5
Overdue loans	62.2	54.9	-41.1	-7.3	18.2
Non-performing loans	20.5	-1.0	-21.3	-15.7	5.4
Liquid Assets	40.6	14.4	15.3	34.7	-0.2
Large Exposures	18.6	17.0	16.6	16.0	-9.8
Off-Balance Sheet Items	-1.9	22.4	19.2	167.9	29.2

D

Part E | Statistical Appendix

Content

METHODS AND CONCEPTS

Balance of Payments

Accrual accounting basis
This applies where 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.

Balance of Payments
The balance of payments (BOP) is a statistical statement that systematically summarizes, 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, capital 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.

Current Account
The current account of the balance of payments covers all transactions (other than those in financial account) that involve economic values, (i.e.; real transactions) and occur between residents and non-resident entities. Also covered are offsets to current economic values provided or acquired without a quid pro quo. Included are goods, services, income and current transfers. The balance on goods, services, income and current transfers is commonly referred to as the "current balance" or "current account balance".

Capital and Financial Account
In the balance of payments, the capital account covers capital transfers and the acquisition or disposal of non-produced non-financial items such as patents. 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 functional: direct, portfolio, other investment and reserve assets.

Current Transfers
Current transfers are all transfers of real resources or financial items without a quid pro quo and exclude transfers of funds directed for capital investments. Included are gifts of goods and money to or from non-residents viz, governments and private individuals. Current transfers directly affect the level of disposable income and should influence the consumption of goods and services.

Capital Transfers
Capital transfers in kind consists of the transfers without a quid pro quo of the (1) ownership of a fixed asset or (2) the forgiveness, by mutual agreement between creditor and debtor, of the debtor's financial liability when no counterpart is received in return by the creditor. Capital transfer in cash, on the other hand, is linked to or conditional on, the acquisition or disposal of a fixed asset by one or both parties to the transaction (e.g., an investment grant).

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).

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.

Goods

These are real transactions with change in the ownership of physical products and include consumer and capital goods.

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 tangible asset e.g., car rental by a non-resident is excluded from income and is classified under services such as travel.

Merchandise Trade Balance

This is net balance of the total export and import of goods excluding transactions in services between residents and non-residents. Trade balance is the net balance of the total export and import of goods including transactions in services between residents and non-residents.

Net Errors and Omissions

The balance of payment accounting framework requires a balancing item as the measure of the difference between recorded credits/debits and omissions. This is called net errors and omissions'. Theoretically, it measures quality though in practice a zero/lower net errors and omissions could imply not necessarily good quality data but that debits and credits just cancelled each other.

Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment or reserve assets.

Overall Balance of Payments

A balance simply refers to the difference between the sum of credits and debit entries. The overall balance is a very simple concept but a powerful analytical tool often used by analysts. In the balance of payment, overall balance refers to the balance between the sum of the current account balance, the capital and financial account balance and net errors and omissions.

Portfolio Investment

Portfolio investment includes trading in equity and debt securities (other than those included in direct investment and reserve assets). These instruments are usually traded (or tradable) in organized and other financial markets, including over-the-counter (OTC) markets.

Reserve Assets

Reserve assets consist of those external assets that are readily available to and controlled by the 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.

Residency

In the balance of payments, the concept of residency is based on a sectoral transactor's center of economic interest. Country boundaries recognized for political purposes may not always be appropriate for economic interest purposes. Therefore, it is necessary to recognize 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.

E

Monetary and Financial Statistics

3-Month BA Rate

The interest rate on a time draft (bill of exchange) drawn on and accepted by Other Depository Corporations on which it was drawn; the bank accepting the draft assumes the obligation of making payment at maturity on behalf of its client.

Repo rate

The rate charged by the Bank of Namibia on advances on specific collateral to Other Depository Corporations. 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 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 fourteen financial intermediaries classified as ODCs in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Agribank of Namibia, National Housing Enterprise, Namibia Post Office Savings Bank, Fides Bank, FNB Unit Trust, Stanlib Unit Trust, Pointbreak, Prudential, Salam Unit trust, Old Mutual Unit Trust and Capricorn Unit Trust.

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 deposit is thus a component of broad money supply.

Deposit rate
The deposit rate refers to the weighted average deposit rate of the ODC's i.e. the rate that ODC's 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 ODC's 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 ODC's 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: FNB Unit Trust, Stanlib Unit Trust, Pointbreak, Prudential, Salam Unit trust, Old Mutual Unit Trust and Capricorn Unit Trust.

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.

STATISTICAL TABLES

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II Monetary and Financial Developments

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III Public Finance

IV Balance of Payments

Table 1.1 Aggregate economic indicators

	2007	2008	2009	2010	2011
Current prices					
GDP (N$ mil.)	62 081	72 946	75 070	81 136	90 842
% Change	14.9	17.5	2.9	8.1	12.0
GNI (N$ mil.)	60 836	71 149	73 245	77 422	87 045
% Change	13.3	17.0	2.9	5.7	12.4
GDP per capita (N$)	30 612	35 325	35 697	37 861	43 158
% Change	12.9	15.4	1.1	6.1	14.0
GNI per capita (N$)	29 998	34 455	34 829	36 128	41 353
% Change	11.3	14.9	1.1	3.7	14.5
Constant 2004 prices					
GDP (N$ mil.)	49 371	51 038	50 482	53 802	56 407
% Change	5.4	3.4	-1.1	6.6	4.8
GNI (N$ mil.)	54 743	57 573	56 056	56 148	59 095
% Change	9.1	5.2	-2.6	0.2	5.2
GDP per capita (N$)	24 345	24 716	24 005	25 106	26 798
% Change	3.5	1.5	-2.9	4.6	6.7
GNI per capita (N$)	26 993	27 880	26 655	26 201	28 075
% Change	7.2	3.3	-4.4	-1.7	7.2

Source: NSA

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Table I.2 Gross domestic product and gross national income

Current prices - N$ million	2007	2008	2009	2010	2011
Compensation of employees	24 835	28 481	31 065	35 661	37 811
Consumption of fixed capital	7 251	8 776	9 713	10 604	11 597
Net operating surplus	25 329	29 813	28 018	27 864	32 588
Gross domestic product at factor cost	**57 415**	**67 070**	**68 795**	**74 130**	**81 996**
Taxes on production and imports	4 666	5 877	6 275	7 006	8 846
Subsidies					
Gross domestic product at market prices	**62 081**	**72 946**	**75 070**	**81 136**	**90 842**
Primary incomes					
- receivable from the rest of the world	1 449	1 870	2 112	1 524	1 658
- payable to rest of the world	- 2 693	- 3 666	- 3 937	- 5 237	- 5 456
Gross national income at market prices	**60 836**	**71 149**	**73 245**	**77 422**	**87 045**
Current transfers					
- receivable from the rest of the world	7 421	9 762	11 245	9 659	10 169
- payable to rest of the world	-369	-484	-632	-640	-579
Gross national disposable income	**67 888**	**80 428**	**83 859**	**86 441**	**96 635**
Current prices - N$ per capita					
Gross domestic product at market prices	30 612	35 325	35 697	37 861	43 158
Gross national income at market prices	29 998	34 455	34 829	36 128	41 353
Constant 2004 prices - N$ millions					
Gross domestic product at market prices	**49 371**	**51 038**	**50 482**	**53 802**	**56 407**
- Annual percentage change	5.4	3.4	-1.1	6.6	4.8
Real gross national income	**54 743**	**57 573**	**56 056**	**56 148**	**59 095**
- Annual percentage change	9.1	5.2	-2.6	0.2	5.2
Constant 2004 prices - N$ per capita					
Gross domestic product at market prices	24 345	24 716	24 005	25 106	26 798
- Annual percentage change	3.5	1.5	-2.9	4.6	6.7
Real gross national income	**26 993**	**27 880**	**26 655**	**26 201**	**28 075**
- Annual percentage change	7.2	3.3	-4.4	-1.7	7.2

Source: NSA

Table I.3 National disposable income and savings

Current prices - N$ million	2007	2008	2009	2010	2011
Disposable income and saving					
Gross national disposable income	67 888	80 428	83 859	86 441	96 635
Consumption of fixed capital	7 251	8 776	9 713	10 604	11 597
Net national disposable income	**60 637**	**71 652**	**74 146**	**75 836**	**85 038**
All other sectors	44 758	52 348	52 639	56 220	63 611
General government	15 879	19 303	21 507	19 616	21 427
Final consumption expenditure	**48 471**	**56 797**	**65 345**	**72 658**	**80 144**
Private	35 637	41 946	48 069	52 944	57 675
General government	12 834	14 851	17 277	19 714	22 469
Saving, net	**12 167**	**14 854**	**8 801**	**3 178**	**4 894**
All other sectors	9 122	10 402	4 570	3 276	5 935
General government	3 045	4 452	4 231	-98	- 1 042
Financing of capital formation					
Saving, net	12 167	14 854	8 801	3 178	4 894
Capital transfers receivable from abroad	590	633	628	878	1 426
Capital transfers payable to foreign countries	-3	-3	-70	-70	-74
Total	**12 753**	**15 484**	**9 359**	**3 987**	**6 246**
Capital formation					
Gross fixed capital formation	14 696	17 838	16 609	18 531	19 115
All other sectors	11 796	14 915	13 816	15 516	15 031
General government	2 900	2 923	2 792	3 015	4 084
Consumption of fixed capital	**- 7 251**	**- 8 776**	**- 9 713**	**- 10 604**	**- 11 597**
All other sectors	- 5 901	- 7 137	- 7 890	- 8 662	- 9 504
General government	- 1 350	- 1 640	- 1 823	- 1 942	- 2 094
Changes in inventories	32	661	168	- 1 303	- 1 095
Net lending (+) / Net borrowing(-)	**5 276**	**5 761**	**2 295**	**- 2 637**	**- 176**
All other sectors	4 189	3 129	301	1 521	5 551
General government	1 086	2 633	1 993	- 4 158	- 5 727
Discrepancy on GDP 1)	304	1 278	448	2 614	356
Net lending/borrowing in external transactions 2)	5 580	7 039	2 743	177	180
Total	**12 753**	**15 484**	**9 359**	**3 987**	**6 246**

Source: NSA

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Table I.4 (a) Gross domestic product by activity
Current prices - N$ Million

Industry	2007	2008	2009	2010	2011
Agriculture and forestry	3 045	2 969	2 989	3 360	3 770
Livestock farming	1 765	1 540	1 527	1 805	2 164
Crop farming and forestry	1 280	1 428	1 462	1 555	1 607
Fishing & fish processing on board	2 330	2 411	2 428	2 539	2 709
Mining and quarrying	6 816	11 772	8 002	6 882	8 659
Diamond mining	3 535	5 500	2 749	4 042	6 567
Other mining and quarrying	3 281	6 272	5 254	2 840	2 092
Primary industries	**12 191**	**17 151**	**13 420**	**12 781**	**15 139**
Manufacturing	9 775	9 405	10 142	10 582	11 034
Meat processing	206	145	229	181	189
Fish processing on shore	903	993	951	60	548
Other food products and beverages	2 930	3 678	4 211	4 410	4 790
Other manufacturing	5 736	4 588	4 751	5 930	5 506
Electricity and water	1 562	1 590	1 850	2 077	2 509
Construction	2 286	2 880	2 465	2 712	3 229
Secondary industries	**13 622**	**13 875**	**14 456**	**15 370**	**16 772**
Wholesale and retail trade, repairs	6 769	7 682	8 610	9 711	10 538
Hotels and restaurants	1 115	1 283	1 399	1 467	1 593
Transport, and communication	2 955	3 395	3 800	4 526	4 533
Transport and storage	1 146	1 442	1 671	2 261	1 952
Post and telecommunications	1 809	1 953	2 129	2 265	2 581
Financial intermediation	2 534	2 849	3 648	4 262	4 717
Real estate and business services	4 990	5 415	5 987	6 363	7 164
Real estate activities	3 564	3 778	4 166	4 468	5 161
Other business services	1 426	1 637	1 820	1 895	2 004
Community, social and personal services	1 979	2 193	2 446	2 503	2 740
Public administration and defence	5 157	6 143	7 100	8 182	9 268
Education	4 570	5 202	5 948	6 826	7 297
Health	1 859	2 229	2 437	2 721	2 853
Private household with employed persons	424	492	559	597	643
Tertiary industries	**32 352**	**36 884**	**41 933**	**47 158**	**51 347**
Less: Financial intermediation services indirectly measured	750	840	1 014	1 180	1 261
All industries at basic prices	**57 415**	**67 070**	**68 795**	**74 130**	**81 996**
Taxes less subsidies on products	4 666	5 877	6 275	7 006	8 846
GDP at market prices	**62 081**	**72 946**	**75 070**	**81 136**	**90 842**

Source: NSA

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Table I.4 (b) Gross domestic product by activity

Percentage Contribution

Industry	2007	2008	2009	2010	2011
Agriculture and forestry	4.9	4.1	4.0	4.1	4.2
Livestock farming	2.8	2.1	2.0	2.2	2.4
Crop farming and forestry	2.1	2.0	1.9	1.9	1.8
Fishing & fish processing on board	3.8	3.3	3.2	3.1	3.0
Mining and quarrying	11.0	16.1	10.7	8.5	9.5
Diamond mining	5.7	7.5	3.7	5.0	7.2
Other mining and quarrying	5.3	8.6	7.0	3.5	2.3
Primary industries	**19.6**	**23.5**	**17.9**	**15.8**	**16.7**
Manufacturing	15.7	12.9	13.5	13.0	12.1
Meat processing	0.3	0.2	0.3	0.2	0.2
Fish processing on shore	1.5	1.4	1.3	0.1	0.6
Other food products and beverages	4.7	5.0	5.6	5.4	5.3
Other manufacturing	9.2	6.3	6.3	7.3	6.0
Electricity and water	2.5	2.2	2.5	2.6	2.8
Construction	3.7	3.9	3.3	3.3	3.6
Secondary industries	**21.9**	**19.0**	**19.3**	**18.9**	**18.5**
Wholesale and retail trade, repairs	10.9	10.5	11.5	12.0	11.6
Hotels and restaurants	1.8	1.8	1.9	1.8	1.8
Transport, and communication	4.8	4.7	5.1	5.6	5.0
Transport and storage	1.8	2.0	2.2	2.8	2.1
Post and telecommunications	2.9	2.7	2.8	2.8	2.8
Financial intermediation	4.1	3.9	4.9	5.3	5.2
Real estate and business services	8.0	7.4	8.0	7.8	7.9
Real estate activities	5.7	5.2	5.5	5.5	5.7
Other business services	2.3	2.2	2.4	2.3	2.2
Community, social and personal services	3.2	3.0	3.3	3.1	3.0
Public administration and defence	8.3	8.4	9.5	10.1	10.2
Education	7.4	7.1	7.9	8.4	8.0
Health	3.0	3.1	3.2	3.4	3.1
Private household with employed persons	0.7	0.7	0.7	0.7	0.7
Tertiary industries	**52.1**	**50.6**	**55.9**	**58.1**	**56.5**
Less: Financial intermediation services indirectly measured	1.2	1.2	1.4	1.5	1.4
All industries at basic prices	**92.5**	**91.9**	**91.6**	**91.4**	**90.3**
Taxes less subsidies on products	7.5	8.1	8.4	8.6	9.7
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

E

Table I.5 (a) Gross domestic product by activity
Constant 2004 Prices - N$ millions

Industry	2007	2008	2009	2010	2011
Agriculture and forestry	2 564	2 101	2 114	2 058	2 233
Livestock farming	1 253	803	838	788	849
Crop farming and forestry	1 311	1 298	1 276	1 269	1 384
Fishing & fish processing on board	1 059	1 003	1 047	1 069	1 135
Mining and quarrying	4 742	4 606	2 663	3 533	3 231
Diamond mining	3 840	3 815	1 877	2 564	2 499
Other mining and quarrying	902	791	786	968	732
Primary industries	**8 365**	**7 710**	**5 824**	**6 659**	**6 600**
Manufacturing	6 401	6 537	6 920	7 670	7 764
Meat processing	169	155	163	171	159
Fish processing on shore	640	617	821	826	813
Other food products and beverages	2 413	2 654	2 877	3 052	3 089
Other manufacturing	3 178	3 111	3 059	3 621	3 703
Electricity and water	1 234	1 214	1 221	1 251	1 307
Construction	1 833	2 015	1 644	1 783	2 072
Secondary industries	**9 467**	**9 766**	**9 786**	**10 705**	**11 144**
Wholesale and retail trade, repairs	5 904	6 072	6 259	6 754	6 977
Hotels and restaurants	936	961	941	947	969
Transport, and communication	3 161	3 243	3 416	3 493	3 605
Transport and storage	1 328	1 498	1 613	1 682	1 741
Post and telecommunications	1 833	1 746	1 802	1 811	1 864
Financial intermediation	2 267	2 488	2 793	2 943	3 089
Real estate and business services	4 667	4 874	5 166	5 254	5 418
Real estate activities	3 447	3 613	3 780	3 907	4 026
Other business services	1 221	1 260	1 387	1 347	1 392
Community, social and personal services	1 716	1 727	1 771	1 707	1 794
Public administratin and defence	4 213	4 668	4 901	5 180	5 462
Education	3 365	3 559	3 705	3 901	4 235
Health	1 545	1 727	1 777	1 820	1 830
Private household with employed persons	370	389	406	415	426
Tertiary industries	**28 145**	**29 708**	**31 136**	**32 414**	**33 805**
Less: Financial intermediation secvices indirectly measured	652	670	666	724	766
All industries at basic prices	**45 324**	**46 514**	**46 080**	**49 054**	**50 782**
Taxes less subsidies on products	4 047	4 523	4 402	4 748	5 624
GDP at market prices	**49 371**	**51 038**	**50 482**	**53 802**	**56 407**

Source: NSA

E

Table I.5 (b) Gross domestic product by activity

Annual Percentage Changes

Industry	2007	2008	2009	2010	2011
Agriculture and forestry	-4.6	-18.1	0.6	-2.7	8.5
Livestock farming	2.8	-35.9	4.4	-6.0	7.8
Crop farming and forestry	-10.7	-1.0	-1.7	-0.5	9.0
Fishing and fish processing on board	-19.0	-5.3	4.4	2.1	6.2
Mining and quarrying	0.5	-2.9	-42.2	32.7	-8.5
Diamond mining	-3.1	-0.6	-50.8	36.6	-2.6
Other mining and quarrying	19.4	-12.3	-0.6	23.2	-24.4
Primary industries	**-4.0**	**-7.8**	**-24.5**	**14.3**	**-0.9**
Manufacturing	8.5	2.1	5.9	10.8	1.2
Meat processing	4.3	-8.4	4.9	5.1	-6.9
Fish processing on shore	29.6	-3.6	33.1	0.6	-1.6
Other food products and beverages	5.1	10.0	8.4	6.1	1.2
Other manufacturing	8.0	-2.1	-1.7	18.4	2.3
Electricity and water	4.3	-1.6	0.6	2.5	4.5
Construction	14.5	10.0	-18.4	8.5	16.2
Secondary industries	**9.1**	**3.2**	**0.2**	**9.4**	**4.2**
Wholesale and retail trade, repairs	7.9	2.9	3.1	7.9	3.3
Hotels and restaurants	10.6	2.7	-2.0	0.7	2.2
Transport, and communication	5.4	2.6	5.3	2.3	3.2
Transport and storage	6.0	12.8	7.7	4.2	3.5
Post and telecommunications	4.9	-4.7	3.3	0.5	2.9
Financial intermediation	12.0	9.7	12.3	5.3	5.0
Real estate and business services	7.6	4.4	6.0	1.7	3.1
Real estate activities	7.0	4.8	4.6	3.4	3.1
Other business services	9.2	3.2	10.0	-2.8	3.3
Community, social and personal services	0.8	0.6	2.6	-3.6	5.1
Public administratin and defence	10.4	10.8	5.0	5.7	5.4
Education	6.0	5.8	4.1	5.3	8.6
Health	5.8	11.8	2.9	2.4	0.6
Private household with employed persons	3.4	5.2	4.4	2.3	2.5
Tertiary industries	**7.4**	**5.6**	**4.8**	**4.1**	**4.3**
Less: Financial intermediation secvices indirectly measured	10.1	2.7	-0.6	8.7	5.8
All industries at basic prices	**5.4**	**2.6**	**-0.9**	**6.5**	**3.5**
Taxes less subsidies on products	4.8	11.8	-2.7	7.8	18.5
GDP at market prices	**5.4**	**3.4**	**-1.1**	**6.6**	**4.8**

Source: NSA

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Table I.6 (a) Expenditure on gross domestic product
Current prices - N$ million

Expenditure category	2007	2008	2009	2010	2011
Final consumption expenditure	48 471	56 797	65 345	72 658	80 144
Private	35 637	41 946	48 069	52 944	57 675
General government	12 834	14 851	17 277	19 714	22 469
Gross fixed capital formation	14 696	17 838	16 609	18 531	19 115
Changes in inventories	32	661	168	-1 303	-1 095
Gross domestic expenditure	**63 199**	**75 296**	**82 122**	**89 886**	**98 164**
Exports of goods and services	31 496	38 777	35 511	38 483	40 644
Imports of goods and services	32 310	39 849	42 116	44 419	47 610
Discrepancy	-304	-1 278	-448	-2 814	-356
Gross domestic product at market prices	**62 081**	**72 946**	**75 070**	**81 136**	**90 842**

Source: NSA

Table I.6 (b) Expenditure on gross domestic product
Current prices - Percentage Contribution

Expenditure category	2007	2008	2009	2010	2011
Final consumption expenditure	78.1	77.9	87.0	89.5	88.2
Private	57.4	57.5	64.0	65.3	63.5
General government	20.7	20.4	23.0	24.3	24.7
Gross fixed capital formation	23.7	24.5	22.1	22.8	21.0
Changes in inventories	0.1	0.9	0.2	-1.6	-1.2
Gross domestic expenditure	**101.8**	**103.2**	**109.4**	**110.8**	**108.1**
Exports of goods and services	50.7	53.2	47.3	47.3	44.7
Imports of goods and services	52.0	54.6	56.1	54.7	52.4
Discrepancy	-0.5	-1.8	-0.6	-3.5	-0.4
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 2004 prices - N$ million

Expenditure category	2007	2008	2009	2010	2011
Final consumption expenditure	40 346	43 674	47 508	50 014	52 100
Private	30 128	32 833	36 010	38 044	39 005
General government	10 218	10 840	11 498	11 970	13 095
Gross fixed capital formation	11 945	12 809	11 398	12 452	12 526
Changes in inventories	401	-106	-494	-555	-257
Gross domestic expenditure	**52 691**	**56 376**	**58 411**	**61 911**	**64 369**
Exports of goods and services	20 675	21 740	19 850	23 170	23 257
Imports of goods and services	27 784	30 440	31 692	32 405	33 309
Discrepancy	3 788	3 361	3 913	1 125	2 089
Gross domestic product at market prices	**49 371**	**51 038**	**50 482**	**53 802**	**56 407**

Source: NSA

Table I.7 (b) Expenditure on gross domestic product
Constant 2004 Prices - Annual Percentage Change

Expenditure category	2007	2008	2009	2010	2011
Final consumption expenditure	7.7	8.2	8.8	5.3	4.2
Private	6.1	9.0	9.7	5.6	2.5
General government	12.6	6.1	6.1	4.1	9.4
Gross fixed capital formation	12.1	7.2	-11.0	9.2	0.6
Changes in inventories	0.4	-1.0	-0.8	-0.1	0.6
Gross domestic expenditure	**9.0**	**7.0**	**3.6**	**6.0**	**4.0**
Exports of goods and services	6.4	5.2	-8.7	16.7	0.4
Imports of goods and services	31.8	9.6	4.1	2.2	2.8
Discrepancy	7.8	-0.9	1.1	-5.5	1.8
Gross domestic product at market prices	**5.4**	**3.4**	**-1.1**	**6.6**	**4.8**

Source: NSA

Table I.8 Gross fixed capital formation by activity
Current prices - N$ Million

Industry	2007	2008	2009	2010	2011
Agriculture	540	649	720	757	800
Fishing	162	195	234	290	56
Mining and quarrying	3 367	4 274	3 270	4 380	3 208
Manufacturing	1 376	2 164	2 674	2 700	2 445
Electricity and water	387	680	762	1 248	2 024
Construction	334	601	577	542	554
Wholesale and retail trade; hotels, restaurants	1 213	1 147	1 074	1 082	1 148
Transport, and communication	2 296	2 808	1 302	2 465	2 518
Finance, real estate, business services	2 084	2 456	2 814	2 121	2 347
Community, social and personal services	47	42	47	42	48
Producers of government services	2 889	2 821	2 686	2 904	3 967
Total	**14 696**	**17 838**	**16 609**	**18 531**	**19 115**
Percent of GDP	23.7	24.5	22.1	22.8	21.0

Source: NSA

Table I.9 Gross fixed capital formation by activity
Constant 2004 prices - N$ million

Industry	2007	2008	2009	2010	2011
Agriculture	484	503	523	544	567
Fishing	158	181	205	254	49
Mining and quarrying	2 623	2 970	2 498	2 855	2 035
Manufacturing	1 075	1 524	1 794	1 796	1 590
Electricity and water	308	486	524	846	1 337
Construction	307	468	418	402	412
Wholesale and retail trade; hotels, restaurants	1 078	858	772	759	783
Transport, and communication	1 906	2 069	935	1 645	1 647
Finance, real estate, business services	1 629	1 698	1 847	1 343	1 431
Community, social and personal services	41	32	34	30	33
Producers of government services	2 335	2 018	1 846	1 978	2 643
Total	**11 945**	**12 809**	**11 398**	**12 452**	**12 526**
Annual change, percent	12.1	7.2	-11.0	9.2	0.6

Source: NSA

Table I.10 Gross fixed capital formation by ownership by type of asset
Current prices - N$ million

Type of Asset	2007	2008	2009	2010	2011
Buildings	3 460	4 176	4 512	5 835	6 032
Construction works	4 224	5 530	4 796	4 233	5 422
Transport equipment	1 338	1 602	1 569	1 637	1 381
Machinery and other equipment	5 135	5 925	5 055	6 175	5 616
Mineral exploration	540	605	677	652	665
Total	14 696	17 838	16 609	18 531	19 115

Source: NSA

Table I.11 Gross fixed capital formation by ownership by type of asset
Constant 2004 prices - N$ million

Type of Asset	2007	2008	2009	2010	2011
Buildings	2 631	2 799	2 882	3 690	3 672
Construction works	3 477	3 949	3 296	2 885	3 609
Transport equipment	1 301	1 491	1 376	1 436	1 218
Machinery and other equipment	4 090	4 136	3 362	3 986	3 587
Mineral exploration	446	433	482	455	439
Total	11 945	12 809	11 398	12 452	12 526

Source: NSA

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Table I.12 Gross fixed capital formation by ownership
Current prices - N$ million

Ownership	2007	2008	2009	2010	2011
Public	4 673	4 748	4 106	5 965	7 818
Producers of government services	2 889	2 821	2 686	2 904	3 967
Public corporations and enterprises	1 784	1 927	1 421	3 062	3 851
Private	10 023	13 090	12 502	12 566	11 296
Total	14 696	17 838	16 609	18 531	19 115

Source: NSA

Table I.13 Gross fixed capital formation by ownership
Constant 2004 prices - N$ million

Ownership	2007	2008	2009	2010	2011
Public	3 806	3 433	2 843	4 033	5 174
Producers of government services	2 335	2 018	1 846	1 978	2 643
Public corporations and enterprises	1 471	1 415	997	2 055	2 531
Private	8 139	9 376	8 555	8 419	7 351
Total	11 945	12 809	11 398	12 452	12 526

Source: NSA

Table I.14 Fixed capital stock by activity
Current prices - N$ million

Industry	2007	2008	2009	2010	2011
Agriculture	10 266	11 688	12 158	12 156	12 331
Fishing	1 660	1 954	2 212	2 402	2 320
Mining and quarrying	17 726	22 167	24 774	27 056	28 500
Manufacturing	8 392	10 766	12 986	14 631	16 161
Electricity and water	8 659	9 568	9 832	10 034	11 316
Construction	1 481	1 940	2 297	2 505	2 705
Wholesale and retail trade; hotels, restaurants	4 968	6 214	6 981	7 421	7 970
Transport, and communication	13 347	16 538	17 141	18 915	20 264
Finance, real estate, business services	23 339	27 963	31 131	32 576	34 945
Community, social and personal services	736	825	848	832	826
Producers of government services	30 168	35 748	38 107	39 396	42 333
Total	**120 743**	**145 371**	**158 468**	**167 926**	**179 673**

Source: NSA

Table I.15 Fixed capital stock by activity
Constant 2004 prices - N$ million

Industry	2007	2008	2009	2010	2011
Agriculture	8 569	8 481	8 397	8 316	8 239
Fishing	1 566	1 643	1 736	1 869	1 794
Mining and quarrying	14 552	16 302	17 492	18 921	19 450
Manufacturing	6 465	7 389	8 508	9 498	10 164
Electricity and water	7 094	6 796	6 734	6 807	7 509
Construction	1 345	1 555	1 707	1 830	1 929
Wholesale and retail trade; hotels, restaurants	4 091	4 543	4 858	5 121	5 352
Transport, and communication	11 132	12 142	11 955	12 403	12 769
Finance, real estate, business services	17 891	18 932	20 070	20 680	21 350
Community, social and personal services	612	597	582	563	545
Producers of government services	24 303	25 160	25 770	26 443	27 704
Total	**97 620**	**103 540**	**107 809**	**112 450**	**116 805**

Source: NSA

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Table 1.16 (a) National consumer price index (December 2001 = 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	29.63	3.26	5.13	20.59	5.61	1.51	14.79	0.9	2.5	7.36	1.62	7.11	100	
2006	132.5	139.7	105.0	128.3	116.9	110.1	143.0	109.2	113.9	149.9	134.0	114.8	129.1	5.1
2007	148.7	149.9	108.5	132.7	121.7	115.2	151.5	110.8	119.1	158.9	143.3	117.1	137.7	6.7
2008	174.0	166.4	112.9	138.0	133.5	117.9	171.1	116.2	127.0	168.7	160.0	123.1	152.0	10.3
2009														
Jan	187.5	174.8	115.8	146.7	144.8	120.5	173.0	123.0	136.5	174.6	171.6	132.8	160.8	11.6
Feb	188.9	175.1	115.9	146.6	145.4	122.2	173.7	123.1	136.6	174.6	171.6	133.3	161.4	11.6
Mar	190.6	183.6	119.4	146.6	147.6	123.5	174.5	123.1	137.0	174.6	172.5	133.3	162.6	11.2
Apr	190.9	185.3	119.3	146.5	147.2	124.5	178.7	123.1	137.7	174.6	172.6	134.4	163.5	10.0
May	191.8	185.5	119.8	146.6	147.9	124.8	180.0	123.1	136.6	174.6	174.3	134.7	164.2	9.6
Jun	192.5	186.4	121.9	146.8	149.1	125.0	181.0	123.1	138.1	174.6	174.9	135.4	164.9	9.1
Jul	192.0	187.9	124.3	150.7	148.7	125.7	184.5	123.1	140.8	174.6	179.0	135.9	166.3	7.5
Aug	195.0	191.9	125.0	150.7	148.7	125.2	184.3	123.1	142.4	174.6	178.5	135.9	167.7	7.6
Sep	193.9	192.1	126.5	151.1	149.4	125.6	185.5	123.2	141.0	174.6	180.9	136.3	167.6	7.1
Oct	196.5	193.8	126.7	151.2	149.6	125.7	184.9	124.7	141.1	174.6	181.1	137.0	168.3	7.1
Nov	196.3	194.6	128.5	151.3	150.4	125.7	186.4	124.6	142.1	174.6	181.0	136.5	168.6	6.7
Dec	195.3	195.6	128.5	151.3	148.9	125.8	187.4	124.6	143.1	174.6	181.3	136.6	168.4	7.0
Average	192.6	187.2	122.6	148.8	148.2	124.5	181.2	123.5	139.4	174.6	176.6	135.2	165.4	8.8
2010														
Jan	197.5	196.3	128.1	154.2	150.6	128.9	189.2	124.9	141.7	183.8	185.6	139.6	170.9	6.3
Feb	199.0	197.0	127.5	154.3	150.6	128.8	189.9	124.6	142.5	183.8	186.0	140.1	171.6	6.3
Mar	198.5	203.4	127.3	154.3	151.3	128.9	189.7	124.9	142.6	183.8	186.7	139.6	171.8	5.6
Apr	198.3	204.1	125.7	153.9	150.1	129.4	191.6	124.9	143.2	183.8	189.7	140.4	171.7	5.0
May	197.1	206.4	127.6	154.5	150.8	129.5	193.6	124.9	144.4	183.8	189.5	139.7	171.9	4.7
Jun	197.4	207.0	127.8	154.6	151.8	130.5	193.0	125.0	145.0	183.8	190.2	139.6	172.0	4.3
Jul	199.4	208.8	128.0	160.5	151.6	130.8	193.8	124.9	146.5	183.8	191.7	140.1	174.0	4.6
Aug	199.2	208.4	127.1	160.5	150.9	131.1	192.9	124.9	144.6	183.8	193.8	141.4	173.7	3.6
Sep	200.1	208.9	125.6	160.5	151.4	131.7	191.3	124.9	144.1	183.8	193.9	142.2	173.8	3.7
Oct	199.9	209.0	125.0	160.6	150.7	131.7	192.7	125.4	144.7	183.8	193.8	142.3	173.7	3.2
Nov	201.1	209.9	125.2	160.5	149.7	131.7	193.6	125.6	144.9	183.8	194.3	142.4	174.3	3.4
Dec	199.6	209.8	124.9	160.6	150.3	131.6	193.1	125.9	144.0	183.8	195.4	142.4	173.6	3.1
Average	198.9	205.8	126.7	157.4	150.8	130.4	192.0	125.1	144.0	183.8	190.9	140.8	172.7	4.5
2011														
Jan	200.9	209.8	125.9	171.5	151.4	136.6	194.7	126.4	144.5	193.2	196.4	144.9	176.8	3.5
Feb	201.3	209.4	127.0	170.6	151.2	136.7	196.0	126.4	147.0	193.2	195.6	144.3	176.9	3.1
Mar	203.6	215.3	126.3	170.8	151.3	137.4	197.8	126.5	147.1	193.2	200.6	144.6	178.3	3.8
Apr	206.8	218.8	126.9	170.7	152.2	137.6	200.9	126.5	148.4	193.2	200.3	144.2	180.0	4.8
May	208.0	219.3	126.4	171.0	152.8	138.2	202.4	126.5	149.2	193.2	198.6	147.0	180.8	5.2
Jun	208.9	220.4	126.9	171.0	154.3	138.0	202.2	126.7	148.7	193.2	198.8	147.1	181.2	5.4
Jul	209.9	220.8	126.9	173.4	154.8	138.0	203.3	126.6	149.7	193.2	199.9	147.5	182.3	4.8
Aug	211.0	221.6	128.4	173.7	154.5	137.9	204.3	126.6	150.4	193.2	199.4	147.3	183.1	5.4
Sep	211.4	221.7	128.6	175.0	154.4	138.5	203.1	126.7	150.7	193.2	200.5	147.2	183.0	5.3
Oct	213.9	221.6	130.4	175.3	155.6	138.2	205.9	127.1	152.1	193.2	201.4	147.4	184.4	6.1
Nov	214.6	223.2	131.0	175.5	155.6	138.2	206.3	127.1	151.7	193.2	202.1	147.6	184.7	6.0
Dec	217.7	223.5	130.4	175.4	156.9	138.2	208.1	127.1	154.2	193.2	202.5	147.5	186.1	7.2
Average	209.0	218.8	127.9	172.8	153.8	137.8	202.1	126.7	149.5	193.2	199.7	146.4	181.5	5.1
2012														
Jan	219.2	223.9	129.1	180.7	158.8	142.0	208.2	127.2	156.2	200.1	204.2	149.5	188.5	6.6
Feb	221.1	227.6	129.7	180.4	158.7	142.5	211.9	127.2	160.0	200.1	204.2	154.5	190.1	7.4
Mar	223.3	234.4	129.1	178.6	160.5	142.7	213.6	127.2	158.5	200.1	204.3	154.2	190.7	6.9
Apr	224.4	236.3	129	178.5	161.7	143	215.9	127.2	161.1	200.1	204.9	154.2	191.4	6.4
May	224.4	237.9	128.4	178.4	160.2	142.7	218.7	127.2	162.5	200.1	207.7	152.4	191.7	6.0
Jun	223	237.5	128.7	178.5	160.8	142.8	218.2	127.2	162.5	200.1	207.9	153.5	191.3	5.6
Jul	226.3	238.2	128.9	185.7	161.8	142.8	215.9	126.6	164.2	200.1	208.8	151.4	193.2	6.0
Aug	226.4	239.8	129.8	186.5	162.7	142.9	216.5	126.6	164.5	200.1	210.4	152.5	193.7	5.8
Sep	230.7	241	131.9	188.3	165.2	143.2	215.9	126.1	163.1	200.1	214	152.4	195.3	6.7
Oct	235.6	242.9	132.2	188.3	165.2	143.5	218.4	129.2	164.6	200.1	214.2	152.6	197.5	7.1
Nov	238.2	243.3	132.3	188.4	166.7	143.5	220.2	129.8	165.5	200.1	214.8	152.8	198.7	7.6
Dec	235.5	242.7	132.5	188.9	167.3	142.8	220.2	130	165.2	200.1	216.7	152.7	197.9	6.3
Average	227.3	237.1	130.1	183.4	162.5	142.9	216.1	127.6	162.3	200.1	209.3	152.7	193.3	6.5

Source: NSA

Table 1.16 (b) National consumer price index (December 2001=100)

	Services Index	Services Monthly Infl. Rate	Services Annual infl. rate	Goods Index	Goods Monthly infl. rate	Goods Annual infl. rate
2006	**129.7**	**0.5**	**4.8**	**128.7**	**0.5**	**5.2**
2007	**135.3**	**0.2**	**4.3**	**139.4**	**0.8**	**8.3**
2008	**145.0**	**0.9**	**7.2**	**156.5**	**0.8**	**12.2**
2009						
Jan	153.6	1.6	10.7	165.3	2.5	12.1
Feb	154.7	0.7	11.1	165.6	0.2	11.9
Mar	155.0	0.2	10.4	166.6	0.6	11.2
Apr	154.5	-0.3	9.2	167.6	0.6	9.5
May	154.2	-0.2	8.6	170.6	1.8	10.2
Jun	154.5	0.3	8.5	171.5	0.5	9.4
Jul	156.4	1.2	6.0	172.5	0.6	8.3
Aug	156.9	0.3	6.1	174.6	1.2	8.5
Sep	156.4	-0.3	5.6	174.8	0.1	7.9
Oct	156.4	0	4.2	175.8	0.6	8.7
Nov	157.0	0.4	4.0	175.9	0.1	8.2
Dec	157.2	0.1	4.0	175.5	-0.3	8.7
Average	**155.6**	**0.3**	**7.4**	**171.4**	**0.7**	**9.6**
2010						
Jan	162.2	3.2	5.6	176.4	0.5	6.7
Feb	162.2	0	4.8	177.4	0.6	7.1
Mar	163.5	0.8	5.5	177.0	-0.3	6.2
Apr	164.0	0.3	6.1	176.6	-0.2	5.4
May	165.3	0.8	7.2	176.1	-0.3	3.2
Jun	165.7	0.2	7.2	175.9	-0.1	2.6
Jul	167.7	1.2	7.2	177.9	1.1	3.2
Aug	167.5	-0.1	6.8	177.6	-0.2	1.7
Sep	167.6	0.0	7.2	177.8	0.1	1.7
Oct	167.8	0.1	7.3	177.4	-0.2	0.9
Nov	168.3	0.3	7.2	178.0	0.3	1.2
Dec	167.6	-0.4	6.6	177.4	-0.3	1.1
Average	**165.8**	**0.5**	**6.6**	**177.1**	**0.1**	**3.4**
2011						
Jan	172.2	2.7	6.1	179.7	1.3	1.9
Feb	172.7	0.3	6.4	179.6	-0.1	1.2
Mar	172.6	-0.03	5.6	181.9	1.3	2.8
Apr	172.7	0.1	5.3	184.6	1.5	4.5
May	170.9	-1.1	3.4	187.1	1.4	6.3
Jun	172.5	1.0	4.1	186.6	-0.3	6.1
Jul	174.5	1.2	4.1	187.2	0.3	5.2
Aug	174.7	0.1	4.3	188.3	0.6	6.1
Sep	175.3	0.4	4.6	187.8	-0.3	5.7
Oct	176.0	0.4	4.9	189.7	1.0	6.9
Nov	176.1	0.03	4.6	190.1	0.2	6.8
Dec	176.6	0.3	5.4	192.1	1.1	8.3
Average	**173.9**	**0.5**	**4.9**	**186.2**	**0.7**	**5.2**
2012						
Jan	179.1	1.4	4.0	194.5	1.2	8.2
Feb	179.5	0.3	4.0	196.7	1.1	9.5
Mar	180.3	0.4	4.4	197.2	0.3	8.4
Apr	181.1	0.5	4.9	197.9	0.4	7.2
May	183.2	1.1	7.2	197.1	-0.4	5.3
Jun	183.7	0.3	6.5	196.1	-0.5	5.1
Jul	187.2	1.9	7.2	196.9	0.4	5.2
Aug	186.3	-0.5	6.7	198.3	0.7	5.3
Sep	188.5	1.2	7.5	199.6	0.6	6.2
Oct	191.3	1.5	8.7	201.3	0.9	6.2
Nov	192.6	0.7	9.4	202.4	0.5	6.5
Dec	191.3	-0.7	8.3	202.1	-0.2	5.2
Average	**185.3**	**0.7**	**6.6**	**198.3**	**0.4**	**6.5**

Source: NSA

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Table II.1(a) Central bank survey (end of period in N$ million)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Assets												
Net foreign assets	14 677.3	14 587.6	12 989.4	13 427.6	12 985.7	12 574.8	12 480.9	12 160.7	11 716.2	12 047.3	10 598.8	10 460.7
Claims on nonresidents	14 758.5	14 671.3	13 071.2	13 509.5	13 070.2	12 613.7	12 556.7	12 236.9	11 792.2	12 122.7	10 674.4	10 515.0
Monetary gold and SDR holdings	1 529.3	1 547.4	1 459.0	1 442.7	1 472.3	1 473.8	1 459.5	1 454.0	1 410.0	1 438.2	1 427.5	1 331.6
Foreign currency	152.1	109.9	85.6	136.4	163.1	148.4	140.4	185.0	154.6	279.3	296.3	73.2
Deposits	13 063.2	12 987.8	11 485.3	11 877.9	11 369.4	10 912.4	10 865.6	10 493.6	10 097.6	10 261.7	8 794.3	8 941.4
Securities other than hares	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	13.9	26.2	41.3	52.4	65.4	79.0	91.2	104.3	130.0	143.5	156.4	168.9
less: Liabilities to nonresidents	-81.1	-83.8	-81.8	-81.9	-84.5	-38.8	-75.8	-76.2	-76.0	-75.5	-75.6	-54.3
Deposits	-5.4	-6.6	-6.5	-6.5	-6.4	-8.5	-8.6	-8.4	-8.5	-8.6	-8.4	-8.3
Securities other 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	-75.7	-77.1	-75.3	-75.4	-78.0	-30.4	-67.3	-67.7	-67.5	-66.8	-67.2	-46.1
Claims on other depository corporations	37.4	37.6	37.7	136.3	333.0	117.4	38.8	38.9	39.1	39.2	39.3	39.6
Net claims on central government	-7 477.7	-6 875.0	-5 135.3	-5 982.2	-5 148.0	-5 562.5	-5 603.9	-5 447.5	-4 307.7	-4 240.3	-2 812.2	-3 481.0
Claims on central 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
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	-7 477.8	-6 875.1	-5 135.4	-5 982.2	-5 148.1	-5 562.6	-5 603.9	-5 447.6	-4 307.8	-4 240.3	-2 812.3	-3 481.0
Deposits	-7 474.9	-6 872.2	-5 132.5	-5 979.4	-5 145.2	-5 559.7	-5 601.1	-5 444.7	-4 304.9	-4 237.5	-2 809.4	-3 478.2
Other liabilities	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8
Claims on other sectors	21.5	21.4	22.2	21.7	21.9	22.0	22.0	21.6	21.4	21.5	21.4	21.9
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	21.5	21.4	22.2	21.7	21.9	22.0	22.0	21.6	21.4	21.5	21.4	21.9

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Assets												
Net foreign assets	11 442.7	10 765.3	9 431.2	10 866.7	11 022.7	11 068.1	12 099.1	11 535.7	11 021.6	12 290.5	15 365.9	14 817.4
Claims on nonresidents	11 498.8	10 811.2	9 472.6	10 959.2	11 096.3	11 141.3	12 136.4	11 577.5	11 064.3	12 327.7	15 370.6	14 823.4
Monetary gold and SDR holdings	1 437.9	1 434.2	1 404.3	1 401.3	1 433.1	1 412.4	64.6	69.5	76.8	76.8	79.8	76.6
Foreign currency	162.4	80.1	181.4	118.1	90.7	53.9	181.6	120.3	72.5	160.5	111.4	101.9
Deposits	9 883.0	9 269.6	7 845.2	9 385.2	9 505.4	9 594.3	11 796.3	11 280.5	10 794.7	11 956.6	15 031.6	14 484.2
Securities other than hares	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	15.5	27.3	41.7	54.6	67.2	80.7	93.9	107.2	120.4	133.8	147.7	160.7
less: Liabilities to nonresidents	-56.1	-45.9	-41.4	-92.5	-73.6	-73.1	-37.2	-41.8	-42.7	-37.2	-4.7	-6.0
Deposits	-8.7	-8.7	-4.8	-4.8	-4.8	-4.8	-4.8	-4.9	-4.9	-4.9	-4.9	-4.9
Securities other 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	-47.4	-37.2	-36.6	-87.7	-68.8	-68.3	-32.4	-36.9	-37.8	-32.3	0.2	-1.1
Claims on other depository corporations	40.3	40.2	40.3	40.5	139.3	138.1	41.2	160.7	41.6	41.3	41.5	41.9
Net claims on central government	-4 658.0	-4 116.2	-2 442.8	-4 514.3	-4 222.6	-5 247.9	-5 651.1	-4 327.3	-3 623.9	-4 782.7	-7 198.5	-5 948.9
Claims on central 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
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	-4 658.1	-4 116.2	-2 442.8	-4 514.4	-4 222.7	-5 247.9	-5 651.1	-4 327.4	-3 624.0	-4 782.7	-7 198.5	-5 949.0
Deposits	-4 658.1	-4 116.2	-2 442.8	-4 514.4	-4 222.7	-5 247.9	-5 651.1	-4 327.4	-3 624.0	-4 782.7	-7 198.5	-5 949.0
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	21.8	22.3	23.0	23.8	24.3	24.5	24.3	23.3	23.8	23.9	24.5	24.6
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	21.8	22.3	23.0	23.8	24.3	24.5	24.3	23.3	23.8	23.9	24.5	24.6

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Assets												
Net foreign assets	15 282.3	13 601.0	12 426.7	15 387.2	14 088.9	14 587.0	16 162.9	15 305.3	13 992.5	15 391.8	15 756.0	15 233.2
Claims on nonresidents	15 288.2	13 606.9	12 432.6	15 396.4	14 095.5	14 593.1	16 168.9	15 310.1	14 002.7	15 396.5	15 760.5	15 237.7
Monetary gold and SDR holdings	74.3	71.3	72.8	73.5	78.6	77.1	75.6	78.1	76.2	80.2	82.7	80.0
Foreign currency	139.7	113.0	189.5	174.9	153.0	145.3	161.2	186.4	109.4	160.8	143.7	161.2
Deposits	15 057.4	13 389.9	12 121.4	15 082.6	13 782.4	14 273.8	15 818.9	14 916.1	13 671.7	14 994.2	15 356.3	14 802.8
Securities other than hares	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	16.8	32.7	49.0	65.4	81.5	96.9	113.1	129.5	145.4	161.4	177.8	193.7
less: Liabilities to nonresidents	-5.9	-5.9	-6.0	-9.2	-6.6	-6.1	-5.9	-4.8	-10.2	-4.7	-4.4	-4.4
Deposits	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.7	-4.7	-4.7	-4.7
Securities other 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	-1.0	-1.1	-1.1	-4.3	-1.8	-1.2	-1.0	0.1	-5.5	0.0	0.3	0.3
Claims on other depository corporations	45.8	46.0	46.1	46.3	42.8	43.1	42.9	43.5	43.7	43.8	44.1	44.3
Net claims on central government	-8 948.7	-7 801.7	-5 224.7	-9 029.3	-6 650.4	-6 441.6	-8 749.1	-7 414.2	-6 381.9	-7 498.0	-7 779.9	-6 652.0
Claims on central 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
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	-8 948.7	-7 801.8	-5 224.7	-9 029.4	-6 650.4	-6 441.7	-8 749.1	-7 414.3	-6 381.9	-7 498.0	-7 779.9	-6 652.0
Deposits	-8 948.7	-7 801.8	-5 224.7	-9 029.4	-6 650.4	-6 441.7	-8 749.1	-7 414.3	-6 381.9	-7 498.0	-7 779.9	-6 652.0
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	24.6	26.5	27.0	28.6	28.8	30.0	29.7	32.4	33.0	33.6	33.7	33.7
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	24.6	26.5	27.0	28.6	28.8	30.0	29.7	32.4	33.0	33.6	33.7	33.7

Table II.1(b) Central bank survey (end of period in N$ million)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Liabilities												
Monetary base	**4 210.3**	**4 434.3**	**5 029.2**	**5 002.8**	**5 534.9**	**4 459.8**	**4 333.8**	**4 208.1**	**5 038.2**	**5 325.1**	**5 376.7**	**4 881.9**
Currency in circulation	1 526.7	1 506.6	1 590.6	1 595.2	1 649.8	1 652.3	1 668.8	1 798.1	1 738.6	1 758.1	1 857.0	1 909.3
Liabilities to other depository corporations	2 683.6	2 927.7	3 438.6	3 407.6	3 885.1	2 807.5	2 665.1	2 409.9	3 299.6	3 566.9	3 519.7	2 972.6
Reserve deposits	815.0	1 052.6	1 580.2	1 499.5	1 944.7	1 026.8	1 131.3	1 046.6	1 925.0	1 917.2	1 924.3	1 334.2
Other liabilities	1 868.6	1 875.1	1 858.4	1 908.1	1 940.4	1 780.6	1 533.8	1 363.3	1 374.6	1 649.7	1 595.5	1 638.4
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**	**0.0**
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
Securities other than shares, excluded from broad money	**1 868.6**	**1 875.1**	**1 858.4**	**1 908.1**	**1 940.4**	**1 780.6**	**1 533.8**	**1 363.3**	**1 374.6**	**1 649.7**	**1 595.5**	**1 638.4**
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
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 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
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
Trade credit and advances	**5.7**	**5.0**	**4.4**	**7.3**	**5.1**	**2.5**	**1.9**	**9.7**	**2.7**	**3.8**	**2.6**	**7.3**
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	**3 262.5**	**3 550.8**	**3 001.2**	**2 816.6**	**2 884.7**	**2 924.2**	**2 834.2**	**2 788.4**	**2 659.6**	**2 772.8**	**2 696.1**	**2 371.1**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	237.2	237.2	237.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and special reserves	675.7	675.7	675.7	798.4	798.4	798.4	798.4	798.4	798.4	798.4	798.4	798.4
SDR allocations	1 529.1	1 547.1	1 458.8	1 442.5	1 472.1	1 473.6	1 459.3	1 453.8	1 409.8	1 438.0	1 427.2	1 331.4
Valuation adjustment	899.5	973.4	507.4	434.3	438.7	469.5	394.9	325.8	239.6	331.1	264.1	56.9
Current year result	-119.1	77.3	82.1	101.4	135.6	142.7	141.5	170.4	171.9	165.2	166.3	144.5
Other items (net)	**-219.9**	**-218.5**	**-120.8**	**-223.3**	**-232.2**	**-234.7**	**-232.2**	**-232.6**	**-231.5**	**-233.8**	**-228.1**	**-219.2**
Other liabilities	35.1	34.7	34.5	34.2	34.1	34.1	33.9	33.9	33.7	33.7	33.6	44.9
less: Other assets	-255.0	-253.3	-155.3	-257.5	-266.3	-268.8	-266.1	-266.5	-265.2	-267.5	-261.8	-264.1

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Liabilities												
Monetary base	**4 492.6**	**4 216.0**	**4 537.1**	**4 018.6**	**4 457.9**	**3 513.0**	**3 899.0**	**4 596.6**	**4 099.4**	**4 242.7**	**4 448.8**	**5 508.8**
Currency in circulation	1 777.8	1 793.6	1 840.9	1 934.3	1 902.3	1 877.4	1 940.2	2 140.0	2 105.4	2 156.4	2 253.6	2 398.2
Liabilities to other depository corporations	2 714.8	2 422.4	2 696.3	2 084.3	2 555.5	1 635.6	1 958.8	2 456.6	1 994.1	2 086.3	2 195.2	3 110.6
Reserve deposits	1 069.5	961.9	1 229.0	1 109.7	1 576.5	929.0	1 639.3	2 456.6	1 994.1	2 086.3	2 195.2	3 110.6
Other liabilities	1 645.2	1 460.5	1 467.3	974.6	979.1	706.6	319.5	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**	**0.1**	**0.1**	**0.1**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
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
Securities other than shares, excluded from broad money	**1 645.2**	**1 460.5**	**1 467.3**	**974.6**	**979.1**	**706.6**	**319.5**	**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
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 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
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
Trade credit and advances	**4.0**	**3.4**	**3.6**	**3.5**	**3.0**	**22.2**	**3.5**	**3.4**	**3.4**	**3.5**	**7.7**	**11.0**
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	**2 606.4**	**2 756.2**	**2 679.8**	**2 634.5**	**2 745.7**	**2 687.4**	**2 849.0**	**3 055.3**	**3 614.8**	**3 580.7**	**4 039.8**	**3 685.5**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	159.0	151.4	151.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and special reserves	798.4	798.4	798.4	896.3	896.3	896.3	896.3	896.3	896.3	896.3	896.3	896.3
SDR allocations	1 437.6	1 434.0	1 404.1	1 401.1	1 432.9	1 412.2	1 416.3	1 486.6	1 641.6	1 641.6	1 706.9	1 637.1
Valuation adjustment	167.8	322.8	273.0	277.9	343.7	298.0	438.9	557.2	947.7	908.6	1 266.6	1 005.9
Current year result	3.6	9.6	12.9	19.2	32.8	40.9	57.5	75.3	89.2	94.2	130.0	106.2
Other items (net)	**-256.3**	**-264.0**	**-168.7**	**-240.0**	**-243.0**	**-239.7**	**-237.9**	**-263.1**	**-254.6**	**-254.1**	**-263.0**	**-270.5**
Other liabilities	48.0	45.2	44.6	44.4	44.3	44.4	44.3	44.2	44.0	43.9	43.6	47.2
less: Other assets	-304.3	-309.2	-213.3	-284.4	-287.4	-284.2	-282.2	-307.3	-298.6	-298.0	-306.6	-317.7

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Liabilities												
Monetary base	**3 487.5**	**3 364.1**	**4 180.5**	**3 541.7**	**3 899.3**	**4 822.2**	**4 272.7**	**4 424.4**	**4 300.8**	**4 109.4**	**4 073.1**	**4 984.0**
Currency in circulation	2 169.2	2 116.5	2 140.6	2 233.4	2 317.5	2 268.3	2 353.3	2 401.7	2 332.3	2 385.0	2 497.7	2 773.3
Liabilities to other depository corporations	1 318.4	1 247.6	2 039.9	1 308.2	1 581.8	2 553.9	1 919.4	2 022.7	1 968.5	1 724.4	1 575.4	2 210.7
Reserve deposits	1 318.4	1 247.6	2 039.9	1 308.2	1 581.8	2 553.9	1 919.4	2 022.7	1 968.5	1 724.4	1 575.4	2 210.7
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	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**-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
Securities other than shares, 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**	**0.0**
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
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 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
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
Trade credit and advances	**6.6**	**6.1**	**19.3**	**8.0**	**25.1**	**7.0**	**7.0**	**5.4**	**6.2**	**7.5**	**7.5**	**13.2**
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	**3 176.9**	**2 796.2**	**3 209.9**	**3 199.4**	**3 920.8**	**3 731.2**	**3 550.8**	**3 892.6**	**3 752.2**	**4 232.7**	**4 369.1**	**4 061.7**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	100.3	123.8	123.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and special reserves	901.5	901.5	901.5	965.3	965.3	965.3	965.3	965.3	965.3	965.3	965.3	965.3
SDR allocations	1 587.8	1 524.3	1 556.7	1 572.7	1 681.8	1 649.8	1 618.0	1 671.4	1 630.2	1 715.9	1 768.9	1 711.2
Valuation adjustment	536.8	189.2	563.0	585.1	1 190.7	1 042.9	881.5	1 164.2	1 065.0	1 448.8	1 530.4	1 288.3
Current year result	10.4	17.3	24.8	36.3	42.9	33.1	45.9	51.7	51.6	62.7	64.5	56.8
Other items (net)	**-267.3**	**-294.9**	**-134.7**	**-316.4**	**-335.3**	**-342.0**	**-344.1**	**-355.7**	**-371.9**	**-378.4**	**-395.9**	**-399.6**
Other liabilities	50.0	49.7	49.6	49.1	49.0	48.9	51.3	48.6	48.4	48.3	48.2	53.1
less: Other assets	-317.3	-344.6	-184.2	-365.6	-384.3	-390.9	-395.3	-404.3	-420.3	-426.7	-444.1	-452.7

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Table II.2(a) Other depository corporations survey (end of period in N$ million)

Assets	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Net foreign assets	**13 897.0**	**13 713.4**	**13 524.2**	**13 569.5**	**12 837.9**	**11 413.7**	**11 557.3**	**12 765.0**	**11 746.3**	**12 302.6**	**12 382.2**	**11 509.5**
Claims on nonresidents	**14 366.7**	**14 348.8**	**14 133.1**	**14 287.8**	**13 621.3**	**12 128.6**	**12 531.9**	**13 763.9**	**12 627.3**	**13 296.6**	**13 134.3**	**12 399.2**
Foreign currency	235.6	141.8	129.9	94.5	176.8	137.5	119.5	197.5	120.7	132.3	157.7	77.2
Deposits	8 021.6	7 863.0	7 644.2	7 155.8	7 832.8	6 334.3	7 014.3	8 340.0	7 595.5	8 048.1	7 594.7	7 078.1
Securities other than shares	5 990.7	6 223.0	6 236.1	6 916.7	5 491.6	5 533.1	5 276.2	5 100.1	4 787.2	4 979.5	5 242.9	5 101.6
Loans	105.6	106.8	108.6	106.6	108.2	112.2	110.4	115.5	112.8	125.0	127.5	132.3
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	13.3	14.1	14.3	14.2	11.9	11.6	11.5	10.9	11.1	11.6	11.5	10.0
Less: Liabilities to nonresidents	-469.8	-635.4	-608.9	-718.3	-783.4	-714.8	-974.6	-998.9	-881.0	-994.0	-752.1	-889.7
Deposits	-355.4	-525.0	-508.3	-617.7	-660.7	-614.2	-799.4	-827.6	-763.0	-864.9	-632.6	-789.1
Securities other than shares	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6	-100.6
Loans	-13.7	-9.9	0.0	0.0	-22.1	0.0	-74.6	-70.8	-17.4	-28.5	-18.9	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	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 central bank	**3 173.6**	**3 210.4**	**3 813.6**	**3 662.8**	**3 995.7**	**3 219.2**	**2 995.8**	**2 987.4**	**3 776.6**	**4 022.1**	**4 104.3**	**3 490.8**
Currency	399.1	388.9	537.8	450.1	519.1	516.8	439.0	564.7	520.7	485.2	541.0	617.0
Reserve deposits	598.2	715.2	547.6	868.7	1 784.8	881.6	1 059.2	864.2	1 765.0	1 843.3	1 751.9	1 127.4
Other claims	2 176.3	2 106.2	2 728.2	2 344.1	1 691.8	1 820.9	1 497.6	1 558.4	1 490.9	1 693.7	1 811.4	1 746.4
Net claims on central government	**1 302.9**	**1 595.8**	**1 531.6**	**1 876.0**	**1 893.1**	**1 346.6**	**1 566.7**	**1 651.0**	**1 550.8**	**1 494.1**	**1 310.5**	**1 761.4**
Claims on central government	**2 392.8**	**2 780.4**	**2 843.6**	**3 026.1**	**3 003.9**	**2 620.1**	**2 721.2**	**2 800.5**	**2 861.9**	**2 835.3**	**2 854.9**	**3 080.0**
Securities other than Shares	2 343.0	2 731.0	2 794.5	2 976.1	2 956.3	2 569.3	2 669.1	2 749.4	2 808.5	2 770.7	2 806.1	3 031.4
Other claims	49.8	49.3	49.1	50.0	47.6	50.9	52.1	51.1	53.3	64.7	48.8	48.6
less: Liabilities to central government	**-1 089.9**	**-1 184.5**	**-1 312.0**	**-1 150.1**	**-1 110.9**	**-1 273.5**	**-1 154.6**	**-1 149.4**	**-1 311.1**	**-1 341.2**	**-1 544.4**	**-1 318.6**
Deposits	-1 058.1	-1 130.7	-1 258.2	-1 106.6	-1 067.3	-1 229.8	-1 122.8	-1 112.3	-1 279.3	-1 309.4	-1 512.6	-1 286.8
Other liabilities	-31.8	-53.8	-53.8	-43.5	-43.6	-43.7	-31.8	-37.1	-31.8	-31.8	-31.8	-31.8
Claims on other sectors	**40 106.6**	**39 733.0**	**39 882.0**	**40 700.1**	**40 499.8**	**41 165.4**	**41 811.9**	**41 740.6**	**42 179.7**	**42 783.3**	**43 285.6**	**44 435.8**
Other financial corporations	2 438.9	2 551.8	2 653.3	2 719.3	2 709.8	2 710.2	2 744.5	2 696.0	2 689.3	2 849.6	2 889.6	3 067.2
State and local government	85.0	70.6	24.4	62.1	57.3	92.7	27.0	50.0	67.5	74.4	88.8	116.5
Public nonfinancial corporations	702.9	689.8	735.1	713.5	597.0	718.7	715.2	690.0	683.8	505.2	677.5	682.6
Other nonfinancial corporations	13 927.4	13 470.3	13 263.1	13 788.4	13 648.0	13 957.2	14 615.6	14 387.8	14 438.8	14 945.6	14 942.0	15 528.5
Other resident sectors	22 950.0	22 948.1	23 203.8	23 414.4	23 485.2	23 683.9	23 707.0	23 914.1	24 297.5	24 405.6	24 684.8	25 037.6
Unclassified shares and other equity	2.4	2.4	2.4	2.4	2.6	2.6	2.6	2.6	2.8	2.9	2.9	3.3

Assets	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Net foreign assets	**11 533.3**	**10 552.7**	**10 800.5**	**10 768.8**	**10 317.3**	**9 355.0**	**10 202.7**	**9 869.8**	**10 436.4**	**11 119.5**	**11 381.9**	**10 596.8**
Claims on nonresidents	**12 483.5**	**11 797.5**	**11 608.3**	**11 455.3**	**11 023.2**	**10 192.2**	**10 908.4**	**10 596.7**	**11 219.0**	**11 883.4**	**12 084.2**	**11 496.3**
Foreign currency	111.8	123.2	102.3	95.9	158.0	121.9	93.6	132.4	118.9	201.1	132.6	179.4
Deposits	6 929.0	6 419.5	5 988.0	6 078.0	5 906.7	5 305.2	6 292.5	6 265.0	6 679.2	6 690.0	7 187.3	6 783.8
Securities other than shares	5 293.1	5 109.9	5 370.1	5 132.1	4 803.4	4 606.9	4 310.7	3 929.7	4 170.7	4 758.2	4 572.2	4 276.0
Loans	138.9	134.0	137.2	138.3	143.2	146.0	199.2	246.2	219.3	221.7	179.6	247.9
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	16.0	12.4	12.5	9.1
Other	10.8	10.9	10.7	11.0	11.9	12.3	12.3	13.2	14.9	0.0	0.0	0.0
Less: Liabilities to nonresidents	-950.2	-1244.8	-807.8	-686.5	-705.9	-837.2	-705.7	-726.9	-782.7	-764.0	-702.4	-899.5
Deposits	-849.6	-947.6	-653.7	-574.0	-561.4	-731.6	-601.3	-599.0	-660.7	-619.6	-558.6	-764.1
Securities other than shares	-100.6	-100.6	-105.7	-100.6	-100.6	-100.6	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0
Loans	0.0	-196.6	-48.4	-11.9	-43.9	-5.0	-11.4	-11.4	-11.5	-27.8	-30.4	-15.1
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-23.5	-17.5	-23.6	-20.4	-27.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on central bank	**2 877.7**	**2 545.2**	**3 232.5**	**2 747.7**	**3 168.6**	**2 281.0**	**2 600.2**	**3 601.2**	**3 100.4**	**3 234.5**	**3 366.1**	**4 539.9**
Currency	495.8	427.0	449.7	517.2	512.4	425.4	416.4	579.9	463.7	459.1	580.8	700.5
Reserve deposits	928.0	797.1	1 003.1	886.0	1 355.3	797.1	1 427.1	1 647.7	1 657.6	1 533.6	1 716.4	1 945.5
Other claims	1 453.9	1 321.0	1 779.7	1 344.5	1 300.9	1 058.4	756.7	1 373.6	979.1	1 241.8	1 068.8	1 893.9
Net claims on central government	**1 693.8**	**1 816.6**	**1 956.4**	**2 591.8**	**3 018.1**	**3 493.2**	**3 701.6**	**3 986.1**	**4 576.3**	**4 667.1**	**4 899.3**	**5 361.9**
Claims on central government	**3 205.7**	**3 314.4**	**3 394.4**	**3 876.0**	**4 473.2**	**4 865.3**	**5 054.1**	**5 392.8**	**5 976.8**	**6 314.5**	**6 509.8**	**6 969.0**
Securities other than Shares	3 157.6	3 264.5	3 329.9	3 812.2	4 420.5	4 813.4	5 002.7	5 340.9	5 925.3	6 262.5	6 497.6	6 956.6
Other claims	48.1	49.9	64.5	63.8	52.7	51.9	51.5	51.9	51.5	52.0	12.2	12.4
less: Liabilities to central government	**-1 511.9**	**-1 497.7**	**-1 438.1**	**-1 284.2**	**-1 455.1**	**-1 372.1**	**-1 352.5**	**-1 406.7**	**-1 400.4**	**-1 647.4**	**-1 610.5**	**-1 607.1**
Deposits	-1 480.1	-1 465.9	-1 406.2	-1 240.0	-1 374.4	-1 269.1	-1 247.6	-1 287.8	-1 289.1	-1 528.3	-1 539.4	-1 474.9
Other liabilities	-31.8	-31.9	-31.9	-44.2	-80.7	-103.0	-104.9	-118.9	-111.3	-119.1	-71.1	-132.2
Claims on other sectors	**44 264.7**	**44 753.8**	**44 702.3**	**43 924.8**	**43 873.5**	**44 718.7**	**44 648.5**	**44 963.2**	**45 581.3**	**45 906.4**	**46 211.5**	**46 892.8**
Other financial corporations	3 384.4	3 324.0	3 248.6	1 530.9	1 350.2	1 366.9	1 473.8	1 347.1	1 423.8	1 413.4	1 499.7	1 397.1
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9
Public nonfinancial corporations	494.3	503.2	504.8	839.4	712.6	833.8	689.6	747.5	1 099.1	1 222.2	843.0	903.0
Other nonfinancial corporations	14 986.9	15 411.4	15 510.2	15 899.0	15 889.8	16 438.3	16 229.7	16 370.7	16 304.5	16 006.3	16 205.8	16 434.4
Other resident sectors	25 282.2	25 451.8	25 418.2	25 634.7	25 901.8	26 061.0	26 192.2	26 388.6	26 640.6	27 151.1	27 532.3	27 980.3
Unclassified shares and other equity	3.5	3.6	3.8	3.9	3.0	1.8	1.8	1.9	1.9	1.9	1.9	2.0

Assets	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Net foreign assets	**9 385.3**	**8 766.2**	**9 285.4**	**8 264.7**	**9 793.2**	**7 948.8**	**8 762.7**	**8 251.7**	**9 582.8**	**9 056.9**	**7 209.0**	**7 230.1**
Claims on nonresidents	**10 469.6**	**9 685.6**	**10 346.9**	**9 348.9**	**10 643.1**	**8 727.3**	**9 889.9**	**9 695.3**	**11 069.9**	**11 652.0**	**9 789.3**	**9 679.1**
Foreign currency	145.5	136.5	136.6	116.7	158.8	156.1	141.5	160.7	129.7	117.8	116.5	173.9
Deposits	6 256.4	5 406.3	5 207.9	4 540.7	5 673.1	4 378.1	5 265.0	4 433.2	5 020.4	6 265.5	4 863.6	4 645.7
Securities other than shares	3 870.9	3 975.7	4 778.6	4 466.1	4 597.8	4 012.7	4 301.5	4 922.3	5 740.5	5 086.9	4 616.6	4 663.9
Loans	191.5	163.5	215.9	220.2	210.3	175.6	177.3	176.2	177.1	180.2	185.6	186.0
Financial derivatives	5.3	3.6	8.0	5.2	2.9	4.8	4.6	3.0	2.3	1.6	7.1	9.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Liabilities to nonresidents	-1 084.3	-919.5	-1 061.5	-1 084.2	-849.9	-778.5	-1 127.2	-1 443.6	-1 487.1	-2 595.1	-2 580.3	-2 449.0
Deposits	-927.9	-783.0	-920.5	-941.2	-684.6	-625.3	-966.2	-1 268.1	-1 317.9	-2 301.7	-2 375.4	-2 274.9
Securities other than shares	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0	-93.0
Loans	-35.0	-17.9	-17.7	-17.8	-19.7	-9.5	-9.6	-22.5	-21.4	-149.7	-48.3	-21.8
Financial derivatives	-28.4	-25.5	-30.3	-32.2	-52.6	-50.7	-58.4	-60.0	-54.8	-50.7	-63.6	-59.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on central bank	**2 523.0**	**2 536.5**	**3 353.0**	**2 602.2**	**2 989.1**	**3 771.5**	**3 296.7**	**3 416.3**	**3 227.2**	**3 085.3**	**2 969.3**	**4 015.0**
Currency	509.2	519.5	615.5	597.8	717.3	552.4	722.8	691.7	619.4	767.9	786.4	1 087.5
Reserve deposits	1 158.0	1 206.4	1 550.4	1 084.5	1 251.3	1 876.5	1 404.2	1 792.8	1 683.3	1 558.8	1 304.6	2 042.7
Other claims	855.8	810.6	1 187.0	919.9	1 020.6	1 342.6	1 169.8	931.8	924.5	758.6	878.3	884.8
Net claims on central government	**5 478.3**	**5 674.5**	**5 236.0**	**5 326.4**	**5 094.1**	**5 373.1**	**5 400.8**	**5 555.8**	**5 303.9**	**5 057.8**	**5 386.5**	**5 311.5**
Claims on central government	**6 833.5**	**6 780.6**	**6 717.8**	**6 748.7**	**6 632.0**	**6 689.9**	**6 765.0**	**7 110.2**	**6 984.3**	**6 785.5**	**6 825.9**	**6 825.2**
Securities other than Shares	6 821.6	6 767.8	6 704.3	6 737.4	6 620.0	6 678.9	6 753.6	7 094.8	6 971.3	6 770.7	6 812.0	6 812.3
Other claims	11.9	12.8	13.5	11.3	12.0	11.0	11.4	15.3	13.0	14.8	14.0	13.0
less: Liabilities to central government	**-1 355.2**	**-1 106.2**	**-1 481.8**	**-1 422.3**	**-1 537.8**	**-1 316.8**	**-1 364.2**	**-1 554.4**	**-1 680.5**	**-1 727.7**	**-1 439.4**	**-1 513.7**
Deposits	-1 273.1	-1 055.1	-1 350.2	-1 314.1	-1 438.7	-1 236.3	-1 283.6	-1 473.8	-1 599.9	-1 652.6	-1 364.4	-1 438.6
Other liabilities	-82.1	-51.1	-131.6	-108.2	-99.2	-80.6	-80.6	-80.6	-80.6	-75.1	-75.1	-75.1
Claims on other sectors	**47 454.1**	**47 823.9**	**48 879.8**	**49 861.4**	**49 828.9**	**49 629.9**	**50 440.0**	**50 715.6**	**51 737.1**	**52 357.3**	**54 063.7**	**54 426.0**
Other financial corporations	1 445.2	1 574.9	1 586.6	1 698.2	1 669.7	814.1	1 367.5	872.3	937.5	1 083.8	954.6	1 392.5
State and local government	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0
Public nonfinancial corporations	1 074.3	1 109.9	1 137.5	1 044.7	917.4	1 062.8	910.1	934.4	1 124.5	980.4	1 232.8	1 029.8
Other nonfinancial corporations	16 725.8	16 910.3	17 508.3	18 014.6	17 861.2	18 129.8	18 258.1	18 676.3	19 111.8	19 382.1	20 403.3	20 069.8
Other resident sectors	28 018.5	28 074.2	28 554.1	28 983.2	29 285.1	29 559.9	29 865.9	30 180.4	30 472.0	30 865.0	31 393.5	31 864.6
Unclassified shares and other equity	2.0	2.0	2.0	2.1	2.4	2.8	2.8	2.9	3.0	3.0	3.1	3.2

Table II.2(b) Other depository corporations survey (end of period in N$ million)

Liabilities	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Liabilities to central bank	34.3	34.5	34.7	133.4	330.5	35.5	36.2	36.4	36.6	36.8	36.9	36.7
Deposits included in broad money	49 141.7	48 866.1	50 201.9	51 416.1	51 296.7	48 729.0	49 309.5	50 411.8	50 472.6	51 643.2	52 545.0	52 426.5
Transferable deposits	20 936.5	20 888.5	21 780.8	22 177.9	22 391.4	19 929.0	20 331.0	21 579.2	21 835.3	21 597.6	22 414.0	22 761.3
Other financial corporations	1 859.3	1 754.3	2 779.1	4 202.7	3 756.8	2 056.3	1 852.8	2 032.3	2 100.2	2 035.0	2 083.1	1 997.5
State and local government	300.1	247.2	272.9	320.0	271.9	330.5	233.6	228.6	201.6	353.6	341.7	415.7
Public nonfinancial corporations	2 349.2	1 952.4	2 096.3	1 929.6	1 903.4	1 781.3	2 167.1	1 954.7	1 953.6	2 005.0	2 155.7	1 817.4
Other nonfinancial corporations	11 517.6	12 076.2	11 871.6	11 110.2	11 695.0	10 961.5	11 722.7	12 555.6	12 484.1	12 191.2	12 610.7	13 332.2
Other resident sectors	4 910.3	4 858.4	4 760.8	4 615.3	4 764.4	4 799.3	4 354.7	4 807.9	5 095.8	5 012.8	5 222.8	5 198.5
Unclassified	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	28 205.3	27 977.7	28 421.2	29 238.2	28 905.3	28 800.0	28 978.5	28 832.6	28 637.4	30 045.7	30 131.0	29 665.2
Other financial corporations	2 061.3	2 609.8	2 843.5	2 522.8	2 576.9	2 611.4	3 081.7	4 159.6	2 813.0	2 971.9	3 203.8	3 379.6
State and local government	241.0	353.6	355.1	339.5	464.9	410.8	379.7	388.6	498.3	517.1	584.6	522.2
Public nonfinancial corporations	1 824.2	1 682.4	1 492.0	2 034.9	2 047.7	1 754.2	1 854.0	2 064.0	1 948.9	1 891.7	1 821.7	1 751.2
Other nonfinancial corporations	5 156.1	4 640.9	5 088.5	5 326.3	5 293.1	5 844.1	5 491.1	5 287.4	4 748.0	5 777.5	5 291.5	5 115.1
Other resident sectors	18 439.8	18 147.4	18 229.6	18 566.4	17 943.3	17 736.2	17 708.0	16 456.7	18 149.5	18 394.8	18 739.7	18 411.0
Unclassified	482.8	543.6	412.5	448.3	579.3	443.4	464.0	476.2	479.6	492.7	489.7	486.0
Securities other than shares, included in broad money	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	0.0	0.0	0.0	0.0
Deposits excluded from broad money	1 310.0	583.2	576.0	194.2	241.8	295.9	284.3	100.5	192.7	174.6	369.9	30.7
Securities other than shares, excluded from broad money	10 440.6	10 466.1	10 579.7	10 152.6	9 791.4	10 369.3	11 224.1	11 227.0	11 321.1	11 341.3	11 243.9	10 798.9
Of which: Other financial corporations	9 187.5	9 168.9	9 286.6	8 896.9	8 525.2	9 325.2	10 199.9	10 150.6	10 247.7	10 221.5	10 275.4	9 821.3
Loans	34.9	35.0	33.2	33.1	33.3	33.5	33.5	30.7	33.6	33.6	33.6	32.3
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
Trade credit and advances	97.2	108.3	94.4	94.4	94.5	94.6	94.7	94.8	94.9	95.0	95.2	95.3
Shares and other equity	6 565.1	6 588.9	6 717.0	6 690.1	6 767.0	6 801.3	6 917.6	6 913.6	7 051.6	7 020.1	7 129.1	7 308.7
Funds contributed by owners	1 881.3	1 929.8	1 976.0	1 975.9	1 975.9	1 975.9	1 975.9	1 975.9	1 975.9	1 975.9	1 975.9	2 036.1
Retained earnings	2 346.9	2 759.6	2 749.7	2 761.4	2 769.5	2 822.3	3 054.5	3 006.8	3 064.0	3 065.8	3 075.2	3 111.3
General and special reserves	1 872.2	1 417.7	1 418.2	1 419.7	1 418.2	1 568.1	1 560.5	1 561.1	1 561.1	1 499.5	1 498.2	1 500.8
Valuation adjustment	16.2	19.2	22.7	22.3	19.8	17.7	21.1	22.8	18.5	25.3	23.5	20.8
Current Year Result	448.5	462.7	550.4	510.8	583.6	417.2	305.6	347.0	432.2	453.6	556.2	639.6
Other items (net)	-9 147.7	-8 433.6	-9 489.5	-8 909.4	-9 332.5	-9 217.9	-9 972.0	-9 674.6	-9 949.8	-9 742.4	-10 370.9	-9 531.8
Other liabilities	2 707.5	2 808.6	2 823.1	2 731.4	2 802.4	2 134.6	2 204.0	2 166.1	2 236.3	2 516.0	2 610.0	2 313.0
less: Other assets	-3 240.9	-2 931.5	-3 328.8	-2 906.7	-2 929.1	-2 497.6	-2 342.0	-2 372.9	-2 586.8	-2 286.1	-2 539.1	-2 189.4
plus: Consolidation adjustment	-8 614.2	-8 310.6	-8 983.7	-8 734.2	-9 205.8	-8 855.0	-9 834.1	-9 467.8	-9 599.3	-9 972.2	-10 441.9	-9 655.4

Liabilities	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Liabilities to central bank	37.4	38.1	38.3	38.5	137.5	136.1	39.6	159.1	40.0	40.2	40.9	40.6
Deposits included in broad money	51 894.2	52 029.7	50 966.9	51 808.4	52 808.2	52 471.1	53 786.2	55 633.8	56 094.6	56 307.5	57 911.6	58 348.3
Transferable deposits	22 470.1	22 765.9	22 444.8	23 419.6	23 610.6	22 410.9	22 873.1	24 118.3	24 085.8	24 012.3	25 087.3	25 214.1
Other financial corporations	2 035.3	2 025.3	2 080.3	2 012.4	2 170.2	2 242.6	2 687.4	2 538.4	2 732.0	2 807.0	2 769.4	3 213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public nonfinancial corporations	1 725.9	1 653.6	1 653.9	1 847.0	1 579.0	1 451.3	1 687.7	1 967.5	1 745.1	1 504.5	1 713.0	2 131.7
Other nonfinancial corporations	13 406.4	13 531.3	13 126.2	13 831.8	13 868.3	13 016.8	13 367.0	14 155.5	13 582.4	13 732.9	14 495.7	13 934.7
Other resident sectors	4 936.3	5 192.4	5 186.9	5 379.9	5 578.7	5 313.3	4 817.6	5 063.8	5 231.8	5 094.4	5 379.3	5 281.8
Unclassified	0.0	0.0	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	29 424.1	29 263.7	28 522.1	28 388.8	29 197.6	30 060.2	30 913.1	31 515.5	32 008.8	32 295.2	32 824.2	33 134.2
Other financial corporations	3 359.8	3 600.5	3 705.1	3 886.4	3 784.2	4 452.3	4 786.3	4 289.4	4 163.6	3 930.9	4 087.2	5 263.9
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1 829.2	1 441.1	1 351.2	1 432.6	1 488.7	927.9	1 456.9	1 787.3	1 993.8	2 103.4	1 516.1	2 036.6
Other nonfinancial corporations	4 770.9	4 719.4	4 537.0	4 279.1	4 487.3	5 096.7	5 013.2	4 814.5	5 056.9	5 423.9	6 050.5	5 243.6
Other resident sectors	18 467.2	18 360.7	18 036.5	17 878.1	18 507.2	18 662.5	18 725.5	19 686.4	19 888.6	19 947.3	20 261.1	19 629.4
Unclassified	487.5	472.6	482.5	445.9	512.2	502.9	469.8	575.4	461.2	431.6	449.6	466.6
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	226.9	241.7	673.0	927.8	576.5	754.8	816.5	697.0	627.6	597.7	637.2	642.0
Securities other than shares, excluded from broad money	10 782.4	10 406.8	11 114.7	10 700.2	10 467.3	10 499.2	10 360.8	10 865.1	10 763.1	11 342.3	11 968.8	11 906.4
Of which: Other financial corporations	9 800.7	9 557.1	10 037.0	9 673.9	9 446.5	9 472.4	9 356.6	9 755.7	9 847.4	10 433.6	11 056.7	10 902.8
Loans	32.3	32.1	32.1	31.7	31.7	31.7	30.8	28.9	28.9	27.6	27.6	27.7
Financial derivatives	0.0	0.0	0.0	48.2	30.9	41.5	51.9	61.5	133.8	94.8	126.4	103.8
Trade credit and advances	95.4	95.5	135.8	135.9	136.1	136.3	134.4	134.5	134.6	134.6	134.4	133.3
Shares and other equity	7 477.3	7 524.6	7 103.8	7 368.7	7 316.0	7 348.4	7 506.5	7 539.2	7 623.5	7 792.2	7 899.1	7 824.0
Funds contributed by owners	2 036.1	2 036.1	1 992.1	2 023.1	2 023.1	2 023.1	2 068.2	2 068.2	2 109.3	2 109.3	2 114.2	2 114.2
Retained earnings	3 432.5	3 438.6	3 474.2	3 537.1	3 545.0	3 553.8	3 425.6	3 437.8	3 437.7	3 454.5	3 472.1	3 462.5
General and special reserves	1 563.2	1 563.2	1 563.4	1 564.0	1 566.4	1 567.9	1 738.9	1 761.3	1 764.2	1 765.5	1 766.2	1 784.3
Valuation adjustment	19.4	17.5	15.7	15.3	18.5	20.0	22.8	27.5	25.3	22.0	19.9	20.8
Current Year Result	426.1	469.1	58.3	229.2	163.0	183.6	250.9	244.4	287.0	440.8	526.6	442.2
Other items (net)	-10 176.4	-10 700.2	-9 341.2	-11 026.4	-11 126.8	-11 603.7	-11 573.6	-12 698.9	-11 751.7	-11 409.5	-12 887.2	-11 634.6
Other liabilities	2 418.4	2 505.7	2 959.3	2 816.0	2 443.4	2 591.2	2 285.7	2 738.6	2 979.1	3 197.8	2 765.1	2 529.3
less: Other assets	-2 698.0	-2 766.9	-2 545.5	-2 430.3	-2 436.3	-2 714.3	-2 416.1	-2 701.2	-2 660.0	-2 401.4	-2 972.8	-2 434.2
plus: Consolidation adjustment	-9 896.8	-10 438.9	-9 754.9	-11 412.1	-11 133.8	-11 480.6	-11 443.3	-12 736.3	-12 070.7	-12 205.9	-12 679.5	-11 729.7

Liabilities	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Liabilities to central bank	41.2	41.5	41.6	41.8	42.2	42.5	42.7	43.3	43.5	43.7	43.9	44.1
Deposits included in broad money	55 317.3	56 799.0	57 980.5	57 902.8	59 483.1	60 136.3	58 769.2	60 522.9	61 242.9	61 957.4	61 386.8	62 025.9
Transferable deposits	23 885.3	24 387.1	25 451.6	24 412.3	25 916.8	26 164.8	25 568.3	25 386.2	25 843.5	25 651.6	25 304.9	25 300.9
Other financial corporations	2 792.7	2 522.9	2 535.8	2 993.7	2 874.7	2 502.1	2 469.2	2 513.2	2 385.2	2 667.3	2 884.7	2 343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1 005.7	1 515.4	882.4
Public nonfinancial corporations	1 974.4	2 522.4	2 154.4	2 174.9	2 512.7	2 541.0	2 399.1	2 243.6	1 983.2	1 875.0	2 072.8	2 039.2
Other nonfinancial corporations	13 363.4	13 644.2	14 670.1	13 410.4	14 590.3	15 047.3	14 781.5	14 764.9	14 919.9	14 431.6	13 106.1	14 465.0
Other resident sectors	5 084.9	5 036.3	5 273.3	5 073.2	5 151.9	5 285.9	5 176.0	5 225.9	5 862.6	5 671.9	5 725.8	5 571.1
Unclassified	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	31 431.9	32 411.8	32 528.9	33 490.5	33 566.4	33 971.4	33 200.9	35 136.7	35 399.4	36 305.7	36 081.9	36 725.0
Other financial corporations	5 089.8	4 814.0	4 276.3	4 599.0	4 794.9	4 795.9	5 171.9	5 156.7	5 017.2	5 868.6	4 992.0	5 674.0
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1 834.9	1 873.3	2 485.5	2 468.7	2 276.4	2 377.9	2 642.5	2 584.4	2 600.7	2 870.9	2 146.4	2 548.7
Other nonfinancial corporations	5 410.5	5 678.1	5 484.6	5 807.8	5 853.7	5 970.1	5 511.8	6 107.6	6 294.1	6 350.3	8 487.6	7 492.5
Other resident sectors	18 053.9	19 058.9	19 454.9	19 784.0	19 709.4	19 994.8	19 037.1	20 381.0	20 572.1	20 327.5	19 728.9	20 154.9
Unclassified	469.1	517.2	387.3	377.3	447.1	381.7	400.4	473.5	501.5	415.6	365.2	391.4
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	501.8	584.7	663.8	675.2	630.5	850.4	994.9	584.4	780.1	842.9	800.8	1 116.3
Securities other than shares, excluded from broad money	12 367.2	12 400.5	9 280.5	12 552.0	12 376.2	12 267.0	12 623.4	12 653.9	12 734.5	12 459.3	12 871.4	13 352.6
Of which: Other financial corporations	11 364.3	11 446.7	8 389.3	11 666.5	11 420.1	11 309.2	11 492.0	11 519.2	11 602.0	11 334.8	11 750.3	12 230.2
Loans	27.7	24.7	24.7	26.7	26.4	29.0	29.6	35.7	33.9	51.6	51.6	50.2
Financial derivatives	73.1	56.9	61.7	49.8	68.6	64.2	76.5	43.8	28.6	50.5	52.5	42.9
Trade credit and advances	131.5	133.5	133.6	133.4	133.5	133.9	134.0	133.0	133.5	133.6	133.8	134.4
Shares and other equity	7 960.3	8 124.9	8 378.1	8 369.7	8 445.4	8 576.3	8 513.7	8 665.4	8 568.7	8 513.3	8 717.0	8 894.1
Funds contributed by owners	2 127.2	2 139.2	2 279.2	2 292.2	2 298.2	2 302.2	2 302.2	2 302.2	2 307.2	2 428.7	2 428.7	2 468.7
Retained earnings	3 493.7	3 582.7	3 593.0	3 611.6	3 612.9	3 569.9	3 754.5	3 781.5	3 812.9	3 807.2	3 872.7	3 879.9
General and special reserves	1 784.2	1 783.2	1 784.1	1 792.5	1 788.3	2 132.3	2 019.8	2 021.1	2 021.9	2 028.5	2 031.8	2 042.3
Valuation adjustment	22.9	22.2	22.0	24.7	24.1	25.7	34.6	31.6	31.6	29.6	31.2	34.3
Current Year Result	532.3	597.6	699.8	648.7	721.9	546.2	402.6	529.0	395.1	219.3	352.6	468.9
Other items (net)	-11 579.3	-13 364.7	-9 810.8	-13 696.7	-13 500.6	-15 376.5	-13 283.7	-14 743.0	-13 714.6	-14 494.9	-14 429.2	-14 677.8
Other liabilities	2 166.9	2 781.8	2 858.6	2 968.1	2 694.4	2 377.7	2 469.1	2 893.2	3 272.4	2 771.5	3 516.0	2 080.7
less: Other assets	-2 621.2	-3 663.1	-3 304.9	-3 440.6	-3 060.8	-3 317.4	-2 888.4	-3 484.8	-3 012.9	-3 262.1	-4 249.8	-2 586.9
plus: Consolidation adjustment	-11 125.0	-12 483.4	-9 364.5	-13 224.2	-13 134.2	-14 436.8	-12 864.4	-14 151.5	-13 974.1	-14 004.3	-13 695.5	-14 171.6

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Table II.3 Depository corporations survey (end of period in N$ million)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Net foreign assets	28 574.3	28 301.0	26 513.6	26 997.1	25 823.6	23 988.6	24 038.2	24 925.7	23 462.5	24 349.9	22 981.0	21 970.2
Claims on nonresidents	29 125.2	29 020.1	27 204.3	27 797.2	26 691.5	24 742.2	25 088.6	26 000.8	24 419.5	25 419.3	23 808.7	22 914.2
less: Liabilities tononresidents	-550.9	-719.2	-690.7	-800.2	-867.9	-753.7	-1 050.4	-1 075.1	-957.0	-1 069.5	-827.7	-944.0
Domestic claims	33 953.2	34 475.2	36 300.5	36 615.7	37 266.8	36 971.5	37 796.6	37 965.7	39 444.1	40 058.6	41 805.2	42 738.1
Net claims on central government	-6 174.9	-5 279.2	-3 603.7	-4 106.2	-3 255.0	-4 215.9	-4 037.2	-3 796.5	-2 757.0	-2 746.2	-1 501.8	-1 719.6
Claims on central government	2 392.9	2 780.4	2 843.7	3 026.1	3 004.0	2 620.2	2 721.3	2 800.5	2 861.9	2 835.4	2 854.9	3 080.0
less: Liabilities to central government	-8 567.7	-8 059.6	-6 447.4	-7 132.3	-6 258.9	-6 836.1	-6 758.5	-6 597.0	-5 618.9	-5 581.5	-4 356.7	-4 799.6
Claims on other sectors	40 128.1	39 754.4	39 904.2	40 721.8	40 521.7	41 187.4	41 833.8	41 762.2	42 201.1	42 804.8	43 307.0	44 457.7
Other financial corporations	2 438.9	2 551.8	2 653.3	2 719.3	2 709.8	2 710.2	2 744.5	2 696.0	2 689.3	2 849.6	2 889.6	3 067.2
State and local government	85.0	70.6	24.4	62.1	57.3	92.7	27.0	50.0	67.5	74.4	88.8	116.5
Public nonfinancial corporations	702.9	689.8	735.1	713.5	597.0	718.7	715.2	690.0	683.8	505.2	677.5	682.6
Other nonfinancial corporations	13 927.4	13 470.3	13 263.1	13 788.4	13 648.0	13 957.2	14 615.6	14 387.8	14 438.8	14 945.6	14 942.0	15 528.5
Other resident sectors	22 971.5	22 969.5	23 225.9	23 436.2	23 507.1	23 705.9	23 729.0	23 935.7	24 318.9	24 427.1	24 706.2	25 059.5
Unclassified shares and other equity	2.4	2.4	2.4	2.4	2.6	2.6	2.6	2.6	2.8	2.9	2.9	3.3
Broad money liabilities	50 273.5	49 988.0	51 259.0	52 565.9	52 431.7	49 868.7	50 543.5	51 651.9	51 691.2	52 916.9	53 861.6	53 719.4
Currency outside depository corporations	1 127.6	1 117.6	1 052.8	1 145.1	1 130.7	1 135.5	1 229.7	1 233.4	1 217.9	1 272.9	1 315.9	1 292.4
Transferable deposits	20 936.7	20 888.8	21 781.1	22 178.6	22 391.8	19 929.3	20 331.3	21 582.0	21 835.9	21 598.3	22 414.7	22 761.8
Other financial corporations	1 859.3	1 754.3	2 779.1	4 202.7	3 756.8	2 056.3	1 852.8	2 032.3	2 100.2	2 035.0	2 083.1	1 997.5
State and local government	300.1	247.2	272.9	320.0	271.9	330.5	233.6	228.6	201.6	353.6	341.7	415.7
Public nonfinancial corporations	2 349.2	1 952.4	2 096.3	1 929.6	1 903.4	1 781.3	2 167.1	1 954.7	1 953.6	2 005.0	2 155.7	1 817.4
Other nonfinancial corporations	11 517.6	12 076.2	11 871.6	11 110.2	11 695.0	10 961.5	11 722.7	12 555.6	12 484.1	12 191.2	12 610.7	13 332.2
Other resident sectors	4 910.3	4 858.4	4 760.8	4 615.3	4 764.4	4 799.3	4 354.7	4 807.9	5 095.8	5 012.8	5 222.8	5 198.5
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Central bank float	*0.3*	*0.3*	*0.3*	*0.7*	*0.4*	*0.3*	*0.4*	*2.8*	*0.7*	*0.8*	*0.7*	*0.5*
Other deposits	28 205.3	27 977.7	28 421.2	29 238.2	28 905.3	28 800.0	28 978.5	28 832.6	28 637.4	30 045.7	30 131.0	29 665.2
Other financial corporations	2 061.3	2 609.8	2 843.5	2 522.8	2 576.9	2 611.4	3 081.7	4 159.6	2 813.0	2 971.9	3 203.8	3 379.6
State and local government	241.0	353.6	355.1	339.5	464.9	410.8	379.7	388.6	498.3	517.1	584.6	522.2
Public nonfinancial corporations	1 824.2	1 682.4	1 492.0	2 034.9	2 047.7	1 754.2	1 854.0	2 064.0	1 948.9	1 891.7	1 821.7	1 751.2
Other nonfinancial corporations	5 156.1	4 640.9	5 088.5	5 326.3	5 293.1	5 844.1	5 491.1	5 287.4	4 748.0	5 777.5	5 291.5	5 115.1
Other resident sectors	18 439.8	18 147.4	18 229.6	18 566.4	17 943.3	17 736.2	17 708.0	16 456.7	18 149.5	18 394.8	18 739.7	18 411.0
Unclassified	482.8	543.6	412.5	448.3	579.3	443.4	464.0	476.2	479.6	492.7	489.7	486.0
Securities other than shares, included in broad money	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	0.0	0.0	0.0	0.0
Deposits excluded from broad money	1 310.0	583.2	576.0	194.2	241.8	295.9	284.3	100.5	192.7	174.6	369.9	30.7
Securities other than shares, excluded from broad money	10 440.6	10 466.1	10 579.7	10 152.6	9 791.4	10 369.3	11 224.1	11 227.0	11 321.1	11 341.3	11 243.9	10 798.9
Loans	34.9	35.0	33.2	33.1	33.3	33.5	33.5	30.7	33.6	33.6	33.6	32.3
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
Trade credit and advances	102.9	113.3	98.8	101.8	99.6	97.1	96.6	104.5	97.5	98.8	97.8	102.6
Shares and other equity	9 827.5	10 139.7	9 718.2	9 506.7	9 651.7	9 725.5	9 751.7	9 702.0	9 711.2	9 792.8	9 825.1	9 679.8
Other items (net)	-9 461.9	-8 549.2	-9 450.8	-8 941.5	-9 159.1	-9 429.9	-10 098.9	-9 925.3	-10 140.7	-9 949.4	-10 645.7	-9 655.7
Other liabilities (includes central bank float)	2 742.3	2 843.0	2 857.3	2 764.9	2 836.1	2 168.4	2 237.6	2 197.1	2 269.4	2 548.9	2 643.0	2 357.3
less: Other assets	*-3 495.9*	*-3 184.8*	*-3 484.1*	*-3 164.1*	*-3 195.3*	*-2 766.4*	*-2 608.1*	*-2 639.4*	*-2 852.0*	*-2 553.7*	*-2 800.8*	*-2 453.4*
plus: Consolidation adjustment	-8 708.3	-8 207.4	-8 823.9	-8 542.3	-8 799.8	-8 831.9	-9 728.3	-9 483.0	-9 558.1	-9 944.7	-10 487.9	-9 559.5
Memoranda: Central bank float	-0.3	-0.3	-0.3	-0.7	-0.4	-0.3	-0.4	-2.8	-0.7	-0.8	-0.7	-0.5

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Net foreign assets	22 976.0	21 318.0	20 231.7	21 635.5	21 340.0	20 423.2	22 301.8	21 405.5	21 458.0	23 409.9	26 747.7	25 414.2
Claims on nonresidents	23 982.3	22 608.7	21 080.9	22 414.5	22 119.5	21 333.5	23 044.8	22 174.2	22 283.3	24 211.1	27 454.8	26 319.7
less: Liabilities tononresidents	-1 006.3	-1 290.8	-849.2	-779.0	-779.5	-910.3	-742.9	-768.7	-825.4	-801.2	-707.0	-905.5
Domestic claims	41 322.4	42 476.5	44 238.9	42 026.1	42 693.3	42 988.5	42 723.4	44 645.3	46 557.5	45 814.7	43 936.8	46 330.3
Net claims on central government	-2 964.2	-2 299.6	- 486.5	-1 922.6	-1 204.6	-1 754.7	-1 949.5	- 341.2	952.4	- 115.5	-2 299.2	- 587.0
Claims on central government	3 205.8	3 314.4	3 394.5	3 876.0	4 473.2	4 865.3	5 054.2	5 392.9	5 976.8	6 314.5	6 509.8	6 969.0
less: Liabilities to central government	-6 170.0	-5 614.0	-3 880.9	-5 798.6	-5 677.8	-6 620.0	-7 003.6	-5 734.1	-5 024.4	-6 430.1	-8 809.0	-7 556.1
Claims on other sectors	44 286.6	44 776.1	44 725.3	43 948.6	43 897.9	44 743.2	44 672.9	44 986.5	45 605.1	45 930.3	46 236.0	46 917.4
Other financial corporations	3 384.4	3 324.0	3 248.6	1 530.9	1 350.2	1 366.9	1 473.8	1 347.1	1 423.8	1 413.4	1 499.7	1 397.1
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9
Public nonfinancial corporations	494.3	503.2	504.8	839.4	712.6	833.8	689.6	747.5	1 099.1	1 222.2	843.0	903.0
Other nonfinancial corporations	14 986.9	15 411.4	15 510.2	15 899.0	15 889.8	16 438.3	16 229.7	16 370.7	16 304.5	16 006.3	16 205.8	16 434.4
Other resident sectors	25 304.0	25 474.1	25 441.3	25 658.6	25 926.1	26 085.4	26 216.6	26 412.0	26 664.4	27 175.0	27 556.7	28 004.9
Unclassified shares and other equity	3.5	3.6	3.8	3.9	3.0	1.8	1.8	1.9	1.9	1.9	1.9	2.0
Broad money liabilities	53 176.7	53 396.5	52 358.4	53 225.7	54 198.5	53 905.4	55 310.5	57 194.4	57 736.7	58 005.1	59 584.8	60 046.5
Currency outside depository corporations	1 282.0	1 366.6	1 391.2	1 417.1	1 389.9	1 452.0	1 523.8	1 560.2	1 641.7	1 697.3	1 672.8	1 697.7
Transferable deposits	22 470.5	22 766.2	22 445.1	23 419.8	23 611.0	22 393.2	22 873.6	24 118.7	24 086.2	24 012.6	25 087.7	25 214.7
Other financial corporations	2 035.3	2 025.3	2 080.3	2 012.4	2 170.2	2 242.6	2 687.4	2 538.4	2 732.0	2 807.0	2 769.4	3 213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public nonfinancial corporations	1 725.9	1 653.6	1 653.9	1 847.0	1 579.0	1 451.3	1 687.7	1 967.5	1 745.1	1 504.5	1 713.0	2 131.7
Other nonfinancial corporations	13 406.4	13 531.3	13 126.2	13 831.8	13 868.3	13 016.8	13 367.0	14 155.5	13 582.4	13 732.9	14 495.7	13 934.7
Other resident sectors	4 936.3	5 192.4	5 186.9	5 379.9	5 578.7	5 313.3	4 817.6	5 063.8	5 231.8	5 094.4	5 379.3	5 281.8
Unclassified	0.0	0.0	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Central bank float	*0.4*	*0.3*	*0.3*	*0.2*	*0.3*	*- 17.6*	*0.5*	*0.4*	*0.4*	*0.3*	*0.4*	*0.5*
Other deposits	29 424.1	29 263.7	28 522.1	28 388.8	29 197.6	30 060.2	30 913.1	31 515.5	32 008.8	32 295.2	32 824.2	33 134.2
Other financial corporations	3 359.8	3 600.5	3 705.1	3 886.4	3 784.2	4 452.3	4 786.3	4 289.4	4 163.6	3 930.9	4 087.2	5 263.9
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1 829.2	1 441.1	1 351.2	1 432.6	1 488.7	927.9	1 456.9	1 787.3	1 993.8	2 103.4	1 516.1	2 036.6
Other nonfinancial corporations	4 770.9	4 719.4	4 537.0	4 279.1	4 487.3	5 096.7	5 013.2	4 814.5	5 056.9	5 423.9	6 050.5	5 243.6
Other resident sectors	18 467.2	18 360.7	18 036.5	17 878.1	18 507.2	18 662.5	18 725.5	19 686.4	19 888.6	19 947.3	20 261.1	19 629.4
Unclassified	487.5	472.6	482.5	445.9	512.2	502.9	469.8	575.4	461.2	431.6	449.6	466.6
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	226.9	241.7	673.0	927.8	576.6	754.9	816.6	697.2	627.7	597.9	637.3	642.2
Securities other than shares, excluded from broad money	10 782.4	10 406.8	11 114.7	10 700.2	10 467.3	10 499.2	10 360.8	10 865.1	10 763.1	11 342.3	11 968.8	11 906.4
Loans	32.3	32.1	32.1	31.7	31.7	31.7	30.8	28.9	28.9	27.6	27.6	27.7
Financial derivatives	0.0	0.0	0.0	48.2	30.9	41.5	51.9	61.5	133.8	94.8	126.4	103.8
Trade credit and advances	99.4	98.9	139.4	139.4	139.1	158.5	137.9	137.9	137.9	138.1	142.1	144.2
Shares and other equity	10 083.7	10 280.8	9 783.6	10 003.2	10 061.8	10 035.8	10 355.5	10 594.6	11 238.3	11 372.9	11 938.8	11 509.5
Other items (net)	-10 103.1	-10 662.3	-9 598.7	-11 414.8	-11 472.6	-12 047.7	-12 038.7	-13 528.8	-12 650.9	-12 354.1	-13 741.3	-12 635.7
Other liabilities (includes central bank float)	2 466.0	2 550.6	3 003.7	2 860.2	2 487.4	2 653.3	2 329.5	2 782.4	3 022.7	3 241.4	2 808.4	2 576.0
less: Other assets	*-3 002.3*	*-3 076.1*	*-2 758.8*	*-2 714.7*	*-2 723.7*	*-2 998.4*	*-2 698.3*	*-3 008.5*	*-2 958.6*	*-2 699.4*	*-3 279.4*	*-2 751.9*
plus: Consolidation adjustment	-9 566.9	-10 136.8	-9 843.5	-11 560.3	-11 236.3	-11 702.6	-11 669.9	-13 302.6	-12 715.0	-12 896.1	-13 270.2	-12 459.8
Memoranda: Central bank float	-0.4	-0.3	-0.3	-0.2	-0.3	17.6	-0.5	-0.4	-0.4	-0.3	-0.4	-0.5

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Net foreign assets	24 667.5	22 367.1	21 712.1	23 651.9	23 882.0	22 535.7	24 925.7	23 557.0	23 575.3	24 448.7	22 965.0	22 463.3
Claims on nonresidents	25 757.8	23 292.6	22 779.5	24 745.3	24 738.6	23 320.4	26 058.8	25 005.4	25 072.6	27 048.5	25 549.8	24 916.7
less: Liabilities tononresidents	-1 090.3	-925.4	-1 067.4	-1 093.4	-856.5	-784.6	-1 133.1	-1 448.4	-1 497.3	-2 599.8	-2 584.7	-2 453.4
Domestic claims	44 008.4	45 723.2	48 918.1	46 187.1	48 301.5	48 591.3	47 121.5	48 889.6	50 692.1	49 950.7	51 704.0	53 119.2
Net claims on central government	-3 470.4	-2 127.3	11.3	-3 702.9	-1 556.2	-1 068.6	-3 348.2	-1 858.5	-1 078.0	-2 440.2	-2 393.4	-1 340.4
Claims on central government	6 833.6	6 780.7	6 717.9	6 748.7	6 632.0	6 689.9	6 765.0	7 110.2	6 984.4	6 785.6	6 826.0	6 825.3
less: Liabilities to central government	-10 303.9	-8 907.9	-6 706.5	-10 451.6	-8 188.2	-7 758.5	-10 113.3	-8 968.7	-8 062.4	-9 225.7	-9 219.4	-8 165.7
Claims on other sectors	47 478.7	47 850.4	48 906.8	49 890.0	49 857.7	49 659.9	50 469.7	50 748.0	51 770.1	52 390.9	54 097.5	54 459.7
Other financial corporations	1 445.2	1 574.9	1 586.6	1 698.2	1 669.7	814.1	1 367.5	872.3	937.5	1 083.8	954.6	1 392.5
State and local government	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0
Public nonfinancial corporations	1 074.3	1 109.9	1 137.5	1 044.7	917.4	1 062.8	910.1	934.4	1 124.5	980.4	1 232.8	1 029.8
Other nonfinancial corporations	16 725.8	16 910.3	17 508.3	18 014.6	17 861.2	18 129.8	18 258.1	18 676.3	19 111.8	19 382.1	20 403.3	20 069.8
Other resident sectors	28 043.1	28 100.8	28 581.1	29 011.8	29 313.9	29 590.0	29 895.6	30 212.9	30 505.0	30 898.6	31 427.3	31 898.3
Unclassified shares and other equity	2.0	2.0	2.0	2.1	2.4	2.8	2.8	2.9	3.0	3.0	3.1	3.2
Broad money liabilities	56 977.5	58 396.3	59 506.3	59 538.7	61 083.7	61 852.6	60 400.1	62 233.2	62 956.3	63 574.7	63 098.5	63 712.0
Currency outside depository corporations	1 660.0	1 597.0	1 525.1	1 635.6	1 600.3	1 715.9	1 630.5	1 710.0	1 712.9	1 617.0	1 711.4	1 685.8
Transferable deposits	23 885.6	24 387.4	25 452.3	24 412.5	25 917.1	26 165.3	25 568.7	25 386.6	25 844.0	25 651.9	25 305.1	25 301.3
Other financial corporations	2 792.7	2 522.9	2 535.8	2 993.7	2 874.7	2 502.1	2 469.2	2 513.2	2 385.2	2 667.3	2 884.7	2 343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1 005.7	1 515.4	882.4
Public nonfinancial corporations	1 974.4	2 522.4	2 154.4	2 174.9	2 512.7	2 541.0	2 399.1	2 243.6	1 983.2	1 875.0	2 072.8	2 039.2
Other nonfinancial corporations	13 363.4	13 644.2	14 670.1	13 410.4	14 590.3	15 047.3	14 781.5	14 764.9	14 919.9	14 431.6	13 106.1	14 465.0
Other resident sectors	5 084.9	5 036.3	5 273.3	5 073.2	5 151.9	5 285.9	5 176.0	5 225.9	5 862.6	5 671.9	5 725.8	5 571.1
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Central bank float	*0.3*	*0.3*	*0.6*	*0.3*	*0.3*	*0.4*	*0.3*	*0.3*	*0.5*	*0.3*	*0.3*	*0.4*
Other deposits	31 431.9	32 411.8	32 528.9	33 490.5	33 566.4	33 971.4	33 200.9	35 136.7	35 399.4	36 305.7	36 081.9	36 725.0
Other financial corporations	5 089.8	4 814.0	4 276.3	4 599.0	4 794.9	4 795.9	5 171.9	5 156.7	5 017.2	5 868.6	4 992.0	5 674.0
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1 834.9	1 873.3	2 485.5	2 468.7	2 276.4	2 377.9	2 642.5	2 584.4	2 600.7	2 870.9	2 146.4	2 548.7
Other nonfinancial corporations	5 410.5	5 678.1	5 484.6	5 807.8	5 853.7	5 970.1	5 511.8	6 107.6	6 294.1	6 350.3	8 487.6	7 492.5
Other resident sectors	18 053.9	19 058.9	19 454.9	19 784.0	19 709.4	19 994.8	19 037.1	20 381.0	20 572.1	20 327.5	19 728.9	20 154.9
Unclassified	469.1	517.2	387.3	377.3	447.1	381.7	400.4	473.5	501.5	415.6	365.2	391.4
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	502.0	584.9	664.0	675.4	630.7	850.5	995.0	584.6	780.1	842.9	800.8	1 116.3
Securities other than shares, excluded from broad money	12 367.2	12 400.5	9 280.5	12 552.0	12 376.2	12 267.0	12 623.4	12 653.9	12 734.5	12 459.3	12 871.4	13 352.6
Loans	27.7	24.7	24.7	26.7	26.4	29.0	29.6	35.7	33.9	51.6	51.6	50.2
Financial derivatives	73.1	56.9	61.7	49.8	68.6	64.2	76.5	43.8	28.6	50.5	52.5	42.9
Trade credit and advances	138.1	139.6	153.0	141.4	158.7	140.9	141.0	138.4	139.7	141.2	141.3	147.5
Shares and other equity	11 137.2	10 921.2	11 588.0	11 569.1	12 366.2	12 307.5	12 064.5	12 558.1	12 320.9	12 746.0	13 086.1	12 955.8
Other items (net)	-12 546.8	-14 433.7	-10 648.2	-14 714.0	-14 526.9	-16 384.8	-14 282.9	-15 801.1	-14 726.6	-15 466.7	-15 433.1	-15 794.7
Other liabilities (includes central bank float)	2 216.7	2 831.2	2 907.5	3 016.9	2 743.2	2 426.2	2 520.1	2 941.5	3 320.3	2 819.5	3 564.0	2 133.5
less: Other assets	*-2 938.4*	*-4 007.6*	*-3 489.1*	*-3 806.2*	*-3 445.1*	*-3 708.3*	*-3 283.7*	*-3 889.1*	*-3 433.3*	*-3 688.7*	*-4 693.9*	*-3 039.6*
plus: Consolidation adjustment	-11 825.1	-13 257.2	-10 066.6	-13 924.8	-13 824.9	-15 102.7	-13 519.3	-14 853.6	-14 613.6	-14 597.4	-14 303.2	-14 888.5
Memoranda: Central bank float	-0.3	-0.3	-0.6	-0.3	-0.3	-0.4	-0.3	-0.3	-0.5	-0.3	-0.3	-0.4

Table II.4 Other depository corporations' claims on private sectors (end of period in N$ million)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Loans	38 185.7	37 702.2	37 831.2	38 557.0	38 366.2	39 082.4	39 567.6	39 512.1	39 905.1	40 534.2	40 961.4	41 807.4
Central bank	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 depository corporations	20.7	20.2	26.1	24.6	25.0	20.9	21.7	20.9	20.0	24.4	24.8	25.5
Other financial corporations	624.0	703.0	836.9	829.3	783.0	802.5	771.8	785.9	811.4	794.2	930.6	831.6
Central government	49.8	49.3	49.1	50.0	47.6	50.9	52.1	51.1	53.3	64.7	48.8	48.6
State and local government	85.0	70.6	24.4	62.1	57.3	92.7	27.0	50.0	67.5	74.4	88.8	116.5
Public nonfinancial corporations	512.9	414.8	458.3	430.7	316.2	449.6	434.4	347.1	317.7	315.2	307.1	316.1
Other nonfinancial corporations (Businesses)	13 893.3	13 441.9	13 207.0	13 730.0	13 600.2	13 919.4	14 536.4	14 307.9	14 357.8	14 858.0	14 862.4	15 481.2
Loans and Advances	10 818.7	10 329.4	10 062.9	10 605.4	10 428.3	10 703.3	11 231.3	11 012.6	11 001.5	11 489.1	11 429.8	12 023.4
Farm mortgage loans	27.0	28.2	28.4	28.6	28.8	25.7	25.9	25.9	26.3	26.5	26.7	26.9
Other mortgage loans	3 077.3	3 154.0	3 230.9	3 249.8	3 339.6	3 341.1	3 470.1	3 556.9	3 577.0	3 714.4	3 827.7	3 811.7
Dwellings	212.0	362.2	379.7	319.3	318.0	344.7	372.0	405.1	432.9	469.4	511.1	545.9
Other	2 865.3	2 791.8	2 851.2	2 930.5	3 021.6	2 996.4	3 098.1	3 151.8	3 144.1	3 245.1	3 316.6	3 265.8
Overdrafts	5 225.6	4 726.4	4 402.4	4 840.4	4 666.2	4 874.1	5 243.7	4 903.7	4 938.2	5 239.7	5 118.0	5 577.4
Other loans and advances	2 488.9	2 420.9	2 401.2	2 486.7	2 393.7	2 462.4	2 491.7	2 526.1	2 460.0	2 508.5	2 457.4	2 607.4
Leasing	67.5	67.9	67.9	67.3	65.8	64.8	65.6	65.6	67.5	66.9	70.5	71.3
Instalment credit	2 008.0	2 037.5	2 066.0	2 120.7	2 109.7	2 137.6	2 167.3	2 184.7	2 209.0	2 228.4	2 281.9	2 301.5
Other	999.1	1 007.1	1 010.2	936.7	996.4	1 013.7	1 072.1	1 045.0	1 079.8	1 073.6	1 080.1	1 085.0
Other resident sectors (Individuals)	22 894.4	22 895.5	23 120.8	23 323.8	23 428.7	23 634.2	23 613.8	23 833.8	24 164.5	24 278.4	24 571.3	24 855.6
Loans and Advances	18 871.0	18 843.8	19 048.7	19 190.0	19 313.1	19 491.9	19 498.8	19 588.2	19 811.1	19 983.2	20 212.9	20 439.7
Farm mortgage loans	903.5	820.5	936.7	906.8	912.1	966.4	944.2	900.5	896.3	905.0	921.6	956.8
Other mortgage loans	14 856.2	14 791.5	14 863.4	15 076.4	15 169.0	15 295.1	15 378.3	15 530.7	15 654.6	15 794.2	15 941.5	16 138.7
Dwellings	14 810.8	14 791.5	14 863.4	15 076.4	15 169.0	15 295.1	15 378.3	15 530.7	15 654.6	15 794.2	15 941.5	16 138.7
Other	45.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 276.2	1 436.5	1 453.6	1 400.3	1 407.7	1 402.0	1 392.8	1 365.9	1 388.3	1 389.8	1 417.1	1 387.8
Other loans and advances	1 835.2	1 795.3	1 795.0	1 806.5	1 824.3	1 828.3	1 783.5	1 791.2	1 871.8	1 894.2	1 932.7	1 956.5
Leasing	89.0	84.8	86.9	83.8	92.0	102.4	98.8	99.4	99.8	101.8	108.5	126.4
Instalment credit	3 283.8	3 316.4	3 342.1	3 357.9	3 372.7	3 385.3	3 364.2	3 415.5	3 482.1	3 508.6	3 576.6	3 615.5
Other	650.6	650.4	643.1	692.0	650.9	654.6	652.0	730.7	771.6	684.7	673.3	674.0
Nonresidents	105.6	106.8	108.6	106.6	108.2	112.2	110.4	115.5	112.8	125.0	127.5	132.3
Loans and Advances	105.6	106.5	108.6	105.0	106.4	112.1	109.6	115.0	112.8	125.0	127.5	132.3
Farm mortgage 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
Other mortgage loans	61.3	62.5	63.5	61.3	61.8	62.1	64.0	68.5	65.9	76.8	80.9	84.4
Dwellings	61.3	62.5	63.5	61.3	61.8	62.1	64.0	68.5	65.9	76.8	80.9	84.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	40.0	39.8	41.0	42.4	43.4	48.8	44.2	45.0	45.4	46.7	45.0	45.7
Other loans and advances	4.3	4.2	4.1	1.2	1.2	1.2	1.4	1.5	1.6	1.5	1.6	2.3
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.3	0.0	1.6	1.8	0.1	0.8	0.5	0.0	0.0	0.0	0.0

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Loans	41 667.2	42 287.5	42 329.5	43 054.0	43 250.7	44 094.3	44 186.9	44 481.1	44 892.5	45 248.0	45 431.2	46 177.5
Central bank	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 depository corporations	24.1	24.5	21.4	22.7	24.4	23.8	157.7	27.2	24.1	30.3	31.7	21.4
Other financial corporations	918.0	977.5	971.3	964.3	1 002.2	1 014.6	1 133.8	1 062.4	983.7	975.4	1 040.6	939.7
Central government	48.1	49.9	64.5	63.8	52.7	51.9	51.5	51.9	51.5	52.0	12.2	12.4
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9
Public nonfinancial corporations	304.3	313.2	279.9	425.2	294.6	415.8	247.1	296.0	657.6	775.5	398.2	453.1
Other nonfinancial corporations (Businesses)	14 965.4	15 387.8	15 485.0	15 870.4	15 873.7	16 420.6	16 210.1	16 357.8	16 282.7	15 990.1	16 177.7	16 410.5
Loans and Advances	11 577.6	11 944.6	11 943.5	12 209.9	12 216.3	12 686.5	12 426.1	12 539.2	12 574.3	12 282.1	12 446.4	12 598.2
Farm mortgage loans	27.1	27.3	27.5	27.7	27.9	24.8	25.0	25.2	25.3	25.5	25.7	25.9
Other mortgage loans	3 746.6	3 840.8	3 790.4	3 936.3	4 300.2	4 464.9	4 599.8	4 662.6	4 705.5	4 733.0	4 959.6	5 094.8
Dwellings	429.0	450.8	446.6	445.3	454.5	454.4	452.4	446.7	444.8	455.5	468.2	467.2
Other	3 317.7	3 390.0	3 343.8	3 491.1	3 845.7	4 010.5	4 147.4	4 215.9	4 260.7	4 277.5	4 491.4	4 627.6
Overdrafts	5 285.3	5 532.8	5 402.8	5 495.0	5 113.9	5 391.1	4 987.0	4 931.6	4 759.6	4 484.5	4 426.4	4 427.1
Other loans and advances	2 518.6	2 543.8	2 722.8	2 750.9	2 774.3	2 805.8	2 814.3	2 919.9	3 083.9	3 039.1	3 034.7	3 050.3
Leasing	69.4	69.0	71.6	74.0	72.1	74.2	80.4	81.3	86.8	96.1	106.6	109.8
Instalment credit	2 254.4	2 302.7	2 335.2	2 357.2	2 365.5	2 393.1	2 403.5	2 419.1	2 434.5	2 444.2	2 462.6	2 513.5
Other	1 064.0	1 071.5	1 134.7	1 229.3	1 219.8	1 266.7	1 300.2	1 318.2	1 187.0	1 167.6	1 162.1	1 189.1
Other resident sectors (Individuals)	25 155.1	25 341.0	25 353.5	25 552.3	25 843.9	26 004.8	26 126.1	26 332.1	26 562.4	27 091.6	27 462.3	27 916.5
Loans and Advances	20 669.5	20 829.3	20 802.3	20 970.8	21 210.6	21 232.4	21 361.1	21 532.1	21 754.3	21 986.0	22 225.5	22 538.6
Farm mortgage loans	925.7	925.1	875.8	844.2	910.9	842.4	875.6	848.9	840.4	841.6	857.4	860.2
Other mortgage loans	16 285.0	16 425.3	16 639.2	16 712.9	16 838.8	16 987.2	17 104.9	17 284.0	17 494.3	17 667.8	17 880.0	18 138.2
Dwellings	16 285.0	16 425.3	16 639.2	16 712.9	16 838.8	16 987.2	17 104.9	17 284.0	17 494.3	17 667.8	17 880.0	18 138.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 498.8	1 508.9	1 374.1	1 502.3	1 550.4	1 492.8	1 459.3	1 466.2	1 439.4	1 460.3	1 455.1	1 490.4
Other loans and advances	1 960.0	1 969.9	1 913.2	1 911.4	1 910.6	1 910.1	1 921.3	1 933.0	1 980.1	2 016.3	2 032.9	2 049.8
Leasing	126.6	124.6	120.3	115.3	113.5	108.8	105.7	102.8	93.8	94.6	91.8	88.6
Instalment credit	3 671.7	3 686.4	3 718.7	3 743.6	3 789.2	3 915.4	3 893.4	3 920.8	3 916.6	4 192.8	4 247.4	4 405.2
Other	687.3	700.7	712.2	722.6	730.6	748.3	765.9	776.4	797.6	818.1	897.6	884.1
Nonresidents	138.9	134.0	137.2	138.3	143.2	146.0	199.2	246.2	219.3	221.7	179.6	247.9
Loans and Advances	138.8	134.0	136.8	138.3	143.2	146.0	144.8	174.1	151.7	152.8	155.5	164.6
Farm mortgage 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
Other mortgage loans	86.9	82.3	85.2	85.9	90.1	90.2	90.3	102.8	90.0	90.6	91.0	92.9
Dwellings	86.9	82.3	85.2	85.9	90.1	90.2	90.3	102.8	90.0	90.6	91.0	92.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	49.9	49.6	49.6	50.5	51.2	52.4	51.2	59.8	55.4	55.9	58.2	65.2
Other loans and advances	2.1	2.1	2.0	1.9	1.9	3.3	3.4	11.5	6.3	6.3	6.3	6.4
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.4	0.0	0.0	0.0	54.4	72.0	67.6	68.9	24.2	83.4

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Loans	46 695.1	47 032.2	48 107.8	49 014.7	49 000.5	48 835.7	49 029.9	49 850.4	50 759.5	51 217.4	53 075.3	52 962.3
Central bank	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 depository corporations	23.9	26.4	18.9	20.2	23.6	23.1	27.1	28.1	26.2	24.5	24.5	31.3
Other financial corporations	987.2	1 099.8	1 083.8	1 127.8	1 137.5	276.0	217.6	218.9	243.7	227.4	244.5	193.3
Central government	11.9	12.8	13.5	11.3	12.0	11.0	11.4	15.3	13.0	14.8	14.0	13.0
State and local government	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0
Public nonfinancial corporations	615.6	663.4	688.0	590.6	463.3	684.3	528.9	557.8	662.2	520.1	768.0	592.2
Other nonfinancial corporations (Businesses)	16 707.8	16 891.5	17 484.2	17 994.9	17 821.0	18 101.3	18 231.5	18 652.6	19 092.6	19 364.6	20 375.3	20 048.7
Loans and Advances	12 857.6	12 888.1	13 429.2	13 882.8	13 581.0	13 732.0	13 844.7	14 240.0	14 495.3	14 919.6	15 893.8	15 584.1
Farm mortgage loans	26.1	26.3	26.5	26.7	26.9	27.1	24.0	24.0	24.3	24.5	24.7	24.9
Other mortgage loans	5 020.4	5 148.0	5 228.2	5 315.5	5 365.9	5 490.2	5 548.5	5 501.8	5 701.4	5 785.0	5 827.9	5 796.8
Dwellings	482.6	482.7	497.3	493.8	501.3	510.8	515.3	520.1	527.1	524.7	533.0	531.0
Other	4 537.8	4 665.3	4 730.8	4 821.7	4 864.6	4 979.4	5 033.2	4 981.8	5 174.3	5 260.3	5 295.0	5 265.8
Overdrafts	4 780.1	4 662.3	5 017.9	5 325.0	4 968.9	5 157.4	5 059.7	5 441.5	5 498.5	5 768.3	6 125.5	5 821.9
Other loans and advances	3 031.0	3 051.5	3 156.7	3 215.7	3 219.4	3 057.3	3 212.6	3 272.6	3 271.1	3 341.8	3 915.6	3 940.5
Leasing	106.6	104.4	104.7	106.9	108.3	112.4	116.6	120.0	124.8	125.3	124.9	124.5
Instalment credit	2 504.8	2 561.5	2 594.9	2 632.3	2 685.3	2 717.6	2 704.0	2 748.3	2 756.6	2 774.1	2 789.3	2 831.8
Other	1 238.8	1 337.5	1 355.4	1 372.9	1 446.3	1 539.4	1 566.1	1 544.3	1 715.9	1 545.5	1 567.3	1 508.3
Other resident sectors (Individuals)	27 968.7	28 022.3	28 512.4	28 931.0	29 239.7	29 504.1	29 800.7	30 152.2	30 456.3	30 842.8	31 387.2	31 831.8
Loans and Advances	22 568.1	22 583.9	23 028.0	23 452.4	23 591.5	23 819.1	24 042.6	24 343.7	24 631.7	24 841.5	25 357.0	25 609.5
Farm mortgage loans	938.9	911.8	894.6	903.3	871.2	913.7	937.7	940.9	946.7	970.6	1 026.9	987.4
Other mortgage loans	18 111.1	18 097.1	18 433.7	18 731.9	18 875.3	19 024.6	19 201.3	19 458.3	19 713.0	19 882.0	20 255.0	20 496.8
Dwellings	18 111.1	18 097.1	18 433.7	18 731.9	18 875.3	19 024.6	19 201.3	19 458.3	19 713.0	19 882.0	20 255.0	20 496.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 466.9	1 500.2	1 584.2	1 718.1	1 727.0	1 725.5	1 727.4	1 727.4	1 746.6	1 723.2	1 742.9	1 759.3
Other loans and advances	2 051.2	2 074.8	2 115.5	2 099.2	2 118.0	2 155.3	2 176.1	2 217.1	2 225.5	2 265.8	2 332.1	2 366.0
Leasing	87.5	4.7	4.5	4.5	4.8	4.7	4.4	4.0	3.9	4.0	3.8	4.1
Instalment credit	4 409.7	4 547.5	4 568.5	4 565.8	4 656.8	4 681.9	4 729.2	4 734.0	4 834.0	4 871.9	4 911.4	4 960.7
Other	903.4	886.1	911.4	908.3	986.6	998.3	1 024.6	1 070.5	986.7	1 125.3	1 115.0	1 257.5
Nonresidents	191.5	163.5	215.9	220.2	210.3	175.6	177.3	176.2	177.1	180.2	185.6	186.0
Loans and Advances	160.7	163.2	163.5	173.9	174.1	175.6	177.3	176.2	177.0	180.2	185.2	186.0
Farm mortgage 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
Other mortgage loans	90.9	92.1	92.3	99.7	98.3	98.7	99.3	99.2	100.3	102.2	106.0	106.5
Dwellings	90.9	92.1	92.3	99.7	98.3	98.7	99.3	99.2	100.3	102.2	106.0	106.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	63.4	64.5	64.8	68.1	69.7	71.2	72.2	72.3	72.1	73.5	74.6	74.9
Other loans and advances	6.4	6.5	6.4	6.1	6.0	5.6	5.8	4.7	4.6	4.6	4.7	4.7
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	30.8	0.3	52.4	46.3	36.2	0.0	0.0	0.0	0.1	0.0	0.4	0.0

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Table II.5 Deposits of other depository corporations (end of period in N$ million)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Total Deposits	53 708.3	53 084.0	54 316.6	55 489.2	54 346.7	51 848.2	52 752.7	53 830.3	54 079.7	55 102.1	56 566.6	56 110.7
Deposits included in broad money	49 141.7	48 866.1	50 201.9	51 416.1	51 296.7	48 729.0	49 309.5	50 411.8	50 472.6	51 643.2	52 545.0	52 426.5
Transferable deposits	20 936.5	20 888.5	21 780.8	22 177.9	22 391.4	19 929.0	20 331.0	21 579.2	21 835.3	21 597.6	22 414.0	22 761.3
In national currency	20 936.5	20 888.5	21 780.8	22 177.9	22 391.4	19 929.0	20 331.0	21 579.2	21 835.3	21 597.6	22 414.0	22 761.3
Other financial corporations	1 859.3	1 754.3	2 779.1	4 202.7	3 756.8	2 056.3	1 852.8	2 032.3	2 100.2	2 035.0	2 083.1	1 997.5
State and local government	300.1	247.2	272.9	320.0	271.9	330.5	233.6	228.6	201.6	353.6	341.7	415.7
Public nonfinancial corporations	2 349.2	1 952.4	2 096.3	1 929.6	1 903.4	1 781.3	2 167.1	1 954.7	1 953.6	2 005.0	2 155.7	1 817.4
Other nonfinancial corporations	11 517.6	12 076.2	11 871.6	11 110.2	11 695.0	10 961.5	11 722.7	12 555.6	12 484.1	12 191.2	12 610.7	13 332.2
Other resident sectors	4 910.3	4 858.4	4 760.8	4 615.3	4 764.4	4 799.3	4 354.7	4 807.9	5 095.8	5 012.8	5 222.8	5 198.5
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In foreign currency	426.0	393.8	278.0	670.5	159.5	142.1	1 002.0	1 186.1	706.7	647.7	487.8	1 044.6
Other deposits	28 205.3	27 977.7	28 421.2	29 238.2	28 905.3	28 800.0	28 978.5	28 832.6	28 637.4	30 045.7	30 131.0	29 665.2
In national currency	28 205.3	27 977.7	28 421.2	29 238.2	28 905.3	28 800.0	28 978.5	28 832.6	28 637.4	30 045.7	30 131.0	29 665.2
Other financial corporations	2 061.3	2 609.8	2 843.5	2 522.8	2 576.9	2 611.4	3 081.7	4 159.6	2 813.0	2 971.9	3 203.8	3 379.6
State and local government	241.0	353.6	355.1	339.5	464.9	410.8	379.7	388.6	498.3	517.1	584.6	522.2
Public nonfinancial corporations	1 824.2	1 682.4	1 492.0	2 034.9	2 047.7	1 754.2	1 854.0	2 064.0	1 948.9	1 891.7	1 821.7	1 751.2
Other nonfinancial corporations	5 156.1	4 640.9	5 088.5	5 326.3	5 293.1	5 844.1	5 491.1	5 287.4	4 748.0	5 777.5	5 291.5	5 115.1
Other resident sectors	18 439.8	18 147.4	18 229.6	18 566.4	17 943.3	17 736.2	17 708.0	16 456.7	18 149.5	18 394.8	18 739.7	18 411.0
Unclassified	482.8	543.6	412.5	448.3	579.3	443.4	464.0	476.2	479.6	492.7	489.7	486.0
In foreign currency	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	0.0	0.0	0.0	0.0
Unclassified	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	4 566.6	4 217.9	4 114.7	4 073.1	3 050.0	3 119.2	3 443.3	3 418.5	3 607.1	3 458.9	4 021.6	3 684.2
Transferable deposits	2 826.4	2 858.4	2 669.5	2 960.1	2 016.7	1 798.0	2 153.0	2 056.2	2 245.4	2 257.1	2 478.1	2 328.3
In national currency	2 442.9	2 447.5	2 223.8	2 527.3	1 576.1	1 319.7	1 464.7	1 316.0	1 594.4	1 549.1	1 926.5	1 613.6
In foreign currency	383.5	410.9	445.7	432.8	440.6	478.3	688.3	740.3	651.1	708.0	551.6	714.7
Other deposits	1 740.2	1 359.4	1 445.2	1 113.0	1 033.3	1 321.2	1 290.3	1 362.3	1 361.6	1 201.8	1 543.5	1 356.0
In national currency	1 160.0	868.3	983.0	798.9	775.9	1 076.4	906.4	1 094.6	1 062.4	997.5	1 169.8	1 151.6
In foreign currency	580.2	491.2	462.2	314.1	257.4	244.7	383.8	267.7	299.2	204.3	373.7	204.3

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Total Deposits	56 161.3	56 493.6	55 642.9	56 043.9	57 465.5	57 098.4	58 993.1	60 231.2	60 664.9	60 711.5	62 079.1	62 530.6
Deposits included in broad money	51 894.2	52 029.7	50 966.9	51 808.4	52 808.2	52 471.1	53 786.2	55 633.8	56 094.6	56 307.5	57 911.6	58 348.3
Transferable deposits	22 470.1	22 765.9	22 444.8	23 419.6	23 610.6	22 410.9	22 873.1	24 118.3	24 085.8	24 012.3	25 087.3	25 214.1
In national currency	22 470.1	22 765.9	22 444.8	23 419.6	23 610.6	22 410.9	22 873.1	24 118.3	24 085.8	24 012.3	25 087.3	25 214.1
Other financial corporations	2 035.3	2 025.3	2 080.3	2 012.4	2 170.2	2 242.6	2 687.4	2 538.4	2 732.0	2 807.0	2 769.4	3 213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public nonfinancial corporations	1 725.9	1 653.6	1 653.9	1 847.0	1 579.0	1 451.3	1 687.7	1 967.5	1 745.1	1 504.5	1 713.0	2 131.7
Other nonfinancial corporations	13 406.4	13 531.3	13 126.2	13 831.8	13 868.3	13 016.8	13 367.0	14 155.5	13 582.4	13 732.9	14 495.7	13 934.7
Other resident sectors	4 936.3	5 192.4	5 186.9	5 379.9	5 578.7	5 313.3	4 817.6	5 063.8	5 231.8	5 094.4	5 379.3	5 281.8
Unclassified	0.0	0.0	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In foreign currency	652.5	546.0	430.8	564.0	294.5	377.5	549.9	399.6	246.8	266.4	405.4	253.9
Other deposits	29 424.1	29 263.7	28 522.1	28 388.8	29 197.6	30 060.2	30 913.1	31 515.5	32 008.8	32 295.2	32 824.2	33 134.2
In national currency	29 424.1	29 263.7	28 522.1	28 388.8	29 197.6	30 060.2	30 913.1	31 515.5	32 008.8	32 295.2	32 824.2	33 134.2
Other financial corporations	3 359.8	3 600.5	3 705.1	3 886.4	3 784.2	4 452.3	4 786.3	4 289.4	4 163.6	3 930.9	4 087.2	5 263.9
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1 829.2	1 441.1	1 351.2	1 432.6	1 488.7	927.9	1 456.9	1 787.3	1 993.8	2 103.4	1 516.1	2 036.6
Other nonfinancial corporations	4 770.9	4 719.4	4 537.0	4 279.1	4 487.3	5 096.7	5 013.2	4 814.5	5 056.9	5 423.9	6 050.5	5 243.6
Other resident sectors	18 467.2	18 360.7	18 036.5	17 878.1	18 507.2	18 662.5	18 725.5	19 686.4	19 888.6	19 947.3	20 261.1	19 629.4
Unclassified	487.5	472.6	482.5	445.9	512.2	502.9	469.8	575.4	461.2	431.6	449.6	466.6
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unclassified	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	4 267.1	4 463.9	4 676.0	4 235.6	4 657.3	4 627.3	5 206.9	4 597.4	4 570.3	4 403.9	4 167.5	4 182.2
Transferable deposits	2 888.9	2 965.9	2 688.4	2 159.7	2 856.0	2 576.5	3 263.0	2 642.3	2 560.3	2 410.0	2 116.2	2 063.9
In national currency	2 108.6	2 101.6	2 129.5	1 648.0	2 350.6	1 998.1	2 828.3	2 151.0	2 034.6	1 926.2	1 739.9	1 534.9
In foreign currency	780.3	864.3	558.9	511.7	505.4	578.4	434.6	491.3	525.7	483.9	376.3	529.0
Other deposits	1 378.2	1 498.0	1 987.6	2 075.8	1 801.3	2 050.8	1 943.9	1 955.1	2 010.0	1 993.9	2 051.4	2 118.3
In national currency	1 183.0	1 210.7	1 379.1	1 289.5	1 401.3	1 454.0	1 352.2	1 496.9	1 567.6	1 593.6	1 586.7	1 657.4
In foreign currency	195.2	287.3	608.5	786.3	400.0	596.8	591.8	458.3	442.4	400.3	464.6	460.9

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Total Deposits	59 308.2	60 686.5	62 822.8	63 064.0	63 959.8	64 728.4	63 852.7	65 357.6	66 235.4	68 327.9	67 789.7	68 334.7
Deposits included in broad money	55 317.3	56 799.0	57 980.5	57 902.8	59 483.1	60 136.3	58 769.2	60 522.9	61 242.9	61 957.4	61 386.8	62 025.9
Transferable deposits	23 885.3	24 387.1	25 451.6	24 412.3	25 916.8	26 164.8	25 568.3	25 386.2	25 843.5	25 651.6	25 304.9	25 300.9
In national currency	23 885.3	24 387.1	25 451.6	24 412.3	25 916.8	26 164.8	25 568.3	25 386.2	25 843.5	25 651.6	25 304.9	25 300.9
Other financial corporations	2 792.7	2 522.9	2 535.8	2 993.7	2 874.7	2 502.1	2 469.2	2 513.2	2 385.2	2 667.3	2 884.7	2 343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1 005.7	1 515.4	882.4
Public nonfinancial corporations	1 974.4	2 522.4	2 154.4	2 174.9	2 512.7	2 541.0	2 399.1	2 243.6	1 983.2	1 875.0	2 072.8	2 039.2
Other nonfinancial corporations	13 363.4	13 644.2	14 670.1	13 410.4	14 590.3	15 047.3	14 781.5	14 764.9	14 919.9	14 431.6	13 106.1	14 465.0
Other resident sectors	5 084.9	5 036.3	5 273.3	5 073.2	5 151.9	5 285.9	5 176.0	5 225.9	5 862.6	5 671.9	5 725.8	5 571.1
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In foreign currency	202.4	216.7	293.4	353.2	157.9	131.5	163.8	174.7	328.2	322.0	165.7	174.4
Other deposits	31 431.9	32 411.8	32 528.9	33 490.5	33 566.4	33 971.4	33 200.9	35 136.7	35 399.4	36 305.7	36 081.9	36 725.0
In national currency	31 431.9	32 411.8	32 528.9	33 490.5	33 566.4	33 971.4	33 200.9	35 136.7	35 399.4	36 305.7	36 081.9	36 725.0
Other financial corporations	5 089.8	4 814.0	4 276.3	4 599.0	4 794.9	4 795.9	5 171.9	5 156.7	5 017.2	5 868.6	4 992.0	5 674.0
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1 834.9	1 873.3	2 485.5	2 468.7	2 276.4	2 377.9	2 642.5	2 584.4	2 600.7	2 870.9	2 146.4	2 548.7
Other nonfinancial corporations	5 410.5	5 678.1	5 484.6	5 807.8	5 853.7	5 970.1	5 511.8	6 107.6	6 294.1	6 350.3	8 487.6	7 492.5
Other resident sectors	18 053.9	19 058.9	19 454.9	19 784.0	19 709.4	19 994.8	19 037.1	20 381.0	20 572.1	20 327.5	19 728.9	20 154.9
Unclassified	469.1	517.2	387.3	377.3	447.1	381.7	400.4	473.5	501.5	415.6	365.2	391.4
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unclassified	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	3 990.9	3 887.6	4 842.3	5 161.2	4 476.7	4 592.1	5 083.5	4 834.7	4 992.5	6 370.5	6 402.9	6 308.8
Transferable deposits	2 041.1	1 944.3	2 577.7	2 897.6	2 375.6	2 124.9	2 500.7	2 763.0	2 740.5	3 888.4	4 137.4	3 545.2
In national currency	1 307.8	1 174.3	1 648.7	1 922.9	1 713.8	1 582.3	1 604.8	1 609.5	1 534.5	1 661.8	1 876.2	1 547.7
In foreign currency	733.3	770.0	929.0	974.8	661.7	542.6	896.0	1 153.4	1 206.0	2 226.6	2 261.3	1 997.5
Other deposits	1 949.9	1 943.3	2 264.7	2 263.6	2 101.1	2 467.2	2 582.8	2 071.7	2 252.0	2 482.1	2 265.5	2 763.6
In national currency	1 650.2	1 631.2	1 861.9	1 878.7	1 718.2	1 855.9	1 817.6	1 686.4	1 660.0	1 849.8	1 857.9	1 803.1
In foreign currency	299.7	312.1	402.8	384.9	382.9	611.3	765.2	385.3	592.0	632.3	407.6	960.5

Table II.6 Monetary Aggregates (end of period in N$ million)

		Currency in circulation 1	Transferable deposits 2	Narrow money (M1) 3 1+2 = 3	Other deposits 4	Securities included in M2 5	Broad money supply (M2) 6 3+4+5=6
2005		680.0	9 096.6	9 776.6	7 261.7	31.4	17 069.6
2006		763.4	12 937.7	13 701.0	8 833.3	5.9	22 540.2
2007		820.3	13 815.9	14 636.2	10 166.1	6.0	24 808.3
2008	Jan	782.5	14 728.5	15 511.0	10 391.8	6.0	25 908.8
	Feb	882.0	16 645.7	17 527.7	10 184.0	3.9	27 715.7
	Mar	928.2	16 362.4	17 290.6	9 735.3	3.9	27 029.8
	Apr	937.8	16 717.6	17 655.4	10 127.0	3.9	27 786.3
	May	960.0	16 420.2	17 380.2	10 390.7	3.9	27 774.8
	Jun	957.3	17 265.4	18 222.7	9 772.6	3.9	27 999.2
	Jul	986.0	18 716.6	19 702.6	10 070.2	3.9	29 776.7
	Aug	1 059.4	17 762.5	18 821.9	9 350.1	3.9	28 175.9
	Sep	1 076.4	17 977.6	19 054.0	9 931.9	3.9	28 989.9
	Oct	1 234.3	16 395.0	17 629.3	11 543.3	3.9	29 176.5
	Nov	1 221.0	17 244.2	18 465.2	11 214.6	3.9	29 683.8
	Dec	1 140.4	17 430.7	18 571.1	10 666.4	3.9	29 241.4
2009	Jan	1 217.6	17 746.7	18 964.4	29 995.4	3.9	48 963.6
	Feb	1 234.8	17 683.8	18 918.6	29 934.4	3.9	48 856.9
	Mar	1 227.9	18 608.5	19 836.4	24 861.2	3.9	44 701.5
	Apr	1 248.0	18 473.2	19 721.2	26 138.0	3.9	45 863.1
	May	1 235.0	18 651.0	19 886.0	26 426.8	3.9	46 316.8
	Jun	1 133.0	19 033.8	20 166.8	26 670.2	3.9	46 840.9
	Jul	1 209.2	18 999.1	20 208.3	27 226.1	3.9	47 438.3
	Aug	1 180.3	18 813.5	19 993.8	27 083.4	4.0	47 081.2
	Sep	1 084.9	18 407.6	19 492.5	27 043.9	3.9	46 540.3
	Oct	1 145.4	19 552.1	20 697.6	27 727.1	3.9	48 428.6
	Nov	1 204.4	19 626.1	20 830.5	28 425.9	3.9	49 260.3
	Dec	1 156.7	19 741.7	20 898.4	28 357.2	3.9	49 259.6
2010	Jan	1 127.6	20 936.7	22 064.3	28 205.3	3.9	50 273.5
	Feb	1 117.6	20 888.8	22 006.5	27 977.7	3.9	49 988.0
	Mar	1 053.0	21 781.1	22 834.1	28 421.2	3.9	51 259.0
	Apr	1 145.2	22 178.6	23 323.8	29 238.2	3.9	52 565.9
	May	1 130.8	22 391.8	23 522.5	28 905.3	3.9	52 431.7
	Jun	1 135.6	19 929.3	21 064.9	28 800.0	3.9	49 868.7
	Jul	1 229.9	20 331.3	21 561.2	28 978.5	3.9	50 543.5
	Aug	1 233.5	21 582.0	22 815.5	28 832.6	3.9	51 651.9
	Sep	1 218.1	21 835.9	23 054.0	28 637.4	-	51 691.2
	Oct	1 273.3	21 598.3	22 871.6	30 045.7	-	52 916.9
	Nov	1 316.1	22 414.7	23 730.8	30 131.0	-	53 861.6
	Dec	1 292.7	22 761.8	24 054.5	29 665.2	-	53 719.4
2011	Jan	1 282.0	22 470.5	23 752.5	29 424.1	-	53 176.7
	Feb	1 366.6	22 766.2	24 132.8	29 263.7	-	53 396.5
	Mar	1 391.2	22 445.1	23 836.2	28 522.1	-	52 358.4
	Apr	1 417.1	23 419.8	24 837.0	28 388.8	-	53 225.7
	May	1 389.9	23 611.0	25 000.9	29 197.6	-	54 198.5
	Jun	1 452.0	22 393.2	23 845.2	30 060.2	-	53 905.4
	Jul	1 523.8	22 873.6	24 397.4	30 913.1	-	55 310.5
	Aug	1 560.2	24 118.7	25 678.8	31 515.5	-	57 194.4
	Sep	1 641.7	24 086.2	25 727.9	32 008.8	-	57 736.7
	Oct	1 697.3	24 012.6	25 709.9	32 295.2	-	58 005.1
	Nov	1 672.8	25 087.7	26 760.5	32 824.2	-	59 584.8
	Dec	1 697.7	25 214.7	26 912.3	33 134.2	-	60 046.5
2012	Jan	1 660.0	23 885.6	25 545.6	31 431.9	-	56 977.5
	Feb	1 597.0	24 387.4	25 984.4	32 411.8	-	58 396.3
	Mar	1 525.1	25 452.3	26 977.4	32 528.9	-	59 506.3
	Apr	1 635.6	24 412.5	26 048.2	33 490.5	-	59 538.7
	May	1 600.3	25 917.1	27 517.3	33 566.4	-	61 083.7
	Jun	1 715.9	26 165.3	27 881.2	33 971.4	-	61 852.6
	Jul	1 630.5	25 568.7	27 199.2	33 200.9	-	60 400.1
	Aug	1 710.0	25 386.6	27 096.6	35 136.7	-	62 233.2
	Sep	1 712.9	25 844.0	27 556.9	35 399.4	-	62 956.3
	Oct	1 617.0	25 651.9	27 269.0	36 305.7	-	63 574.7
	Nov	1 711.4	25 305.1	27 016.5	36 081.9	-	63 098.5
	Dec	1 685.8	25 301.3	26 987.0	36 725.0	-	63 712.0

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Table II.7 Monetary analysis (end of period in N$ million)

		Broad money supply (M2)	Determinants of money supply						
			Net foreign assets (cumulative flow)	Claims on the Central Government				Claims on private sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2005		**17 370.2**	**- 156.3**	**2 586.1**	**1 140.6**	**39.8**	**1 405.7**	**24 264.4**	**-8 143.6**
2006		**22 605.0**	**4 844.5**	**2 767.3**	**2 589.6**	**64.4**	**113.3**	**28 284.2**	**-10 637.0**
2007		**24 808.3**	**7 461.7**	**2 981.3**	**-5 242.6**	**-50.2**	**-2 261.2**	**32 374.8**	**-12 772.9**
2008	**Jan**	**25 908.8**	**10 394.2**	**2 598.5**	**-6 266.5**	**-50.2**	**-3 668.0**	**32 659.7**	**-13 477.2**
	Feb	27 715.7	10 576.3	2 321.3	-5 779.4	-66.1	-3 458.1	33 638.2	-13 040.7
	Mar	27 029.8	10 807.1	2 416.5	-5 473.1	-66.1	-3 056.6	33 850.1	-14 570.8
	Apr	27 786.3	12 466.4	2 441.9	-7 084.8	-66.1	-4 642.9	34 297.4	-14 266.1
	May	27 774.8	11 998.9	2 465.9	-6 539.4	-66.2	-4 073.5	33 922.5	-14 073.1
	Jun	27 999.2	11 290.7	2 578.5	-6 728.8	-67.0	-4 150.3	34 468.5	-13 609.9
	Jul	29 776.7	14 622.1	2 701.1	-8 385.8	-67.0	-5 684.7	34 684.2	-13 853.9
	Aug	28 175.9	11 673.8	2 915.9	-7 534.5	-67.0	-4 618.6	35 037.7	-13 917.0
	Sep	28 989.9	12 616.8	2 848.5	-7 128.9	-67.0	-4 280.4	35 520.7	-14 867.4
	Oct	29 176.5	16 564.1	2 762.4	-8 593.3	-64.4	-5 830.8	35 573.0	-17 129.8
	Nov	29 683.8	15 217.6	2 617.5	-7 365.9	-64.4	-4 748.4	35 700.1	-16 485.6
	Dec	29 241.4	13 627.3	2 631.8	-7 269.5	-63.6	-4 637.7	36 610.2	-16 358.5
2009	**Jan**	**48 963.6**	**26 144.0**	**2 706.6**	**-9 404.4**	**-52.8**	**-6 697.8**	**36 733.3**	**-7 215.9**
	Feb	48 856.9	25 459.9	2 610.6	-9 135.1	-53.5	-6 524.6	36 710.9	-6 789.3
	Mar	44 701.5	23 093.5	2 589.1	-7 914.0	-161.1	-5 325.0	37 389.3	-10 456.4
	Apr	45 863.1	25 887.6	2 507.3	-9 748.8	-173.2	-7 241.5	37 635.4	-10 418.3
	May	46 316.8	25 380.7	2 409.5	-9 574.8	-186.2	-7 165.3	37 711.4	-9 610.1
	Jun	46 840.9	24 956.6	2 519.4	-9 012.8	-126.6	-6 493.4	37 648.9	-9 271.3
	Jul	47 438.3	25 925.9	2 659.8	-10 090.6	-52.0	-7 430.7	37 815.8	-8 872.8
	Aug	47 081.2	26 883.7	2 653.9	-9 411.3	-52.0	-6 757.3	38 488.6	-11 533.8
	Sep	46 540.3	25 885.3	2 534.2	-9 021.0	-52.0	-6 486.8	39 038.5	-11 896.7
	Oct	48 428.6	29 157.4	2 760.0	-9 717.9	-52.0	-6 957.9	38 520.0	-12 290.9
	Nov	49 260.3	27 576.9	2 731.7	-8 235.3	-52.0	-5 503.6	39 122.4	-11 935.4
	Dec	49 259.6	26 875.4	2 814.0	-8 013.7	-34.6	-5 199.7	39 729.9	-12 146.0
2010	**Jan**	**50 273.5**	**28 574.3**	**2 392.9**	**-8 567.7**	**-34.6**	**-6 174.9**	**40 128.1**	**-12 254.0**
	Feb	49 988.0	28 301.0	2 780.4	-8 059.6	-56.7	-5 279.2	39 754.4	-12 788.1
	Mar	51 259.0	26 513.6	2 843.7	-6 447.4	-56.7	-3 603.7	39 904.2	-11 555.1
	Apr	52 565.9	26 997.1	3 026.1	-7 132.3	-46.3	-4 106.2	40 721.8	-11 046.9
	May	52 431.7	25 823.6	3 004.0	-6 258.9	-46.4	-3 255.0	40 521.7	-10 658.7
	Jun	49 868.7	23 988.6	2 620.2	-6 836.1	-46.5	-4 215.9	41 187.4	-11 091.3
	Jul	50 543.5	24 038.2	2 721.3	-6 758.5	-34.7	-4 037.2	41 833.8	-11 291.3
	Aug	51 651.9	24 925.7	2 800.5	-6 597.0	-40.0	-3 796.5	41 762.2	-11 239.4
	Sep	51 691.2	23 462.5	2 861.9	-5 618.9	-34.7	-2 757.0	42 201.1	-11 215.4
	Oct	52 916.9	24 349.9	2 835.4	-5 581.5	-34.7	-2 746.2	42 804.8	-11 491.6
	Nov	53 861.6	22 981.0	2 854.9	-4 356.7	-34.7	-1 501.8	43 307.0	-10 924.6
	Dec	53 719.4	21 970.2	3 080.0	-4 799.6	-34.7	-1 719.6	44 457.7	-10 988.8
2011	**Jan**	**53 176.7**	**22 976.0**	**3 205.8**	**-6 170.0**	**-31.8**	**-2 964.2**	**44 286.6**	**-11 121.6**
	Feb	53 396.5	21 318.0	3 314.4	-5 614.0	-31.9	-2 299.6	44 776.1	-10 398.0
	Mar	52 358.4	20 231.7	3 394.5	-3 880.9	-31.9	- 486.5	44 725.3	-12 144.0
	Apr	53 225.7	21 635.5	3 876.0	-5 798.6	-44.2	-1 922.6	43 948.6	-10 435.8
	May	54 198.5	21 340.0	4 473.2	-5 677.8	-80.7	-1 204.6	43 897.9	-9 834.8
	Jun	53 905.4	20 423.2	4 865.3	-6 620.0	-103.0	-1 754.7	44 743.2	-9 473.8
	Jul	55 310.5	22 301.8	5 054.2	-7 003.6	-104.9	-1 949.5	44 672.9	-9 714.8
	Aug	57 194.4	21 405.5	5 392.9	-5 734.1	-118.9	- 341.2	44 986.5	-8 856.5
	Sep	57 736.7	21 458.0	5 976.8	-5 024.4	-111.3	952.4	45 605.1	-10 278.8
	Oct	58 005.1	23 409.9	6 314.5	-6 430.1	-119.1	- 115.5	45 930.3	-11 219.5
	Nov	59 584.8	26 747.7	6 509.8	-8 809.0	-71.1	-2 299.2	46 236.0	-11 099.8
	Dec	60 046.5	25 414.2	6 969.0	-7 556.1	-132.2	- 587.0	46 917.4	-11 698.1
2012	**Jan**	**56 977.5**	**24 667.5**	**6 833.6**	**-10 303.9**	**-82.1**	**-3 470.4**	**47 478.7**	**-11 698.3**
	Feb	58 396.3	22 367.1	6 780.7	-8 907.9	-51.1	-2 127.3	47 850.4	-9 694.1
	Mar	59 506.3	21 712.1	6 717.9	-6 706.5	-131.6	11.3	48 906.8	-11 123.6
	Apr	59 538.7	23 651.9	6 748.7	-10 451.6	-108.2	-3 702.9	49 890.0	-10 300.3
	May	61 083.7	23 882.0	6 632.0	-8 188.2	-99.2	-1 556.2	49 857.7	-11 099.9
	Jun	61 852.6	22 535.7	6 689.9	-7 758.5	-80.6	-1 068.6	49 659.9	-9 274.5
	Jul	60 400.1	24 925.7	6 765.0	-10 113.3	-80.6	-3 348.2	50 469.7	-11 647.1
	Aug	62 233.2	23 557.0	7 110.2	-8 968.7	-80.6	-1 858.5	50 748.0	-10 213.3
	Sep	62 956.3	23 575.3	6 984.4	-8 062.4	-80.6	-1 078.0	51 770.1	-11 311.0
	Oct	63 574.7	24 448.7	6 785.6	-9 225.7	-75.1	-2 440.2	52 390.9	-10 824.8
	Nov	63 098.5	22 965.0	6 826.0	-9 219.4	-75.1	-2 393.4	54 097.5	-11 570.6
	Dec	63 712.0	22 463.3	6 825.3	-8 165.7	-75.1	-1 340.4	54 459.7	-11 870.5

Table II.8 Changes in determinants of money supply (end of period in N$ million)

		Broad money supply (M2)	Determinants of money supply						
			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		
2008	**Jan**	**1 100.4**	**2 932.5**	**-382.8**	**-1 023.9**	**0.0**	**-1 406.8**	**285.0**	**-704.3**
	Feb	1 806.9	182.0	-277.2	487.1	-15.9	209.9	978.5	436.5
	Mar	-685.9	230.9	95.2	306.3	0.0	401.5	211.8	-1 530.1
	Apr	756.5	1 659.3	25.4	-1 611.7	0.0	-1 586.3	447.4	304.7
	May	-11.5	-467.5	24.0	545.5	-0.1	569.5	-374.9	193.0
	Jun	224.4	-708.2	112.6	-189.4	-0.8	-76.8	546.0	463.2
	Jul	1 777.5	3 331.4	122.5	-1 657.0	0.0	-1 534.5	215.7	-244.0
	Aug	-1 600.8	-2 948.3	214.9	851.3	0.0	1,066.1	353.5	-63.1
	Sep	813.9	943.1	- 67.4	405.6	0.0	338.2	483.0	-950.4
	Oct	186.7	3 947.2	-86.1	-1 464.4	2.7	-1 550.5	52.3	-2 262.4
	Nov	507.2	-1 346.4	-144.9	1 227.3	0.0	1 082.5	127.0	644.2
	Dec	-442.4	-1 590.3	14.2	96.4	0.8	110.6	910.2	127.1
2009	**Jan**	**19 722.2**	**12 516.6**	**74.8**	**-2 134.9**	**10.7**	**-2 060.1**	**123.1**	**9 142.6**
	Feb	-106.7	-684.1	-96.0	269.2	-0.6	173.2	-22.4	426.6
	Mar	-4 155.4	-2 366.3	-21.5	1 221.1	-107.6	1 199.6	678.4	-3 667.1
	Apr	1 161.6	2 794.1	-81.8	-1 834.8	-12.1	-1 916.6	246.0	38.1
	May	453.6	-506.9	-97.7	174.0	-13.0	76.3	76.0	808.2
	Jun	524.1	-424.1	109.9	562.0	59.6	671.9	-62.5	338.8
	Jul	597.4	969.3	140.4	-1 077.7	74.6	-937.3	167.0	398.5
	Aug	-357.1	957.8	-5.9	679.3	0.0	673.4	672.8	-2 661.0
	Sep	-540.9	-998.4	-119.7	390.2	0.0	270.5	549.9	-362.8
	Oct	1 888.3	3 272.1	225.8	-696.9	0.0	-471.1	-518.5	-394.3
	Nov	831.7	-1,580.5	-28.4	1,482.6	0.0	1,454.3	602.4	355.5
	Dec	-0.8	-701.5	82.4	221.5	17.3	303.9	607.5	-210.6
2010	**Jan**	**1 013.9**	**1 698.9**	**-421.2**	**-554.0**	**0.0**	**-975.1**	**398.2**	**-108.0**
	Feb	-285.5	-273.4	387.5	508.1	-22.0	895.7	-373.7	-534.1
	Mar	1 270.9	-1 787.4	63.3	1,612.2	-0.0	1,675.5	149.8	1,233.0
	Apr	1 306.9	483.5	182.4	-684.8	10.3	-502.4	817.6	508.2
	May	-134.2	-1,173.5	-22.1	873.3	-0.1	851.2	-200.1	388.2
	Jun	-2 562.9	-1 835.1	-383.8	-577.1	-0.1	-960.9	665.6	-432.6
	Jul	674.8	49.7	101.1	77.6	11.8	178.7	646.4	-200.0
	Aug	1 108.4	887.5	79.3	161.5	-5.3	240.7	-71.7	51.9
	Sep	39.3	-1,463.2	61.4	978.1	5.3	1,039.5	438.9	24.0
	Oct	1 225.7	887.4	-26.5	37.3	0.0	10.8	603.7	-276.2
	Nov	944.7	-1 368.9	19.6	1 224.8	-0.0	1 244.4	502.2	567.0
	Dec	-142.2	-1 010.8	225.1	-442.9	-0.0	-217.8	1,150.7	-64.2
2011	**Jan**	**-542.7**	**1 005.8**	**125.7**	**-1 370.3**	**2.8**	**-1 244.6**	**-171.1**	**-132.8**
	Feb	219.9	-1 658.0	108.6	556.0	-0.0	664.6	489.6	723.6
	Mar	-1 038.2	-1 086.3	80.1	1 733.1	-0.0	1 813.1	-50.8	-1 745.9
	Apr	867.4	1 403.8	481.5	-1 917.6	-12.3	-1 436.1	-776.7	1 708.1
	May	972.7	-295.5	597.2	120.8	-36.5	718.0	-50.7	601.0
	Jun	-293.0	-916.8	392.1	-942.2	-22.4	-550.1	845.3	361.0
	Jul	1 405.0	1 878.7	188.8	-383.6	-1.9	-194.8	-70.3	-240.9
	Aug	1 883.9	-896.3	338.7	1 269.6	-13.9	1 608.3	313.6	858.3
	Sep	542.3	52.5	583.9	709.7	7.6	1 293.6	618.6	-1 422.4
	Oct	268.4	1 951.9	337.7	-1 405.7	-7.8	-1 068.0	325.2	-940.7
	Nov	1 579.7	3 337.8	195.3	-2 379.0	47.9	-2 183.6	305.7	119.7
	Dec	461.7	-1 333.5	459.2	1 252.9	-61.1	1,712.1	681.4	-598.2
2012	**Jan**	**-3 069.0**	**-746.7**	**-135.5**	**-2 747.9**	**50.1**	**-2 883.3**	**561.3**	**-0.3**
	Feb	1 418.7	-2 300.4	-52.9	1 396.0	31.0	1 343.1	371.7	2 004.3
	Mar	1 110.0	-655.0	-62.8	2 201.4	-80.5	2 138.6	1 056.3	-1 429.5
	Apr	32.4	1 939.8	30.8	-3 745.1	23.4	-3 714.3	983.3	823.3
	May	1 545.1	230.1	-116.7	2 263.4	9.1	2 146.7	-32.3	-799.6
	Jun	768.9	-1 346.3	57.9	429.7	18.6	487.7	-197.8	1 825.4
	Jul	-1 452.5	2 389.9	75.1	-2 354.8	-0.0	-2 279.7	809.8	-2 372.6
	Aug	1 833.2	-1 368.7	345.2	1 144.6	-0.0	1 489.8	278.3	1 433.8
	Sep	723.1	18.4	-125.8	906.3	-0.0	780.4	1 022.1	-1 097.8
	Oct	618.4	873.4	-198.8	-1 163.3	5.5	-1 362.2	620.8	486.2
	Nov	-476.2	-1 483.7	40.4	6.4	0.1	46.8	1 706.5	-745.8
	Dec	613.6	-501.7	-0.7	1 053.7	-0.0	1 053.0	362.2	-299.9

Table II.9 Selected interest rates: Namibia and South Africa

		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Deposit rates		Repo rate	
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
2008	Jan	15.25	14.50	14.01	14.50	9.70	10.37	8.13	10.82	10.50	11.00
	Feb	15.25	14.50	14.18	14.50	9.24	10.24	8.23	10.32	10.50	11.00
	Mar	15.25	14.50	13.93	14.50	9.20	10.04	8.35	10.99	10.50	11.00
	Apr	15.25	15.00	13.14	14.82	9.15	10.46	8.14	11.05	10.50	11.50
	May	15.25	15.00	13.20	15.00	9.36	11.55	8.29	11.51	10.50	11.50
	Jun	15.25	15.50	13.49	15.29	10.19	11.38	8.33	11.20	10.50	12.00
	Jul	15.25	15.50	13.13	15.50	10.74	11.35	8.28	12.02	10.50	12.00
	Aug	15.25	15.50	13.80	15.50	10.79	11.16	8.40	11.91	10.50	12.00
	Sep	15.25	15.50	13.91	15.50	10.89	11.11	8.54	11.99	10.50	12.00
	Oct	15.25	15.50	13.99	15.50	11.22	10.93	8.70	12.00	10.50	12.00
	Nov	15.25	15.50	14.32	15.50	11.26	10.85	8.62	11.95	10.50	12.00
	Dec	14.75	15.00	13.74	15.21	11.29	10.77	8.60	11.61	10.00	11.50
2009	Jan	14.75	15.00	12.96	15.00	11.16	10.66	8.27	11.32	10.00	11.50
	Feb	13.75	14.00	13.84	14.17	10.90	9.22	8.46	10.49	9.00	10.50
	Mar	13.75	13.00	12.55	13.76	9.68	8.62	7.47	10.11	9.00	9.50
	Apr	12.75	13.00	11.35	13.00	9.33	8.28	6.84	9.43	8.00	9.50
	May	12.13	11.00	11.19	11.96	8.67	7.68	6.48	8.85	7.50	7.50
	Jun	11.56	11.00	10.21	11.00	7.63	7.23	5.78	8.29	7.00	7.50
	Jul	11.44	11.00	10.35	11.00	7.68	7.39	5.55	8.22	7.00	7.50
	Aug	11.44	10.50	9.75	10.70	7.48	7.16	5.35	8.00	7.00	7.00
	Sep	11.38	10.50	10.55	10.50	7.27	6.94	5.27	7.75	7.00	7.00
	Oct	11.31	10.50	9.91	10.50	7.34	6.95	5.15	7.68	7.00	7.00
	Nov	11.25	10.50	10.01	10.50	7.37	7.01	5.15	7.44	7.00	7.00
	Dec	11.25	10.50	10.75	10.50	7.42	7.07	5.11	7.40	7.00	7.00
2010	Jan	11.25	10.50	9.95	10.50	7.38	7.11	5.31	7.31	7.00	7.00
	Feb	11.25	10.50	10.15	10.50	7.26	7.08	5.27	7.42	7.00	7.00
	Mar	11.25	10.00	10.06	10.40	7.24	6.95	5.31	7.23	7.00	6.50
	Apr	11.25	10.00	9.60	10.00	7.02	6.59	5.12	7.10	7.00	6.50
	May	11.25	10.00	9.87	10.00	6.93	6.58	5.29	6.87	7.00	6.50
	Jun	11.25	10.00	9.78	10.00	6.92	6.54	5.06	6.88	7.00	6.50
	Jul	11.13	10.00	9.82	10.00	6.77	6.48	5.04	6.66	7.00	6.50
	Aug	11.13	10.00	9.60	10.00	6.59	6.42	4.88	6.60	7.00	6.50
	Sep	11.13	9.50	9.59	9.66	6.59	6.08	4.81	6.36	7.00	6.00
	Oct	10.94	9.50	9.66	9.50	6.37	5.97	4.84	6.17	6.75	6.00
	Nov	10.50	9.00	9.42	9.31	5.94	5.65	4.62	5.97	6.75	5.50
	Dec	9.75	9.00	9.14	9.00	5.68	5.59	4.41	6.37	6.00	5.50
2011	Jan	9.75	9.00	8.65	9.00	5.64	5.54	4.29	6.05	6.00	5.50
	Feb	9.75	9.00	8.93	9.00	5.68	5.53	4.07	5.98	6.00	5.50
	Mar	9.75	9.00	8.77	9.00	5.74	5.50	4.33	5.92	6.00	5.50
	Apr	9.75	9.00	8.72	9.00	6.95	5.46	4.27	5.85	6.00	5.50
	May	9.75	9.00	8.63	9.00	5.95	5.45	4.29	5.83	6.00	5.50
	Jun	9.75	9.00	8.74	9.00	5.96	5.46	4.29	5.82	6.00	5.50
	Jul	9.75	9.00	8.81	9.00	5.99	5.49	4.33	5.79	6.00	5.50
	Aug	9.75	9.00	8.65	9.00	5.70	5.49	4.28	5.75	6.00	5.50
	Sep	9.75	9.00	8.79	9.00	5.74	5.49	4.32	5.71	6.00	5.50
	Oct	9.75	9.00	8.60	9.00	5.83	5.49	4.34	5.67	6.00	5.50
	Nov	9.75	9.00	8.67	9.00	5.84	5.45	4.36	5.65	6.00	5.50
	Dec	9.75	9.00	8.80	9.00	5.86	5.47	4.22	5.65	6.00	5.50
2012	Jan	9.75	9.00	8.68	9.00	5.89	5.47	4.29	5.74	6.00	5.50
	Feb	9.75	9.00	8.92	9.00	5.93	5.50	4.32	5.70	6.00	5.50
	Mar	9.75	9.00	8.62	9.00	5.92	5.54	4.36	5.72	6.00	5.50
	Apr	9.75	9.00	8.84	9.00	5.92	5.57	4.32	5.71	6.00	5.50
	May	9.75	9.00	8.55	9.00	5.77	5.56	4.36	5.82	6.00	5.50
	Jun	9.75	9.00	8.88	9.00	5.81	5.58	4.27	5.54	6.00	5.50
	Jul	9.75	8.81	8.71	8.81	5.79	5.37	4.24	5.36	6.00	5.50
	Aug	9.38	8.50	8.64	8.50	5.54	5.05	4.09	5.22	5.50	5.00
	Sep	9.25	8.50	8.46	8.50	5.34	4.94	4.09	5.14	5.50	5.00
	Oct	9.25	8.50	8.60	8.50	5.45	4.94	4.09	5.12	5.50	5.00
	Nov	9.25	8.50	8.36	8.50	5.43	4.93	4.08	5.08	5.50	5.00
	Dec	9.25	8.50	8.57	8.50	5.53	4.99	4.00	5.09	5.50	5.00

Source: BoN and SARB

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Table III.1(a) Treasury bills auction - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	2011				
	Jan	150.0	257.1	107.1	5.6
	Feb	200.0	229.7	29.7	5.7
	Mar	200.0	195.0	-5.0	5.7
	Apr	200.0	231.7	31.7	6.0
	May	200.0	239.0	39.0	6.0
	June	150.0	280.1	130.1	6.0
	July	220.0	444.4	224.4	6.0
	Aug	250.0	619.7	369.7	5.7
	Sep	200.0	180.0	-20.0	5.7
	Oct	250.0	298.7	48.7	5.8
	Nov	250.0	331.6	81.6	5.8
	Dec	250.0	407.2	157.2	5.9
	2012				
	Jan	250.0	211.8	-38.2	5.9
	Feb	250.0	394.5	144.5	5.9
	Mar	250.0	341.3	91.3	5.9
	Apr	200.0	327.0	127.0	5.9
	May	250.0	191.2	-58.8	5.9
	Jun	250.0	471.9	221.9	5.9
	Jul	200.0	396.9	196.9	5.9
	Aug	250.0	242.0	-8.0	5.5
	Sep	250.0	360.6	110.6	5.5
	Oct	200.0	344.0	144.0	5.5
	Nov	250.0	467.5	217.5	5.4
	Dec	250.0	278.0	28.0	5.5
182 days	2011				
	Jan	200.0	385.8	185.8	5.8
	Feb	200.0	376.1	176.1	5.9
	Feb	250.0	578.6	328.6	5.9
	Mar	200.0	300.3	100.3	6.0
	Apr	150.0	528.2	378.2	6.0
	May	250.0	316.5	66.5	6.0
	June	200.0	359.3	159.3	6.1
	June	250.0	624.3	374.3	6.1
	July	250.0	256.0	6.0	6.2
	Aug	250.0	630.4	380.4	6.1
	Aug	250.0	700.8	450.8	5.9
	Sep	270.0	521.7	251.7	5.8
	Oct	250.0	688.1	438.1	5.9
	Nov	270.0	357.5	87.5	5.8
	Dec	270.0	434.9	164.9	5.9
	Dec	250.0	472.1	222.1	5.9
	2012				
	Jan	250.0	254.1	4.1	6.0
	Feb	250.0	284.1	34.1	6.0
	Feb	250.0	522.4	272.4	6.1
	Mar	270.0	351.7	81.7	6.1
	Apr	250.0	540.6	290.6	6.1
	May	270.0	223.6	-46.4	6.1
	Jun	270.0	496.2	226.2	6.1
	Jun	250.0	609.7	359.7	5.9
	Jul	250.0	426.9	176.9	5.9
	Aug	250.0	371.9	121.9	5.5
	Aug	250.0	260.7	10.7	5.5
	Sep	270.0	614.5	344.5	5.5
	Oct	250.0	441.0	191.0	5.4
	Nov	270.0	559.4	289.4	5.5
	Nov	270.0	181.9	-88.2	5.5
	Dec	250.0	400.6	150.6	5.6
273 days	2011				
	Apr	200.0	597.5	397.5	6.2
	May	200.0	287.0	87.0	5.2
	June	200.0	635.0	435.0	6.2
	July	150.0	384.2	234.2	6.2
	Aug	200.0	793.8	593.8	6.0
	Sep	200.0	562.0	362.0	5.9
	Oct	200.0	509.0	309.0	5.9
	Nov	200.0	571.0	371.0	5.9
	2012				
	Jan	200.0	412.5	212.5	6.0
	Feb	200.0	475.2	275.2	6.1
	Mar	200.0	425.9	225.9	6.1
	Apr	150.0	300.9	150.9	6.1
	May	200.0	285.0	85.0	6.1
	Jun	200.0	480.0	280.0	6.0
	Jul	200.0	448.0	248.0	5.6
	Aug	200.0	210.6	10.6	5.7
	Oct	200.0	670.2	470.2	5.5
	Nov	200.0	415.0	215.0	5.5
	Dec	200.0	233.0	33.0	5.7
365 days	2011				
	Jan	100.0	290.3	190.3	6.1
	Feb	150.0	386.4	236.4	6.2
	Mar	200.0	289.9	89.9	6.3
	Apr	250.0	417.6	167.6	6.4
	May	250.0	405.5	155.5	6.4
	May	200.0	373.0	173.0	6.4
	June	400.0	539.8	139.8	6.5
	July	250.0	655.4	405.4	6.5
	July	200.0	510.3	310.3	6.5
	Aug	150.0	704.0	554.0	6.2
	Sep	200.0	539.8	339.8	5.9
	Sep	220.0	562.6	342.6	5.8
	Oct	200.0	497.2	297.2	5.9
	Nov	250.0	659.1	409.1	5.9
	Dec	230.0	343.2	113.2	5.9
	Dec	200.0	326.1	126.1	6.0
	2012				
	Jan	250.0	479.8	229.8	6.0
	Feb	250.0	378.0	128.0	6.1
	Mar	250.0	364.3	114.3	6.2
	Apr	250.0	361.0	111.0	6.2
	May	250.0	281.7	31.7	6.2
	May	200.0	276.1	76.1	6.3
	Jun	400.0	767.7	367.7	6.2
	Jun	250.0	712.8	462.8	6.1
	Jul	200.0	470.9	270.9	5.7
	Aug	220.0	483.6	263.6	5.6
	Sep	200.0	485.1	285.1	5.6
	Sep	220.0	514.1	294.1	5.6
	Oct	200.0	366.6	166.6	5.6
	Nov	250.0	398.7	148.7	5.5
	Nov	230.0	330.4	100.4	5.5
	Dec	200.0	275.1	75.1	5.6

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Table III.1(b) Allotment of Government of Namibia Treasury Bills - N$ '000

Date issued	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Institution	Other Public Enterprises	Private Sector	Total Alloted	Amount Outstanding
2011									
Jan	04/11	132 880.0	0.0	132 880.0	16 520.0	0.0	600.0	150 000.0	4 076 780.0
Jan*	07/11	189 240.0	0.0	189 240.0	10 000.0	0.0	760.0	200 000.0	4 126 780.0
Jan**	01/12	84 670.0	0.0	84 670.0	15 330.0	0.0	0.0	100 000.0	4 226 780.0
Feb	05/11	197 000.0	0.0	197 000.0	3 000.0	0.0	0.0	200 000.0	4 276 780.0
Feb*	08/11	189 300.0	0.0	189 300.0	10 700.0	0.0	0.0	200 000.0	4 326 780.0
Feb*	08/11	238 450.0	0.0	238 450.0	11 550.0	0.0	0.0	250 000.0	4 376 780.0
Feb**	02/12	125 160.0	0.0	125 160.0	24 840.0	0.0	0.0	150 000.0	4 426 780.0
Mar	06/11	120 000.0	0.0	120 000.0	0.0	0.0	0.0	120 000.0	4 346 780.0
Mar*	09/11	177 750.0	0.0	177 750.0	20 760.0	0.0	1 490.0	200 000.0	4 396 780.0
Mar**	03/12	166 400.0	0.0	166 400.0	33 600.0	0.0	0.0	200 000.0	4 496 780.0
Apr	07/11	193 260.0	0.0	193 260.0	0.0	0.0	6 740.0	200 000.0	4 546 780.0
Apr*	10/11	150 000.0	0.0	150 000.0	0.0	0.0	0.0	150 000.0	4 696 780.0
Apr***	01/12	198 850.0	0.0	198 850.0	360.0	0.0	790.0	200 000.0	4 896 780.0
Apr**	04/12	207 440.0	0.0	207 440.0	42 560.0	0.0	0.0	250 000.0	4 996 780.0
May	08/11	200 000.0	0.0	200 000.0	0.0	0.0	0.0	200 000.0	4 996 780.0
May*	11/11	243 230.0	0.0	243 230.0	6 250.0	0.0	520.0	250 000.0	5 046 780.0
May***	02/12	200 000.0	0.0	200 000.0	0.0	0.0	0.0	200 000.0	5 246 780.0
May**	05/12	164 990.0	0.0	164 990.0	35 010.0	0.0	0.0	200 000.0	5 296 780.0
May**	05/12	200 000.0	0.0	236 500.0	13 500.0	0.0	0.0	250 000.0	5 446 780.0
Jun	09/11	123 000.0	0.0	123 000.0	27 000.0	0.0	0.0	150 000.0	5 476 780.0
Jun*	12/11	191 440.0	0.0	191 440.0	1 080.0	6 990.0	490.0	200 000.0	5 476 780.0
Jun*	12/11	208 710.0	0.0	208 710.0	40 880.0	0.0	410.0	250 000.0	5 515 770.0
Jun***	03/12	199 040.0	0.0	199 040.0	950.0	0.0	10.0	200 000.0	5 715 770.0
Jun**	06/12	293 060.0	0.0	293 060.0	106 920.0	0.0	20.0	400 000.0	5 833 550.0
Jul	10/11	209 400.0	0.0	209 400.0	10 000.0	0.0	600.0	220 000.0	5 853 550.0
Jul*	01/12	224 400.0	0.0	224 400.0	25 000.0	0.0	600.0	250 000.0	5 903 550.0
Jul***	04/12	133 010.0	0.0	133 010.0	16 770.0	0.0	220.0	150 000.0	6 053 550.0
Jul**	07/12	189 340.0	0.0	189 340.0	60 220.0	0.0	440.0	250 000.0	6 153 550.0
Jul**	07/12	90 000.0	0.0	90 000.0	110 000.0	0.0	0.0	200 000.0	6 253 550.0
Aug	11/11	223 870.0	0.0	223 870.0	20 000.0	0.0	6 130.0	250 000.0	6 303 550.0
Aug*	02/12	221 740.0	0.0	221 740.0	27 860.0	0.0	400.0	250 000.0	6 353 550.0
Aug*	02/12	250 000.0	0.0	250 000.0	0.0	0.0	0.0	250 000.0	6 353 550.0
Aug***	05/12	200 000.0	0.0	200 000.0	0.0	0.0	0.0	200 000.0	6 553 550.0
Aug**	08/12	151 400.0	0.0	151 400.0	68 600.0	0.0	0.0	220 000.0	6 623 550.0
Sept	12/11	165 000.0	0.0	165 000.0	15 000.0	0.0	0.0	180 000.0	6 653 550.0
Sept*	03/12	228 310.0	0.0	228 310.0	40 180.0	0.0	1 510.0	270 000.0	6 723 550.0
Sept***	06/12	198 000.0	0.0	198 000.0	2 000.0	0.0	0.0	200 000.0	6 923 550.0
Sept**	09/12	220 000.0	0.0	220 000.0	0.0	0.0	0.0	220 000.0	6 993 550.0
Sept**	09/12	140 350.0	0.0	140 350.0	59 650.0	0.0	0.0	200 000.0	7 043 550.0
Oct	01/12	211 300.0	0.0	211 300.0	38 100.0	0.0	600.0	250 000.0	7 073 550.0
Oct*	04/12	246 930.0	0.0	246 930.0	2 570.0	0.0	500.0	250 000.0	7 173 550.0
Oct***	07/12	200 000.0	0.0	200 000.0	0.0	0.0	0.0	200 000.0	7 373 550.0
Oct**	10/12	141 860.0	0.0	141 860.0	58 140.0	0.0	0.0	200 000.0	7 423 550.0
Nov	02/12	233 420.0	0.0	233 420.0	9 600.0	0.0	6 980.0	250 000.0	7 423 550.0
Nov*	05/12	257 460.0	0.0	257 460.0	11 760.0	0.0	780.0	270 000.0	7 443 550.0
Nov***	08/12	198 000.0	0.0	198 000.0	2 000.0	0.0	0.0	200 000.0	7 643 550.0
Nov**	11/12	228 190.0	0.0	228 190.0	21 810.0	0.0	0.0	250 000.0	7 643 550.0
Dec	03/12	225 000.0	0.0	225 000.0	25 000.0	0.0	0.0	250 000.0	7 713 550.0
Dec*	06/12	240 000.0	0.0	240 000.0	29 530.0	0.0	470.0	270 000.0	7 783 550.0
Dec*	06/12	223 580.0	0.0	223 580.0	26 000.0	0.0	420.0	250 000.0	7 783 550.0
Dec**	11/12	221 800.0	0.0	221 800.0	10 200.0	0.0	0.0	232 000.0	7 815 550.0
Dec**	12/12	149 920.0	0.0	149 920.0	50 080.0	0.0	0.0	200 000.0	7 882 000.0
2012									
Jan	04/12	190 000.0	0.0	190 000.0	11 200.0	0.0	600.0	201 800.0	7 833 800.0
Jan*	07/12	185 890.0	0.0	185 890.0	63 500.0	0.0	610.0	250 000.0	7 833 800.0
Jan***	10/12	158 340.0	0.0	158 340.0	41 660.0	0.0	0.0	200 000.0	7 833 800.0
Jan**	01/13	200 230.0	0.0	200 230.0	49 770.0	0.0	0.0	250 000.0	7 983 800.0
Feb	05/12	211 650.0	0.0	211 650.0	31 600.0	0.0	6 750.0	250 000.0	7 983 800.0
Feb*	08/12	221 000.0	0.0	221 000.0	29 000.0	0.0	0.0	250 000.0	7 983 800.0
Feb*	08/12	220 910.0	0.0	220 910.0	27 030.0	0.0	2 060.0	250 000.0	7 983 800.0
Feb***	11/12	199 770.0	0.0	199 770.0	230.0	0.0	0.0	200 000.0	7 983 800.0
Feb**	02/13	218 330.0	0.0	218 330.0	31 670.0	0.0	0.0	250 000.0	8 083 800.0
Mar	06/12	165 000.0	0.0	165 000.0	85 000.0	0.0	0.0	250 000.0	8 083 800.0
Mar*	09/12	226 270.0	0.0	226 270.0	42 190.0	0.0	1 540.0	270 000.0	8 083 800.0
Mar***	12/12	173 080.0	0.0	173 080.0	26 920.0	0.0	0.0	200 000.0	8 083 800.0
Mar**	03/13	190 000.0	0.0	190 000.0	60 000.0	0.0	0.0	250 000.0	8 133 800.0
Apr	07/12	183 200.0	0.0	183 200.0	16 200.0	0.0	600.0	200 000.0	8 132 000.0
Apr*	10/12	217 420.0	0.0	217 420.0	22 080.0	10 000.0	500.0	250 000.0	8 132 000.0
Apr***	01/13	129 140.0	0.0	129 140.0	20 620.0	0.0	240.0	150 000.0	8 132 000.0
Apr**	04/13	229 010.0	0.0	229 010.0	20 990.0	0.0	0.0	250 000.0	8 132 000.0
May	08/12	168 000.0	0.0	168 000.0	23 190.0	0.0	0.0	191 190.0	8 073 190.0
May*	11/12	185 000.0	0.0	185 000.0	38 100.0	0.0	540.0	223 640.0	8 026 830.0
May***	02/13	190 000.0	0.0	190 000.0	10 000.0	0.0	0.0	200 000.0	8 026 830.0
May**	05/13	219 310.0	0.0	219 310.0	30 690.0	0.0	0.0	250 000.0	8 076 830.0
May**	05/13	169 900.0	0.0	169 900.0	30 100.0	0.0	0.0	200 000.0	8 026 830.0
Jun	09/12	194 070.0	0.0	194 070.0	55 930.0	0.0	0.0	250 000.0	8 026 830.0
Jun*	11/12	223 810.0	0.0	223 810.0	45 610.0	0.0	580.0	270 000.0	8 026 830.0
Jun*	12/12	243 000.0	0.0	243 000.0	7 000.0	0.0	0.0	250 000.0	8 026 830.0
Jun***	03/13	170 000.0	10 000.0	180 000.0	20 000.0	0.0	0.0	200 000.0	8 026 830.0
Jun**	05/13	339 950.0	0.0	339 950.0	60 050.0	0.0	0.0	400 000.0	8 026 830.0
Jun**	06/13	143 060.0	0.0	143 060.0	106 010.0	0.0	930.0	250 000.0	8 026 830.0
Jul	10/12	155 130.0	0.0	155 130.0	44 870.0	0.0	0.0	200 000.0	8 026 830.0
Jul*	01/13	228 120.0	0.0	228 120.0	21 260.0	0.0	620.0	250 000.0	8 026 830.0
Jul***	04/13	187 000.0	0.0	187 000.0	13 000.0	0.0	0.0	200 000.0	8 026 830.0
Jul**	07/13	189 000.0	0.0	189 000.0	11 000.0	0.0	0.0	200 000.0	8 026 830.0
Aug	11/12	235 000.0	0.0	235 000.0	6 400.0	0.0	570.0	241 970.0	8 077 610.0
Aug*	02/13	229 340.0	0.0	229 340.0	20 660.0	0.0	0.0	250 000.0	8 077 610.0
Aug*	02/13	230 510.0	0.0	230 510.0	19 430.0	0.0	60.0	250 000.0	8 077 610.0
Aug***	05/13	164 440.0	0.0	164 440.0	35 560.0	0.0	0.0	200 000.0	8 077 610.0
Aug**	08/13	215 000.0	0.0	215 000.0	5 000.0	0.0	0.0	220 000.0	8 077 610.0
Sept	12/12	214 940.0	0.0	214 940.0	27 000.0	8 060.0	0.0	250 000.0	8 077 610.0
Sept*	03/13	208 130.0	0.0	208 130.0	60 310.0	0.0	1 560.0	270 000.0	8 077 610.0
Sept**	09/13	132 000.0	0.0	132 000.0	68 000.0	0.0	0.0	200 000.0	8 077 610.0
Sept**	09/13	202 870.0	0.0	202 870.0	17 130.0	0.0	0.0	220 000.0	8 077 610.0
Oct	01/13	146 150.0	0.0	146 150.0	53 850.0	0.0	0.0	200 000.0	8 077 610.0
Oct*	04/13	221 740.0	0.0	221 740.0	28 260.0	0.0	0.0	250 000.0	8 077 610.0
Oct***	07/13	191 890.0	0.0	191 890.0	8 110.0	0.0	0.0	200 000.0	8 077 610.0
Oct**	10/13	160 000.0	0.0	160 000.0	40 000.0	0.0	0.0	200 000.0	8 077 610.0
Nov	02/13	228 350.0	0.0	228 350.0	21 650.0	0.0	0.0	250 000.0	8 085 640.0
Nov*	05/13	190 570.0	40 000.0	230 570.0	38 880.0	0.0	550.0	270 000.0	8 132 000.0
Nov*	05/13	170 000.0	0.0	170 000.0	11 260.0	0.0	590.0	181 850.0	8 043 850.0
Nov***	08/13	175 000.0	25 000.0	200 000.0	0.0	0.0	0.0	200 000.0	8 043 850.0
Nov**	11/13	216 270.0	5 000.0	221 270.0	28 730.0	0.0	0.0	250 000.0	8 043 850.0
Nov**	11/13	226 490.0	0.0	226 490.0	3 510.0	0.0	0.0	230 000.0	8 041 850.0
Dec	03/13	225 000.0	0.0	225 000.0	25 000.0	0.0	0.0	250 000.0	8 041 850.0
Dec*	06/13	223 580.0	0.0	223 580.0	26 000.0	0.0	420.0	250 000.0	8 041 850.0
Dec***	09/13	187 000.0	0.0	187 000.0	13 000.0	0.0	0.0	200 000.0	8 041 850.0
Dec**	12/13	166 280.0	0.0	166 280.0	33 720.0	0.0	0.0	200 000.0	8 041 850.0

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Table III. 2(a) Internal Registered Stock auction - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC14 (7.50%)					
	2011				
	May	50.0	119.4	69.4	7.7
	Jun	50.0	206.3	156.3	7.7
	Jul	50.0	125.0	75.0	7.8
	Aug	100.0	373.2	273.2	7.3
	Sep	100.0	344.1	244.1	6.8
	Oct	100.0	269.0	169.0	6.9
	Nov	150.0	344.5	194.5	6.8
	Dec	150.0	205.0	55.0	6.9
	2012				
	Jan	150.0	392.6	242.6	7.0
	Feb	150.0	348.2	198.2	7.0
	Mar	150.0	461.1	311.1	7.0
	Apr	60.0	111.0	51.0	6.7
	Jun	50.0	154.0	104.0	6.1
	Aug	50.0	107.3	57.3	6.1
	Oct	120.0	473.7	353.7	5.8
GC17 (8.00%)					
	2011				
	May	50.0	60.8	10.8	9.0
	Jun	50.0	37.6	-12.4	9.0
	Jul	50.0	138.2	88.2	9.4
	Aug	50.0	176.3	126.3	8.7
	Sep	50.0	109.0	59.0	8.1
	Oct	50.0	140.5	90.5	8.5
	Nov	80.0	23.0	-57.0	8.2
	Dec	80.0	64.0	-16.0	8.3
	2012				
	Jan	80.0	57.5	-22.5	8.5
	Feb	80.0	107.0	27.0	8.2
	Mar	80.0	122.0	42.0	8.5
	Apr	60.0	85.5	25.5	8.3
	Jun	60.0	116.3	56.3	7.7
	Aug	60.0	166.4	106.4	7.1
	Oct	120.0	349.6	229.6	6.7
	Nov	60.0	144.5	84.5	6.7
GC18 (9.50%)					
	2011				
	Feb	100.0	34.0	-66.0	9.0
	Mar	100.0	84.9	-15.2	9.6
	Apr	50.0	100.1	50.1	9.4
	May	50.0	84.5	34.5	9.2
	Jun	50.0	75.0	25.0	9.1
	Jul	50.0	98.3	48.3	9.2
	Aug	50.0	99.2	49.2	8.9
	Sep	50.0	55.5	5.5	8.5
	Oct	50.0	206.1	156.1	8.8
	Nov	80.0	49.8	-30.2	8.5
	Dec	80.0	31.0	-49.0	8.5
	2012				
	Jan	80.0	117.2	37.2	8.7
	Feb	80.0	111.0	31.0	8.5
	Mar	80.0	203.0	123.0	8.7
GC21 (7.75%)					
	2011				
	Jan	100.0	41.0	-59.0	8.9
	Feb	100.0	32.0	-68.0	9.3
	Mar	100.0	102.0	2.0	9.7
	Apr	50.0	41.0	-9.0	9.5
	May	50.0	89.5	39.5	9.3
	Jun	50.0	38.8	-11.2	9.2
	Jul	50.0	35.1	-14.9	9.4
	Aug	20.0	37.6	17.6	8.9
	Sep	20.0	31.9	11.9	9.0
	Oct	20.0	14.7	-5.3	8.9
	Nov	20.0	27.6	7.6	9.1
	2012				
	Jan	20.0	30.3	10.3	8.9
	Feb	20.0	61.2	41.2	8.8
	Mar	20.0	107.5	87.5	9.0
	Apr	60.0	83.5	23.5	8.9
	Jun	60.0	61.8	1.8	8.6
	Aug	60.0	131.1	71.1	7.9
	Oct	120.0	136.8	16.8	7.7
	Nov	60.0	109.1	49.1	7.6
GC24 (10.50%)					
	2011				
	Jan	100.0	22.0	-78.0	9.0
	Apr	20.0	17.5	-2.5	9.6
	May	20.0	17.1	-3.0	9.5
	Jun	20.0	11.5	-8.5	9.6
	Jul	20.0	29.6	9.6	9.5
	Aug	10.0	20.2	10.2	9.1
	Sep	20.0	30.0	10.0	9.3
	Oct	20.0	26.0	6.0	9.3
	Nov	20.0	27.3	7.3	9.5
	2012				
	Jan	20.0	65.0	45.0	9.4
	Oct	120.0	203.8	83.8	8.7
GC27 (8.00%)					
	2011				
	Jan	100.0	12.0	-88.0	0.0
	Feb	100.0	20.0	-80.0	9.2
	Mar	80.0	11.0	-69.0	10.0
	Apr	20.0	42.5	22.5	9.8
	May	20.0	5.0	-15.0	9.6
	Jun	20.0	16.7	-3.3	9.8
	Jul	20.0	11.0	-9.0	9.7
	Aug	10.0	10.0	0.0	9.3
	Sep	10.0	22.0	12.0	9.5
	Oct	10.0	4.4	-5.6	9.5
	Nov	10.0	10.0	0.0	9.6
	2012				
	Jan	20.0	25.0	5.0	9.5
	May	30.0	46.3	16.3	9.3
	Jul	30.0	74.9	44.9	8.5
	Sep	30.0	65.2	35.2	8.6
	Oct	110.0	91.9	-18.1	8.8
	Nov	30.0	13.2	-16.8	8.6
GC30 (8.00%)					
	2011				
	Jan	100.0	49.0	-51.0	0.0
	Feb	100.0	23.0	-77.0	9.3
	Mar	80.0	5.0	-75.0	10.1
	Apr	20.0	22.7	2.7	10.0
	May	20.0	5.1	-14.9	9.9
	Jun	20.0	7.5	-12.5	0.0
	Jul	20.0	10.1	-10.0	10.0
	Aug	10.0	10.0	0.0	9.7
	Sep	10.0	11.0	1.0	9.8
	Oct	10.0	7.4	-2.6	9.9
	Nov	10.0	13.0	3.0	10.1
	2012				
	Jan	10.0	26.1	16.1	10.0
	May	30.0	8.2	-21.8	10.0
	Jul	30.0	48.0	18.0	9.1
	Sep	30.0	81.8	51.8	9.2
	Oct	110.0	155.9	45.9	9.4
	Dec	30.0	7.9	-22.1	9.2

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-banking Financial Institutions	Other Public Enterprises	Private Sector	Total Alloted	Amount Outstanding
2011										
Jan	10/21	7.75	24 000.0	0.0	24 000.0	0.0	0.0	0.0	24 000.0	6 012 490.0
Jan	10/24	10.50	10 000.0	0.0	10 000.0	0.0	0.0	0.0	10 000.0	6 022 490.0
Feb	07/18	9.50	14 000.0	15 000.0	29 000.0	0.0	0.0	0.0	29 000.0	6 051 490.0
Feb	10/21	7.75	24 000.0	0.0	24 000.0	3 000.0	0.0	0.0	27 000.0	6 078 490.0
Feb	01/27	8.00	0.0	0.0	0.0	20 000.0	0.0	0.0	20 000.0	6 098 490.0
Feb	01/30	8.00	0.0	0.0	0.0	23 000.0	0.0	0.0	23 000.0	6 121 490.0
Mar	07/18	9.50	14 000.0	0.0	14 000.0	8 000.0	0.0	300.0	22 300.0	6 143 790.0
Mar	10/21	7.75	23 000.0	0.0	23 000.0	11 000.0	0.0	0.0	34 000.0	6 177 790.0
Mar	01/27	8.00	10 000.0	0.0	10 000.0	0.0	0.0	0.0	10 000.0	6 187 790.0
Mar	01/30	8.00	5 000.0	0.0	5 000.0	0.0	0.0	0.0	5 000.0	6 192 790.0
Apr	07/18	9.50	28 870.0	0.0	28 870.0	21 000.0	0.0	130.0	50 000.0	6 242 790.0
Apr	10/21	7.75	0.0	0.0	0.0	14 950.0	5 000.0	0.0	19 950.0	6 262 740.0
Apr	10/24	10.50	15 000.0	0.0	15 000.0	2 500.0	0.0	0.0	17 500.0	6 280 240.0
Apr	01/27	8.00	0.0	0.0	0.0	20 000.0	0.0	0.0	20 000.0	6 300 240.0
Apr	01/30	8.00	7 000.0	0.0	7 000.0	10 000.0	0.0	700.0	17 700.0	6 317 940.0
May	07/14	7.50	0.0	0.0	0.0	50 000.0	0.0	0.0	50 000.0	6 367 940.0
May	10/17	8.00	36 340.0	0.0	36 340.0	13 410.0	0.0	250.0	50 000.0	6 417 940.0
May	07/18	9.50	50 000.0	0.0	50 000.0	0.0	0.0	0.0	50 000.0	6 467 940.0
May	10/21	7.75	40 000.0	0.0	40 000.0	10 000.0	0.0	0.0	50 000.0	6 517 940.0
May	10/24	10.50	5 000.0	0.0	5 000.0	10 550.0	0.0	0.0	15 550.0	6 533 490.0
May	01/27	8.00	5 000.0	0.0	5 000.0	0.0	0.0	0.0	5 000.0	6 538 490.0
May	01/30	8.00	5 000.0	0.0	5 000.0	0.0	0.0	100.0	5 100.0	6 543 590.0
Jun	07/14	7.50	50 000.0	0.0	50 000.0	0.0	0.0	0.0	50 000.0	6 593 590.0
Jun	10/17	8.00	17 600.0	10 000.0	27 600.0	10 000.0	0.0	0.0	37 600.0	6 631 190.0
Jun	07/18	9.50	40 670.0	0.0	40 670.0	9 330.0	0.0	0.0	50 000.0	6 681 190.0
Jun	10/21	7.75	35 000.0	0.0	35 000.0	3 510.0	0.0	300.0	38 810.0	6 720 000.0
Jun	10/24	10.50	5 000.0	0.0	5 000.0	5 000.0	0.0	500.0	10 500.0	6 730 500.0
Jun	01/27	8.00	10 000.0	0.0	10 000.0	0.0	0.0	0.0	10 000.0	6 740 500.0
Jun	01/30	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6 740 500.0
Jul	10/17	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6 790 500.0
Jul	07/18	9.50	8 000.0	0.0	8 000.0	8 260.0	0.0	0.0	16 260.0	6 806 760.0
Jul	10/21	7.75	0.0	0.0	0.0	17 090.0	0.0	0.0	17 090.0	6 823 850.0
Jul	10/24	10.50	0.0	0.0	0.0	19 400.0	0.0	600.0	20 000.0	6 843 850.0
Jul	01/27	8.00	0.0	0.0	0.0	5 000.0	0.0	0.0	5 000.0	6 848 850.0
Jul	01/30	8.00	0.0	0.0	0.0	5 000.0	0.0	50.0	5 050.0	6 853 900.0
Aug	07/14	7.50	60 000.0	1 000.0	61 000.0	10 000.0	29 000.0	0.0	100 000.0	6 953 900.0
Aug	07/18	9.50	20 000.0	0.0	20 000.0	0.0	30 000.0	0.0	50 000.0	7 003 900.0
Aug	10/21	7.75	42 000.0	0.0	42 000.0	0.0	8 000.0	0.0	50 000.0	7 053 900.0
Aug	10/24	10.50	10 000.0	0.0	10 000.0	10 000.0	0.0	0.0	20 000.0	7 073 900.0
Aug	10/24	10.50	0.0	0.0	0.0	9 800.0	0.0	200.0	10 000.0	7 083 900.0
Aug	01/27	8.00	0.0	0.0	0.0	10 000.0	0.0	0.0	10 000.0	7 093 900.0
Aug	01/30	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7 093 900.0
Sep	07/14	7.50	55 000.0	0.0	55 000.0	12 080.0	32 920.0	0.0	100 000.0	7 193 900.0
Sep	10/17	8.00	50 000.0	0.0	50 000.0	0.0	0.0	0.0	50 000.0	7 243 900.0
Sep	07/18	9.50	10 000.0	0.0	10 000.0	15 000.0	25 000.0	0.0	50 000.0	7 293 900.0
Sep	10/21	7.75	20 000.0	0.0	20 000.0	0.0	0.0	0.0	20 000.0	7 313 900.0
Sep	10/24	10.50	2 500.0	0.0	2 500.0	7 500.0	0.0	0.0	10 000.0	7 323 900.0
Sep	01/27	8.00	0.0	0.0	0.0	10 000.0	0.0	0.0	10 000.0	7 333 900.0
Sep	01/30	8.00	4 000.0	0.0	4 000.0	0.0	0.0	0.0	4 000.0	7 337 900.0
Oct	07/14	7.50	53 000.0	0.0	53 000.0	97 000.0	0.0	0.0	150 000.0	7 487 900.0
Oct	10/17	8.00	35 000.0	0.0	35 000.0	44 760.0	0.0	240.0	80 000.0	7 567 900.0
Oct	07/18	9.50	38 070.0	0.0	38 070.0	38 650.0	0.0	3 280.0	80 000.0	7 647 900.0
Oct	10/21	7.75	4 700.0	0.0	4 700.0	3 000.0	0.0	0.0	7 700.0	7 655 600.0
Oct	10/24	10.50	0.0	0.0	0.0	20 000.0	0.0	0.0	20 000.0	7 675 600.0
Oct	01/27	8.00	2 400.0	0.0	2 400.0	0.0	0.0	0.0	2 400.0	7 678 000.0
Oct	01/30	8.00	4 000.0	0.0	4 000.0	1 000.0	0.0	420.0	5 420.0	7 683 420.0
Nov	07/14	7.50	125 000.0	0.0	125 000.0	20 000.0	0.0	5 000.0	150 000.0	7 833 420.0
Nov	10/17	8.00	10 000.0	0.0	10 000.0	0.0	0.0	0.0	10 000.0	7 843 420.0
Nov	07/18	9.50	28 000.0	0.0	28 000.0	0.0	0.0	0.0	28 000.0	7 871 420.0
Nov	10/21	7.75	9 540.0	0.0	9 540.0	10 460.0	0.0	0.0	20 000.0	7 891 420.0
Nov	10/24	10.50	0.0	0.0	0.0	20 000.0	0.0	0.0	20 000.0	7 911 420.0
Nov	01/27	8.00	0.0	0.0	0.0	10 000.0	0.0	0.0	10 000.0	7 921 420.0
Nov	01/30	8.00	0.0	0.0	0.0	10 000.0	0.0	0.0	10 000.0	7 931 420.0
Dec	07/14	7.50	125 000.0	0.0	125 000.0	25 000.0	0.0	0.0	150 000.0	8 081 420.0
Dec	10/17	8.00	37 000.0	0.0	37 000.0	10 000.0	0.0	0.0	47 000.0	8 128 420.0
Dec	07/18	9.50	18 000.0	0.0	18 000.0	0.0	0.0	1 000.0	19 000.0	8 147 420.0
Dec	10/21	7.75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 147 420.0
Dec	10/24	10.50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 147 420.0
Dec	01/27	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 147 420.0
Dec	01/30	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 147 420.0
2012										
Jan	07/14	7.50	50 000.0	0.0	50 000.0	100 000.0	0.0	0.0	150 000.0	8 297 420.0
Jan	10/17	8.00	32 500.0	0.0	32 500.0	25 000.0	0.0	0.0	57 500.0	8 354 920.0
Jan	07/18	9.50	28 500.0	0.0	28 500.0	51 500.0	0.0	0.0	80 000.0	8 434 920.0
Jan	10/21	7.75	12 100.0	0.0	12 100.0	7 900.0	0.0	0.0	20 000.0	8 454 920.0
Jan	10/24	10.50	0.0	0.0	0.0	20 000.0	0.0	0.0	20 000.0	8 474 920.0
Jan	01/27	8.00	0.0	0.0	0.0	10 000.0	0.0	0.0	10 000.0	8 484 920.0
Jan	01/30	8.00	100.0	0.0	100.0	9 900.0	0.0	0.0	10 000.0	8 494 920.0
Feb	07/14	7.50	121 000.0	0.0	121 000.0	9 000.0	20 000.0	0.0	150 000.0	8 644 920.0
Feb	10/17	8.00	10 000.0	0.0	10 000.0	16 000.0	10 000.0	0.0	36 000.0	8 680 920.0
Feb	07/18	9.50	40 000.0	0.0	40 000.0	17 500.0	20 000.0	2 500.0	80 000.0	8 760 920.0
Feb	10/21	7.75	7 000.0	0.0	7 000.0	13 000.0	0.0	0.0	20 000.0	8 780 920.0
Feb	10/24	10.50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 780 920.0
Feb	01/27	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 780 920.0
Feb	01/30	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 780 920.0
Mar	07/14	7.50	114 000.0	0.0	114 000.0	36 000.0	0.0	0.0	150 000.0	8 930 920.0
Mar	10/17	8.00	35 000.0	42 000.0	77 000.0	0.0	3 000.0	0.0	80 000.0	9 010 920.0
Mar	07/18	9.50	34 000.0	46 000.0	80 000.0	0.0	0.0	0.0	80 000.0	9 090 920.0
Mar	10/21	7.75	8 330.0	0.0	8 330.0	11 670.0	0.0	0.0	20 000.0	9 110 920.0
Apr	07/14	7.50	54 830.0	0.0	54 830.0	5 170.0	0.0	0.0	60 000.0	9 170 920.0
Apr	10/17	8.00	26 500.0	0.0	26 500.0	33 500.0	0.0	0.0	60 000.0	9 230 920.0
Apr	10/21	7.75	34 500.0	0.0	34 500.0	25 500.0	0.0	0.0	60 000.0	9 290 920.0
May	01/27	8.00	4 000.0	0.0	4 000.0	26 000.0	0.0	0.0	30 000.0	9 320 920.0
May	01/30	8.00	0.0	0.0	0.0	30 000.0	0.0	0.0	30 000.0	9 350 920.0
Jun	07/14	7.50	50 000.0	0.0	50 000.0	0.0	0.0	0.0	50 000.0	9 400 920.0
Jun	10/17	8.00	29 500.0	25 000.0	54 500.0	450.0	0.0	5 050.0	60 000.0	9 460 920.0
Jun	10/21	7.75	42 250.0	0.0	42 250.0	3 500.0	0.0	0.0	45 750.0	9 506 670.0
Jul	01/27	8.00	28 350.0	0.0	28 350.0	1 500.0	0.0	0.0	29 850.0	9 536 520.0
Jul	01/30	8.00	9 040.0	0.0	9 040.0	17 000.0	0.0	0.0	26 040.0	9 562 560.0
Aug	07/14	7.50	31 540.0	0.0	31 540.0	18 460.0	0.0	0.0	50 000.0	9 612 560.0
Aug	10/17	8.00	11 170.0	0.0	11 170.0	36 450.0	10 000.0	2 380.0	60 000.0	9 672 560.0
Aug	10/21	7.75	37 000.0	0.0	37 000.0	3 000.0	20 000.0	0.0	60 000.0	9 732 560.0
Sep	01/27	8.00	6 780.0	0.0	6 780.0	23 000.0	0.0	220.0	30 000.0	9 762 560.0
Sep	01/30	8.00	29 200.0	0.0	29 200.0	0.0	0.0	800.0	30 000.0	9 792 560.0
Oct	07/14	7.50	60 000.0	0.0	60 000.0	60 000.0	0.0	0.0	120 000.0	9 912 560.0
Oct	10/17	8.00	9 570.0	0.0	9 570.0	110 430.0	0.0	0.0	120 000.0	10 032 560.0
Oct	10/21	7.75	65 760.0	0.0	65 760.0	54 240.0	0.0	0.0	120 000.0	10 152 560.0
Oct	10/24	10.50	55 500.0	0.0	55 500.0	64 500.0	0.0	0.0	120 000.0	10 272 560.0
Oct	01/27	8.00	71 500.0	0.0	71 500.0	20 400.0	0.0	0.0	91 900.0	10 364 460.0
Oct*	01/30	8.00	52 000.0	0.0	52 000.0	58 000.0	0.0	0.0	110 000.0	9 094 960.0
Nov	10/17	8.00	1 510.0	10 000.0	11 510.0	32 610.0	14 760.0	1 120.0	60 000.0	9 154 960.0
Nov	10/21	7.75	8 000.0	30 000.0	38 000.0	21 150.0	0.0	850.0	60 000.0	9 214 960.0
Dec	01/27	8.00	1 200.0	0.0	1 200.0	12 000.0	0.0	0.0	13 200.0	9 228 160.0
Dec	01/30	8.00	2 000.0	0.0	2 000.0	2 500.0	0.0	3 360.0	7 860.0	9 236 020.0

*Redemption of GC12

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Table III.3: Central Government revenue and expenditure - N$ million

	Actual				Estimates	Projections		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
REVENUE								
Tax on income and profits	8 069.7	8 136.6	9 910.4	11 597.2	13 099.0	13 924.4	17 247.2	19 604.8
Taxes on properties	171.1	221.9	138.5	233.5	249.3	243.8	260.6	279.1
Domestic taxes on goods and services	4 339.0	5 162.3	5 284.7	8 009.5	7 175.5	8 436.9	9 178.5	10 971.4
Tax on international trade (SACU)	8 502.1	8 585.2	5 975.9	7 137.0	13 795.8	14 726.6	13 578.9	11 981.6
Other taxes	166.7	166.7	208.4	210.8	228.0	222.0	240.2	260.4
Total tax revenue	**21 248.6**	**22 272.7**	**21 518.0**	**27 187.9**	**34 547.7**	**37 553.7**	**40 505.4**	**43 097.2**
Total non-tax revenue	**2 122.8**	**1 568.5**	**1 697.9**	**2 550.7**	**2 357.0**	**2 374.8**	**2 427.3**	**2 515.8**
Return on capital from lending & equity partc.	**16.9**	**4.6**	**4.2**	**4.8**	**19.7**	**20.3**	**17.1**	**17.1**
Total revenue (own sources)	**23 371.5**	**23 841.2**	**23 220.1**	**29 743.3**	**36 924.3**	**39 948.8**	**42 949.8**	**45 630.2**
Grants	**82.9**	**200.8**	**23.5**	**178.7**	**184.1**	**192.6**	**0.0**	**0.0**
TOTAL REVENUE AND GRANTS	**23 454.3**	**24 041.9**	**23 243.6**	**29 922.1**	**37 108.4**	**40 141.4**	**42 949.8**	**45 630.2**
EXPENDITURE								
Operational expenditure	**17 994.0**	**19 411.0**	**22 411.0**	**28 013.0**	**31 045.0**	**37 183.6**	**37 389.8**	**39 278.8**
Of which Statutory expenditure	1 366.1	1 350.3	998.7	1 390.9	2 396.3	2 246.2	2 707.0	3 288.6
Interest Payments	1 110.3	1 196.4	965.5	1 130.3	2 110.3	2 244.2	2 705.0	3 286.6
Domestic Interest Payments	952.1	1 063.0	880.2	1 058.5	1 810.7	1 845.2	2 277.0	2 827.2
Foreign Interest Payments	158.2	133.3	85.3	71.9	299.6	399.1	428.0	459.5
Other statutory	255.8	154.0	33.2	260.6	286.0	2.0	2.0	2.0
Development expenditure	**2 646.7**	**4 147.6**	**4 143.1**	**7 207.5**	**6 715.7**	**8 146.7**	**8 118.2**	**7 921.1**
TOTAL EXPENDITURE	**23 117.0**	**26 105.3**	**28 518.2**	**36 611.4**	**40 157.0**	**47 576.5**	**48 215.0**	**50 488.5**
BUDGET BALANCE	**337**	**-2 063.3**	**-5 274.6**	**-6 689.4**	**-3 048.5**	**-7 435.0**	**-5 265.2**	**-4 858.3**
Domestic Debt Stock	**9 761.7**	**8 875.0**	**10 639.5**	**17 245.0**	**18 445.0**	**23 024.4**	**26 790.2**	**29 909.7**
Foreign Debt Stock (est.)	**3 627.5**	**3 000.0**	**3 253.9**	**7 682.0**	**9 386.0**	**10 324.6**	**11 357.1**	**12 492.8**
TOTAL DEBT	**13 389.1**	**11 875.0**	**13 893.4**	**24 927.0**	**27 831.0**	**33 349.0**	**38 147.2**	**42 402.5**

Source: Ministry of Finance

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Table IV.A Major balance of payments aggregates (N$ million)

	2008	2009	2010	2011(p)	2012(p)
Merchandise trade balance	**-5 434**	**-10 340**	**-6 510**	**-8 892**	**-13 330**
Exports fob	26 355	26 276	29 364	31 944	33 073
Imports fob	-31 789	-36 614	-35 874	-40 836	-46 403
Services (net)	**-355**	**591**	**-148**	**192**	**278**
Credit	4 572	5 446	4 974	5 367	5 537
Debit	-4 927	-4 855	-5 122	-5 175	-5 259
Compensation of employees (net)	**-241**	**-34**	**-112**	**-102**	**-56**
Credit	67	67	67	67	67
Debit	-308	-101	-178	-168	-123
Investment income (net)	**-1 004**	**-763**	**-3 664**	**-2 786**	**-2 890**
Credit	2 367	1 935	1 238	1 623	1 443
Debit	-3 371	-2 698	-4 901	-4 409	-4 334
Current transfers in cash and kind (net)	**9 282**	**10 618**	**9 022**	**9 599**	**15 687**
Credit	9 762	11 245	9 659	10 174	16 239
Debit	-480	-628	-636	-575	-552
Current Account Balance	**2 244**	**67**	**-1 416**	**-1 993**	**-316**
Net capital transfers	**629**	**558**	**808**	**1 353**	**1 218**
Credit	633	628	878	1 426	1 293
Debit	-3	-70	-70	-74	-75
Direct investment	**5 908**	**4 448**	**5 773**	**5 886**	**2 976**
Abroad	-42	24	-33	-39	41
In Namibia	5 950	4 424	5 806	5 925	2 935
Portfolio investment	**-8 427**	**-5 201**	**-4 633**	**224**	**-3 087**
Assets	-8 470	-5 244	-4 675	-3 747	-4 011
Liabilities	42	44	42	3 971	924
Other investment - long term	**2 156**	**2 640**	**199**	**1 228**	**179**
Assets	-27	-398	-118	61	118
Liabilities	2 183	3 037	318	1 166	61
Other investment - short term	**-1 468**	**-2 781**	**-2 934**	**-797**	**731**
Assets	-616	-2 633	-2 902	-316	398
Liabilities	-852	-149	-32	-481	333
Capital and financial account excluding reserves	**-1 201**	**-336**	**-786**	**7 894**	**2 017**
Net errors and omissions	**-1 043**	**1 293**	**-1 585**	**-1 815**	**-1 545**
Overall balance	**6 213**	**1 024**	**-3 788**	**4 086**	**156**
Reserve assets (including valuation adjustment)	**-6 213**	**-1 024**	**3 788**	**-4 086**	**-156**

(a) Debit (negative) entries are used to record import of goods and services, investment income payable, the counterpart to transfers received from non-residents, and a deficit. Credit (positive) entries record exports of goods and services, income receivable, the counterpart to transfers made to non-residents, and a surplus.

(p) Provisional

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Table IV.B Supplementary table: balance of payments - services (N$ million)

	2008	2009	2010	2011 (p)	2012 (p)
Net	**-355**	**591**	**-148**	**192**	**278**
Credit	**4 572**	**5 446**	**4 974**	**5 367**	**5 537**
Transportation	960	973	995	1 058	1 072
Travel	3 121	3 374	3 206	3 751	3 981
Insurance	26	24	42	43	9
Communication	105	105	105	107	108
Construction	0	0	0	0	0
Financial	154	21	9	16	14
Computer and information	1	11	9	4	3
Royalties and license fees	0	0	0	0	0
Administrative and business	10	2	0	1	1
Professional and technical	22	6	35	59	10
Others, not included elsewhere	38	795	435	191	202
Government	136	136	136	136	136
Debit	**-4 927**	**-4 855**	**-5 122**	**-5 175**	**-5 259**
Transportation	-1 933	-1 640	-1 597	-1 871	-1 979
Travel	-941	-1 007	-1 061	-1 501	-1 259
Insurance	-110	-142	-240	-245	-197
Communication	-2	-2	-1	-2	-2
Construction	-201	-830	-385	-293	-47
Financial	-41	-8	-109	-16	-9
Computer and information	-155	-249	-230	-223	-210
Royalties and license fees	-143	-47	-56	-52	-35
Administrative and business	-293	-208	-235	-191	-205
Professional and technical	-371	-380	-750	-458	-695
Others, not included elsewhere	-677	-283	-398	-264	-562
Government	-59	-59	-59	-59	-59

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Table IV.C Supplementary table: balance of payments - investment income (N$ million)

	2008	2009	2010	2011 (p)	2012 (p)
Compensation of employees, net	**-241**	**-34**	**-112**	**-102**	**-56**
Credit	67	67	67	67	67
Debit	-308	-101	-178	-168	-123
Investment income, net	**-1 004**	**-763**	**-3 664**	**-2 786**	**-2 890**
Credit	**2 367**	**1 935**	**1 238**	**1 623**	**1 443**
Direct investment	45	2	18	-7	-51
Portfolio investment	1 673	1 484	1 053	1 428	1 266
Other investment	648	449	166	202	229
Debit	**-3 371**	**-2 698**	**-4 901**	**-4 409**	**-4 334**
Direct investment	-2 996	-2 295	-4 594	-4 074	-3 308
Portfolio investment	-170	-170	-170	-170	-170
Other investment	-206	-233	-137	-166	-855

Table IV.D Supplementary table : balance of payments - transfers (N$ million)

	2008	2009	2010	2011 (p)	2012 (p)
Net current transfers	**9 282**	**10 618**	**9 022**	**9 599**	**15 687**
Credit	**9 762**	**11 245**	**9 659**	**10 174**	**16 239**
Government	9 594	11 078	9 513	10 021	16 071
Grants from foreign governments, etc	1 352	2 199	2 363	3 015	3 591
SACU receipts	7 920	8 564	6 861	6 638	12 131
Witholding taxes	189	168	143	212	186
Other transfers received	133	146	147	156	164
Private	168	168	145	153	167
Grants received by NGO's	47	46	24	32	46
Other transfers received	121	121	121	121	121
Debit	**-480**	**-628**	**-636**	**-575**	**-552**
Government	-453	-601	-609	-548	-525
Grants to foreign governments, etc	-17	-17	-17	-17	-17
SACU receipts	-436	-584	-592	-531	-508
Witholding taxes	0	0	0	0	0
Other transfers	0	0	0	0	0
Private	-27	-27	-27	-27	-27
Grants received by NGO's	0	0	0	0	0
Other transfers received	-27	-27	-27	-27	-27
Net capital transfers	**629**	**558**	**808**	**1 353**	**1 218**
Credit	**633**	**628**	**878**	**1 426**	**1 293**
Government	607	602	852	1 400	1 267
Private	26	26	26	26	26
Debit	**-3**	**-70**	**-70**	**-74**	**-75**
Government	0	-66	-66	-70	-71

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Table IV.E Supplementary table: balance of payments - direct investment (N$ million)

	2008	2009	2010	2011 (p)	2012 (p)
Direct investment abroad	**-42**	**24**	**-33**	**-39**	**41**
Equity capital	2	2	-21	-31	-0
Reinvested earnings	-20	10	-9	18	59
Other capital	-24	12	-3	-25	-17
Direct investment in Namibia	**5 950**	**4 424**	**5 806**	**5 925**	**2 935**
Equity capital	2 623	275	66	220	126
Reinvested earnings	1 115	1 375	3 256	1 895	1 363
Other capital	2 213	2 774	2 484	3 809	1 445

Table IV.F Supplementary table: balance of payments - portfolio investment (N$ million)

	2008	2009	2010	2011(p)	2012(p)
Portfolio investment, net	**-8 427**	**-5 201**	**-4 633**	**224**	**-3 087**
Equity	**-6 226**	**-4 536**	**-2 771**	**-2 146**	**-1 070**
Assets	-6 258	-4 567	-2 802	-2 177	-1 102
Liabilities	32	31	31	31	31
Debt	**-2 201**	**-665**	**-1 862**	**2 370**	**-2 017**
Assets	-2 211	-677	-1 873	-1 570	-2 909
Liabilities	10	13	10	3 940	893

Table IV.G Supplementary table: balance of payments - other investment (N$ million)

	2008	2009	2010	2011 (p)	2012 (p)
Long-term, net	**2 156**	**2 640**	**199**	**1 228**	**179**
General Government	8	-99	128	221	-41
Assets	-40	-40	-40	-40	-40
Liabilities	47	-59	168	260	-1
Of which: Drawings	196	521	381	413	224
Repayments	-149	-580	-213	-153	-225
Monetary authorities	0	1,550	-212	28	-10
Assets	0	80	0	0	0
Liabilities	0	1 470	-212	28	-10
Banks	-22	-994	-428	-10	-60
Assets	-15	-523	-430	-10	-60
Liabilities	-6	-471	1	0	0
Other sectors	2 170	2 182	712	988	290
Assets	28	85	351	111	218
Liabilities	2 142	2 098	361	878	72
Short-term, net	**-1 468**	**-2 781**	**-2 934**	**-797**	**731**
General Government	0	0	0	0	0
Assets	0	0	0	0	0
Liabilities	0	0	0	0	0
Banks	-166	-2 910	-2 754	-225	1 802
Assets	-129	-2 705	-3 234	-216	284
Liabilities	-37	-205	480	-10	1 518
Other sectors	-1 301	129	-180	-571	-1 071
Assets	-487	72	332	-100	114
Liabilities	-815	57	-513	-471	-1 185

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Table IV.H International foreign exchange reserves stock (including valuation adjustment) (N$ million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
January	2 078	2 320	3 258	2 907	2 614	2 164	2 521	5 289	8 266	14 841	14 521	11 252	14 984
February	1 938	2 005	3 054	2 454	1 935	1 874	2 571	4 876	8 592	14 516	14 462	10 635	13 323
March	1 638	1 923	2 705	2 081	1 751	1 786	2 253	6 095	8 696	13 832	12 875	9 183	12 051
April	2 136	2 189	2 566	2 183	2 276	2 213	2 934	6 659	9 730	14 370	13 495	10 721	15 022
May	1 948	1 880	2 396	1 959	1 787	1 957	2 785	6 055	9 254	13 814	12 770	10 870	13 712
June	1 865	1 950	2 317	2 032	1 678	1 744	2 494	6 485	9 470	13 156	12 313	10 939	14 205
July	2 347	2 664	3 373	2 016	1 881	2 240	3 111	7 888	11 556	14 135	12 255	11 793	15 750
August	1 865	2 281	3 220	1 798	1 853	2 001	2 593	6 423	10 499	15 070	11 878	11 219	14 844
September	2 069	1 962	2 905	2 080	1 731	1 617	2 877	5 947	10 781	14 720	11 440	10 708	13 598
October	2 141	2 303	2 834	2 198	2 075	2 070	3 883	6 562	13 629	15 827	11 632	11 885	14 916
November	1 936	2 382	2 392	2 015	1 891	1 762	3 392	6 321	12 801	14 351	10 152	14 954	15 278
December	1 976	2 699	2 797	2 044	1 847	1 861	2 939	6 801	12 713	13 828	10 208	14 406	14 729

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Table IV.I(a) International investment position(N$ million)

	2008			2009			2010			2011(p)			2012(p)		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
Foreign assets	**51 118**	**12 779**	**63 897**	**63 645**	**15 911**	**79 557**	**58 739**	**14 685**	**73 424**	**66 027**	**16 507**	**82 534**	**74 456**	**18 614**	**93 069**
Direct investment	**85**	**21**	**106**	**404**	**101**	**505**	**268**	**67**	**335**	**280**	**70**	**350**	**321**	**80**	**401**
1.1 Equity capital	61	15	76	147	37	183	171	43	214	147	37	184	239	60	299
1.2 Other capital	24	6	30	257	64	322	97	24	121	132	33	166	82	20	102
Long-term	24	6	30	91	23	114	0	0	0	0	0	0	0	0	0
Short-term	0	0	0	166	42	208	97	24	121	132	33	166	82	20	102
Portfolio investment	**35 018**	**4 623**	**39 641**	**37 706**	**4 532**	**42 238**	**28 997**	**4 490**	**33 487**	**28 111**	**8 256**	**36 367**	**37 030**	**10 524**	**47 554**
2.1 Equity securities	16 594	3 719	20 312	21 130	3 701	24 831	11 801	3 667	15 468	14 546	7 647	22 193	17 980	9 999	27 979
2.2 Debt securities	18 425	904	19 328	16 576	831	17 407	17 196	823	18 019	13 565	609	14 174	19 050	525	19 575
Other investment	**9 150**	**2 288**	**11 438**	**18 388**	**4 597**	**22 986**	**23 516**	**5 879**	**29 395**	**25 129**	**6 282**	**31 411**	**24 308**	**6 077**	**30 385**
3.1 Claims of resident non-bank companies	579	145	723	349	87	437	2 273	568	2 841	734	184	918	902	226	1 128
3.1.1 Short-term loans and trade finance	316	79	395	294	73	367	2 197	549	2 746	559	140	699	767	192	959
3.1.2 Long-term loans	263	66	328	55	14	69	77	19	96	175	44	219	135	34	169
3.2 Claims of resident banks	738	185	923	650	163	813	2 273	568	2 841	3 438	859	4 297	3 490	873	4 363
3.2.1 Short-term loans	293	73	367	598	150	748	2 197	549	2 746	3 356	839	4 195	3 400	850	4 251
3.2.2 Long-term loans	445	111	556	52	13	65	77	19	96	82	21	103	90	22	112
3.3 Claims of resident parastatal companies	66	16	82	72	18	90	73	18	92	73	18	92	66	16	82
3.3.1 Short-term loans and trade finance	62	16	78	69	17	86	70	18	88	70	18	88	63	16	78
3.3.2 Long-term loans	3	1	4	3	1	4	3	1	4	3	1	4	3	1	4
3.4 Claims of local government authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Claims of central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	6 540	1 635	8 176	15 840	3 960	19 800	12 910	3 228	16 138	17 188	4 297	21 485	15 420	3 855	19 275
3.7 Other assets	1 228	307	1 535	1 477	369	1 846	5 986	1 496	7 482	3 695	924	4 619	4 430	1 107	5 537
3.7.1 Other assets NES*	1 228	307	1 535	1 477	369	1 846	5 986	1 496	7 482	3 695	924	4 619	4 430	1 107	5 537
Reserve Assets	**10 170**	**2 543**	**12 713**	**11 062**	**2 766**	**13 828**	**8 166**	**2 042**	**10 208**	**11 525**	**2 881**	**14 406**	**11 783**	**2 946**	**14 729**
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	10 170	2 543	12 713	11 062	2 766	13 828	8 166	2 042	10 208	11 525	2 881	14 406	11 783	2 946	14 729
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*** Not else where specified e.g. re-insurance, bonds etc.**

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Table IV.I(b) International investment position (N$ million)

	2008			2009			2010			2011(p)			2012(p)		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
Foreign liabilities	**30 840**	**10 313**	**41 152**	**29 432**	**9 754**	**39 187**	**34 446**	**12 438**	**46 885**	**33 111**	**15 682**	**48 793**	**35 146**	**12 475**	**47 621**
Direct investment	**26 371**	**6 593**	**32 964**	**25 347**	**6 337**	**31 684**	**28 298**	**7 074**	**35 372**	**26 371**	**6 593**	**32 963**	**23 740**	**5 935**	**29 675**
1.1 Equity capital	18 154	4 539	22 693	17 899	4 475	22 374	18 815	4 704	23 518	7 530	1 883	9 413	8 445	2 111	10 557
1.2 Other capital	8 217	2 054	10 272	7 448	1 862	9 310	9 483	2 371	11 854	18 840	4 710	23 551	15 295	3 824	19 119
Long-term	7 078	1 770	8 848	6 500	1 625	8 125	8 571	2 143	10 714	14 454	3 613	18 067	13 983	3 496	17 479
Short-term	1 139	285	1 424	948	237	1 185	912	228	1 140	4 387	1 097	5 483	1 312	328	1 640
Portfolio investment	**467**	**117**	**584**	**467**	**117**	**584**	**467**	**117**	**584**	**893**	**3 280**	**4 173**	**1 096**	**4 089**	**5 184**
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities	389	97	486	389	97	486	389	97	486	815	3 260	4 075	1 017	4 069	5 086
Other Investment	**4 001**	**3 603**	**7 604**	**3 618**	**3 301**	**6 919**	**5 681**	**5 247**	**10 928**	**5 847**	**5 810**	**11 657**	**10 310**	**2 451**	**12 761**
3.1 Liabilities of resident non-bank companies	583	146	729	619	155	773	1 793	448	2 241	2 224	556	2 780	1 937	484	2 421
3.1.1 Short-term loans	321	80	401	495	124	618	545	136	681	783	196	979	588	147	735
3.1.2 Long-term loans	263	66	328	124	31	155	1 248	312	1 560	1 441	360	1 801	1 349	337	1 686
3.2 Liabilities of resident banks	963	241	1 204	670	167	837	1 280	320	1 599	822	205	1 027	1 775	444	2 219
3.2.1 Short-term loans	505	126	631	584	146	730	1 197	299	1 496	740	185	925	1 680	420	2 099
3.2.2 Long-term loans	459	115	573	86	22	108	82	21	103	81	20	102	96	24	120
3.3 Liabilities of resident parastatal companies	1 261	315	1 577	1 208	302	1 510	1 121	280	1 401	1 149	287	1 437	1 254	314	1 568
3.3.1 Short-term loans and trade finance	310	77	387	155	39	194	169	42	211	155	39	194	260	65	325
3.3.2 Long-term loans	952	238	1 190	1 053	263	1 317	952	238	1 190	995	249	1 243	995	249	1 243
3.4 Liabilities of local government authorities	231	58	289	231	58	289	231	58	289	232	58	290	232	58	290
3.4.1 Short-term loans and trade finance	2	1	3	2	1	3	2	1	3	3	1	4	3	1	4
3.4.2 Long-term loans	229	57	286	229	57	286	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	685	2 739	3 424	610	2 440	3 050	609	2 438	3 047	768	3 074	3 842	3 240	810	4 050
3.5.1 Long-term loans	685	2 739	3 424	610	2 440	3 050	609	2 438	3 047	768	3 074	3 842	3 240	810	4 050
3.6 Currency and deposits reported by Namibian banks	268	67	335	252	63	314	638	159	797	615	154	769	1 824	456	2 280
3.7 Liabilities of EPZ companies	9	37	46	29	116	145	10	38	48	36	144	180	-34	-135	-168
3.7.1 Short-term loans and trade finance	8	30	38	7	30	37	1	4	6	7	29	37	-53	-213	-266
3.7.2 Long-term loans	2	6	8	21	86	107	8	34	42	29	115	144	20	78	98
3.8 Other liabilities	0	0	0	0	0	0	0	0	0	0	1 332	1 332	82	20	102
3.8.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 Long-term loans	0	0	0	0	0	0	0	1 506	1 506	0	1 332	1 332	82	20	102
Net Foreign Assets (+)/Liabilities(-)	**18 196**	**4 549**	**22 745**	**32 296**	**8 074**	**40 370**	**21 231**	**5 308**	**26 539**	**32 917**	**824**	**33 741**	**39 310**	**6 139**	**45 449**

Table IV.J Foreign exchange rates - Foreign currency per Namibia Dollar

Period averages

Period		US Dollar	UK Pound	Japan Yen	Switzerland Franc	EU ECU
2008	Jan	0.143	0.073	15.456	0.158	0.097
	Feb	0.131	0.067	14.025	0.143	0.089
	Mar	0.125	0.063	12.642	0.127	0.081
	Apr	0.128	0.065	13.141	0.130	0.081
	May	0.131	0.067	13.661	0.137	0.084
	Jun	0.126	0.064	13.477	0.131	0.081
	Jul	0.131	0.066	13.966	0.134	0.083
	Aug	0.131	0.069	14.265	0.141	0.087
	Sep	0.124	0.069	13.263	0.138	0.087
	Oct	0.103	0.061	10.373	0.118	0.077
	Nov	0.099	0.064	9.579	0.118	0.078
	Dec	0.101	0.068	9.166	0.115	0.075
2009	Jan	0.101	0.070	9.132	0.114	0.076
	Feb	0.100	0.069	9.234	0.116	0.078
	Mar	0.100	0.070	9.775	0.116	0.077
	Apr	0.111	0.075	10.953	0.127	0.084
	May	0.119	0.077	11.547	0.132	0.088
	Jun	0.124	0.076	11.990	0.134	0.089
	Jul	0.126	0.077	11.891	0.136	0.089
	Aug	0.126	0.076	11.933	0.135	0.088
	Sep	0.133	0.081	12.151	0.138	0.091
	Oct	0.134	0.083	12.063	0.137	0.090
	Nov	0.133	0.080	11.848	0.135	0.089
	Dec	0.134	0.082	11.976	0.137	0.091
2010	Jan	0.134	0.083	12.255	0.139	0.094
	Feb	0.129	0.083	11.779	0.140	0.095
	Mar	0.135	0.089	12.195	0.144	0.099
	Apr	0.136	0.089	12.706	0.145	0.101
	May	0.131	0.089	12.077	0.148	0.104
	Jun	0.131	0.089	11.876	0.147	0.107
	Jul	0.133	0.087	11.614	0.140	0.104
	Aug	0.137	0.088	11.710	0.143	0.106
	Sep	0.140	0.090	11.820	0.141	0.107
	Oct	0.145	0.091	11.820	0.140	0.104
	Nov	0.143	0.090	11.820	0.141	0.105
	Dec	0.146	0.094	12.195	0.142	0.111
2011	Jan	0.145	0.092	11.962	0.139	0.109
	Feb	0.139	0.086	11.481	0.132	0.102
	Mar	0.145	0.090	11.834	0.133	0.103
	Apr	0.149	0.091	12.392	0.134	0.103
	May	0.146	0.089	11.834	0.127	0.102
	Jun	0.147	0.091	11.848	0.124	0.102
	Jul	0.147	0.091	11.682	0.121	0.103
	Aug	0.142	0.087	10.917	0.111	0.099
	Sep	0.133	0.084	10.204	0.116	0.096
	Oct	0.126	0.080	9.320	0.113	0.092
	Nov	0.123	0.078	9.506	0.111	0.090
	Dec	0.122	0.078	9.515	0.114	0.093
2012	Jan	0.125	0.080	9.606	0.117	0.097
	Feb	0.131	0.083	10.256	0.119	0.099
	Mar	0.132	0.083	10.846	0.120	0.100
	Apr	0.128	0.080	10.395	0.117	0.097
	May	0.123	0.077	9.785	0.115	0.096
	Jun	0.119	0.077	9.443	0.114	0.095
	Jul	0.121	0.078	9.579	0.118	0.099
	Aug	0.121	0.077	9.506	0.117	0.097
	Sep	0.121	0.075	9.443	0.114	0.094
	Oct	0.116	0.072	9.132	0.108	0.089
	Nov	0.114	0.071	9.208	0.107	0.089
	Dec	0.116	0.072	9.681	0.107	0.088

Source: SARB

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Table IV.K Effective exchange rate indices

		Nominal effective exchange rate indices			Real effective exchange rate indices		
		Import trade weighted	Export trade weighted	Total trade weighted	Import trade weighted	Export trade weighted	Total trade weighted
2008	Jan	95.4	92.4	93.4	96.6	95.2	105.1
	Feb	90.2	85.0	86.6	102.0	103.4	97.5
	Mar	86.5	79.9	81.8	107.3	111.0	91.4
	Apr	87.8	81.6	83.5	103.7	106.1	95.4
	May	89.4	83.8	85.5	102.0	103.2	97.8
	Jun	87.2	80.9	82.8	104.1	106.5	95.0
	Jul	88.8	82.9	84.8	101.3	102.2	98.6
	Aug	90.4	85.5	87.1	99.2	98.4	101.9
	Sep	89.2	84.1	85.7	99.9	99.4	101.0
	Oct	81.0	73.8	75.7	108.6	112.2	90.2
	Nov	80.7	74.0	75.8	107.7	110.3	91.5
	Dec	81.2	74.6	76.5	107.0	109.6	92.3
2009	Jan	82.1	75.9	77.7	103.6	105.3	95.8
	Feb	82.1	76.0	77.8	103.8	105.1	95.8
	Mar	82.0	75.9	77.7	103.8	104.7	96.1
	Apr	87.1	82.5	83.9	98.0	96.2	103.8
	May	90.1	86.3	87.5	94.8	91.7	108.5
	Jun	91.0	87.1	88.4	93.9	90.8	109.6
	Jul	91.7	88.1	89.3	92.9	89.1	111.5
	Aug	91.3	87.5	88.8	92.6	89.1	111.6
	Sep	94.3	91.8	92.8	90.2	85.1	116.2
	Oct	94.5	91.9	93.0	89.7	84.7	116.9
	Nov	93.7	90.7	91.8	90.2	85.7	115.7
	Dec	94.6	92.2	93.2	89.7	84.5	117.0
2010	Jan	95.4	93.4	94.2	87.7	82.1	120.1
	Feb	94.7	92.8	93.5	88.2	82.4	119.6
	Mar	97.6	97.2	97.6	86.3	79.1	124.0
	Apr	98.2	98.0	98.3	85.9	78.5	124.7
	May	97.7	97.7	97.9	86.3	78.7	124.2
	Jun	98.0	98.3	98.3	85.9	78.1	124.9
	Jul	97.5	97.1	97.4	85.6	78.2	125.1
	Aug	99.0	99.2	99.3	84.7	76.8	127.0
	Sep	100.2	101.1	101.0	83.9	75.5	129.0
	Oct	100.6	101.5	101.5	83.8	75.5	129.2
	Nov	100.3	101.0	101.1	83.8	75.5	129.1
	Dec	102.5	104.7	104.3	82.7	73.5	132.0
2011	Jan	101.6	103.1	102.9	82.1	73.3	132.6
	Feb	98.3	97.9	98.3	84.8	77.3	126.5
	Mar	100.3	100.8	100.9	83.5	75.2	129.7
	Apr	101.1	101.9	102.0	82.4	74.1	131.7
	May	100.1	100.3	100.6	83.1	75.0	130.2
	Jun	100.8	101.4	101.6	82.6	74.1	131.6
	Jul	100.9	101.8	101.9	82.3	73.5	132.4
	Aug	98.3	97.7	98.2	84.0	76.3	128.2
	Sep	95.8	94.3	95.0	86.1	79.1	124.0
	Oct	92.7	89.8	90.8	88.1	82.4	119.7
	Nov	91.4	87.9	89.1	89.1	83.8	117.8
	Dec	91.9	88.8	89.8	88.0	82.4	119.6
2012	Jan	93.5	91.2	92.0	85.9	79.4	123.6
	Feb	95.5	93.9	94.6	84.0	76.8	127.4
	Mar	96.0	94.6	95.1	84.1	76.5	127.8
	Apr	94.1	91.8	92.6	85.4	78.6	124.7
	May	92.3	89.3	90.2	86.5	80.5	122.1
	Jun	91.3	88.1	89.1	87.7	81.7	120.4
	Jul	92.6	90.0	90.8	85.7	79.1	123.9
	Aug	92.1	89.3	90.1	86.1	79.8	123.0
	Sep	91.1	87.7	88.7	86.7	80.8	121.7
	Oct	88.5	84.0	85.3	88.2	83.4	118.4
	Nov	87.8	83.1	84.5	88.2	83.6	118.2
	Dec	88.3	83.7	85.1	88.3	83.7	118.1

LIST OF ABBREVIATIONS

AACB	Association of African Central Banks
AALS	Affirmative Action Loan Scheme
ADLA	Authorised Dealers with Limited Authority
AFI	Alliance for Financial Inclusion
Alsi	All Share Index
AMCP	African Monetary Cooperation Programme
AML	Anti-money laundering
AMLAC	Anti-money Laundering Advisory Council
AMLCOs	Anti-Money Laundering Compliance Officers
AML/CFT	Anti-money Laundering and Combating the Financing of Terrorism
ATM	Automated teller machine
AU	African Union
BAN	Bankers Association of Namibia
BBA	Basic Bank Account
BC	Business Continuity
BDBS	Basel Committee on Banking Supervision
BNA	National Bank of Angola
BoN	Bank of Namibia
BOP	Balance of Payments
BTP	Build Together Project
CCBG	Committee of Central Bank Governors
CFC	Customer Foreign Currency
CGE	Computable General Equilibrium
CLBs	Communal Land Boards
CLC	Code Line Clearing
CMA	Common Monetary Area
CPS	Cheque Processing System
COMFI	Committee of Ministers of Finance and Investment
CRO	Chief Risk Officer
CSD	Central Securities Depository
DJIA	Dow Jones Industrial Average
DR	Disaster recovery
DRC	Democratic Republic of Congo
DRFN	Desert Research Foundation of Namibia
DTCs	Developing and Transition Countries
ECB	European Central Bank
EDDI	Enhanced Data Dissemination Initiative
EFT	Electronic funds transfer
ELF	Employee Liaison Forum
EMEA	Euromoney's Middle & Eastern Africa Deal
ERP	Enterprise Resource Planning
ESAAMLG	Eastern and Southern African Anti-Money Laundering Group
EU	European Union
EUR	Euro/European Union currency
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FIA	Financial Intelligence Act
FIC	Financial Intelligence Centre
FIFA	Fédération International de Football Association (Internal Federation of Association)

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FIFSC	Financial Institutions Fraud and Security Committee
FIP	Finance and Investment Protocol
FLI	Financial Literacy Initiative
FMD	Financial Market Development
FNB	First National Bank
FOMC	Federal Open Market Committee
FSC	Financial Stability Committee
FX	Foreign Exchange
GAP	Graduate Accelerated Programme
GBP	British Pound Sterling/Great British Pound
GC12	Government internal registered stock maturing in 2012
GC14	Government internal registered stock maturing in 2014
GC15	Government internal registered stock maturing in 2015
GC17	Government internal registered stock maturing in 2017
GC18	Government internal registered stock maturing in 2018
GC21	Government internal registered stock maturing in 2021
GC24	Government internal registered stock maturing in 2024
GC27	Government internal registered stock maturing in 2027
GC30	Government internal registered stock maturing in 2030
GDE	Gross domestic expenditure
GDP	Gross domestic product
GFCF	Gross Fixed Capital Formation
GIZ	Geselleschaft Für International Zusammenarbeit
GNDI	Gross national disposable income
GNI	Gross national income
GPF	Global Policy Forum
HAN	Hospitality Association of Namibia
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HR	Human Resources
IAD	Internal Audit Division
IASB	International Accounting Standards Board
IC	Investment Committee
ICRG	International Cooperation Review Group
IDR	Issuer Default Rating
IFRS	International Financial Reporting Standards
IIP	International Investment Position
IMF	International Monetary Fund
IRS	Internal Registered Stocks
IRSRA	Internal Registered Stock Redemption Account
IT	Information technology
JPY	Japanese Yen
JSE	Johannesburg Stock Exchange
LEAs	Law Enforcement Agencies
LHS	Left-hand side
LTU	Large Taxpayer Unit
M1	Narrow money
M2	Money supply
MC	Management Committee
MEF	Macroeconomic Framework
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa

MENA	Middle East and North Africa
MEWG	Macroeconomic Working Group
MFS	Monetary and Financial Statistics
MISA	Media Institute of Southern Africa
ML	Money Laundering
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
MTEF	Medium-term Expenditure Framework
MTN	Medium Term Note
NAC	Namibia Airports Company
NAD/N$	Namibia Dollar
NAMFISA	Namibia Financial Institutions Supervisory Authority
NCDs	Negotiable certificates of deposits
NCPI	Namibia Consumer Price Index
NDP4	Namibia's Fourth National Development Plan
NEER	Nominal effective exchange rate
NFA	Net Foreign Assets
NFSS	Namibian Financial Sector Strategy
NGOs	Non-Government Organisations
NHE	National Housing Enterprise
NISS	Namibian Interbank Settlement System
NPLs	Non-Performing Loans
NPS	National Payment System
NSA	Namibia Statistics Agency
NSX	Namibian Stock Exchange
ODC	Other Depository Corporations
OECD	Organisation for Economic Cooperation and Development
OMT	Outright Monetary Transactions
OP	Occasional Papers
PAN	Payment Association of Namibia
PCI DSS	Payment Card Industry Data Security Standards
POS	Point-of-Sale
PSCE	Private Sector Credit Extension
PSEs	Public Sector Entities
RAs	Revenue Authorities
REER	Real Effective Exchange Rate
RFIs	Requests for Information
RHS	Right-hand side
RMC	Risk Management Committee
ROA	Return on Assets
ROE	Return on Equity
RSA	Republic of South Africa
RTGS	Real Time Gross Settlement
RWA	Risk-weighted assets
RWCR	Risk-weighted capital ratio
SAA	Strategic Asset Allocation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARB	South African Reserve Bank
SDF	Shark Dwellers Federation
SDR	Special Drawing Rights

SIRESS	SADC Integrated Electronic Settlement System
SME	Small and Medium Enterprises
SME Bank	Small and Medium Enterprises Bank Ltd
SMMEs	Small, Medium and Micro Enterprises
SOEs	State Owned Enterprises
SSA	Sub-Saharan Africa
STP	Straight Through Processing
STR	Suspicious Transaction Report
TBs	Treasury Bills
TF	Terrorist financing
TIPEEG	Targeted Intervention Programme for Employment and Economic Growth
UK	United Kingdom
US	United States
USA	United States of America
USD/US$	United States Dollar
VSP	Voice Secondment Programme
WACS	West Africa Cable System
WCR	World Competitive Report
WIBAR	Windhoek Interbank Agreed Rate
ZAR/Rand	South African Rand

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