Bank of Namibia

GOVERNOR'S STAKEHOLDER ENGAGEMENT

Oshana Region

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Governor, Bank of Namibia

23 July 2026

Disclaimer

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1

MANDATE OF THE BANK

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BON ESTABLISHED BY ARTICLE 128 OF THE CONSTITUTION

COMPLIMENTED BY BANK OF NAMIBIA ACT NO. 1 OF, 2020

WHOLLY OWNED BY THE GOVERNMENT OF THE REPUBLIC OF NAMIBIA

The core mandate of the Bank of Namibia is to **promote monetary stability and safeguard financial stability,** as outlined in the Bank of Namibia Act 1 of 2020 (the Act).

FUNCTIONS OF THE BANK

1. Promote price stability
2. Fiscal advisor & banker to government
3. Conduct economic research
4. Economic development
5. Manage foreign reserves & currency
6. Ensure sound financial system
7. Host Namibia deposit guarantee authority
8. Macroprudential oversight (economic & financial market development in namibia); Bank of Namibia act no. 1 of 2020, section 73
9. Supervision & regulation of banks

WHAT WE DON’T DO

- The Bank does not provide banking services to individuals.
- Does not provide loans or financing to businesses.
- Not regulate the non-banking financial sector.
- The Bank does not direct the affairs of the Financial Intelligence Centre (FIC). It is an independent entity.

GOVERNANCE STRUCTURE

- BOARD MEMBERS APPOINTED BY THE PRESIDENT
- GOVERNOR (CHAIR) AND DEPUTY GOVERNORS PART OF THE BOARD
- EXECUTIVE DIRECTOR OF MINISTRY OF FINANCE – EX OFFICIO
- ANNUAL REPORT TO MOF BY END OF MARCH EACH YEAR
- ANNUAL REPORT TO THE NATIONAL ASSEMBLY (SECTION 68, BON ACT)
- REGULAR CONSULTATION WITH MINISTER, BUT INDEPENDENT

INDEPENDENCE OF THE CENTRAL BANK

Maintain its independence and operate free from improper or undue influence, and without fear favour, prejudice or direction from any individual or authority authority.

No person or authority is permitted to influence a member of the Board, a committee established under the Bank of Namibia Act 1 of 2020 or any staff member in carrying out their responsibilities under this Act.

The Bank of Namibia was granted independence through the Bank of Namibia Act 1 of 2020, aligning with modern central banking practices.

BANK OF NAMIBIA VISION

“Marching with a Clear Purpose, while Aligning the Central Bank for the New Economy.”

01

Aligning the Bank to the new economy.

02

Building institutional capacity aligned to emerging risks and opportunities.

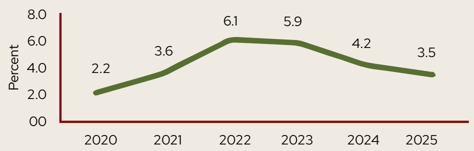
03

Positioning the Bank as a leading knowledge institution.

2025 ANNUAL REPORT | DASHBOARD

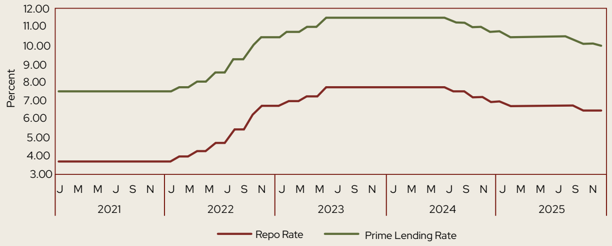
Price Stability

Namibia Inflation (%)

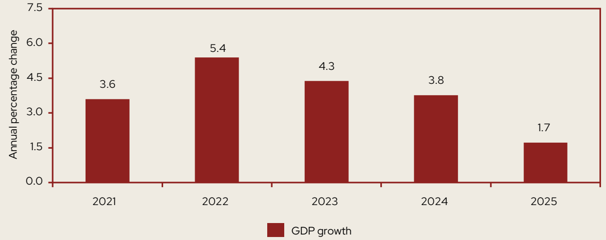


Foreign Reserves (N$ billion)

Interest rate (%)



Gross Domestic Product (%)



Financial Stability

Capital Adequacy	Liquidity Coverage Ratio	Non-Perfoming Loans Ratio	Net Stable Funding Ratio
↑ 0.3 P.P	↓ -18.0 P.P	↓ -1.3 P.P	↑ 5.0 P.P
2024: 17.0% → 2025: 17.3%	2024: 163.6% → 2025: 145.6%	2024: 5.6% → 2025: 4.3%	2024: 111.5% → 2025: 116.5%

Stakeholder Engagement

The Bank of Namibia was awarded the Artificial Intelligence Initiative Award at the Central BankingAwards in March 2026.

2

MONETARY POLICY

MONETARY POLICY

- Ensure adherence to the Monetary Policy Framework (MPF).
- The MPF documents procedures and guidelines for the formulation and conduction of Monetary Policy.

MPC members carefully consider both global and domestic economic conditions, financial market and external sector developments, exchange rate developments and the adequacy of Namibia's foreign exchange reserves before reaching any decision by consensus.

The Bank of Namibia's Monetary Policy Committee (MPC) typically meets six times a year to determine an appropriate level of short-term interest rates for the upcoming two months.

PEG ARRANGEMENT

BENEFITS

- Lower transaction costs
- Stable prices
- Compensation for seigniorage lost from the rand
- Better access to financial markets
- Minimise volatility in export revenues for domestic
- exporters to the anchor country

COST

- Loss of monetary independence
- Economic disturbances from the anchor country
- Issues with the rand as a reserve currency
- Capital outflow concerns

Namibia adopted a fixed exchange rate peg system in which the **Namibia Dollar is pegged to the South African Rand at a one-to-one ratio.**

This exchange rate arrangement is part of the Common Monetary Area, which includes Eswatini, Lesotho, Namibia, and South Africa.

JUNE 2026 MPC DECISION

FACTORS CONSIDERED

- The need to safeguard the peg
- Rising global and domestic inflationary pressures
- Global and domestic economic activity
- Inflation and GDP outlook

OTHER CONSIDERATIONS

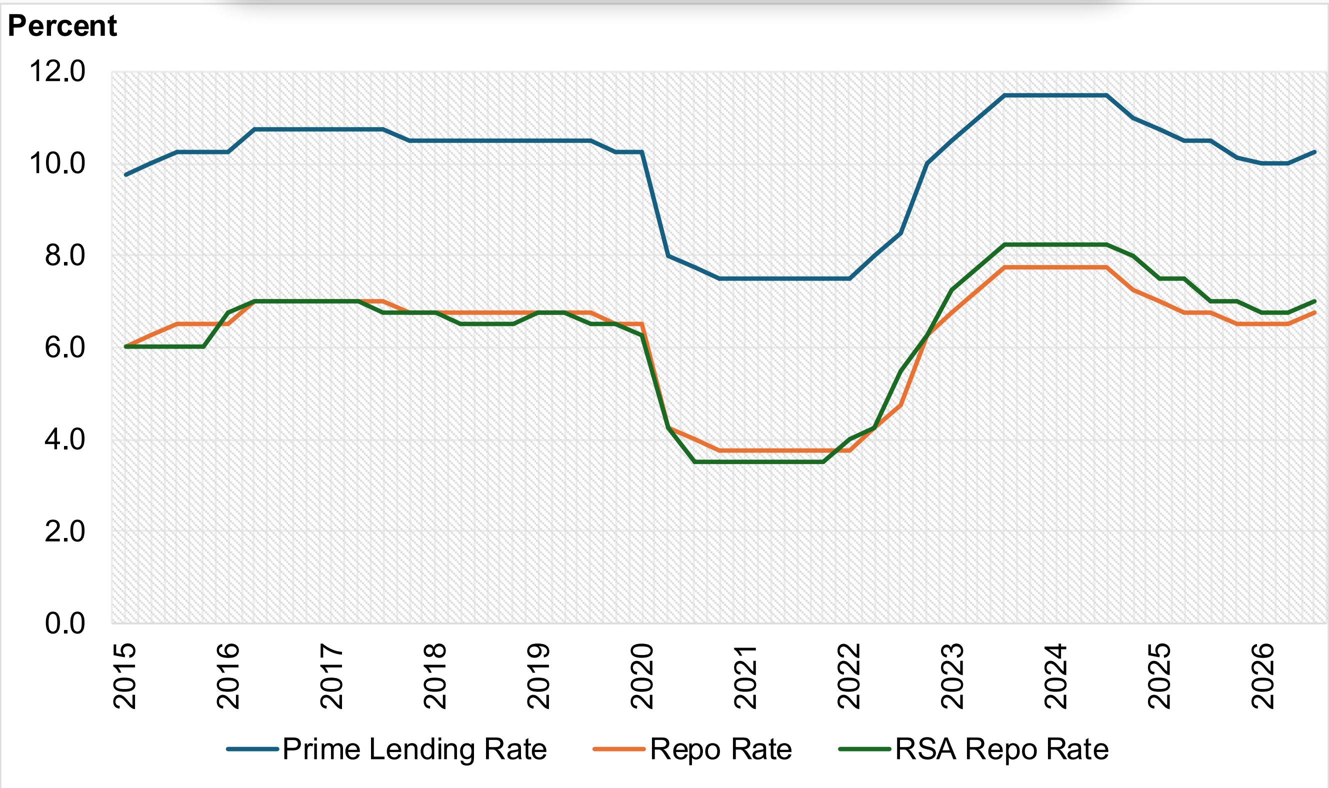
- Namibia's external position
- The stock of international reserves
- Capital flows

"Namibia's Repo rate increased by **25bps to 6.75 percent in June 2026**".

"South Africa's policy rate rose to **7.00 percent in May 2026**".

SELECTED INDICATORS

Repo and Prime Lending Rate



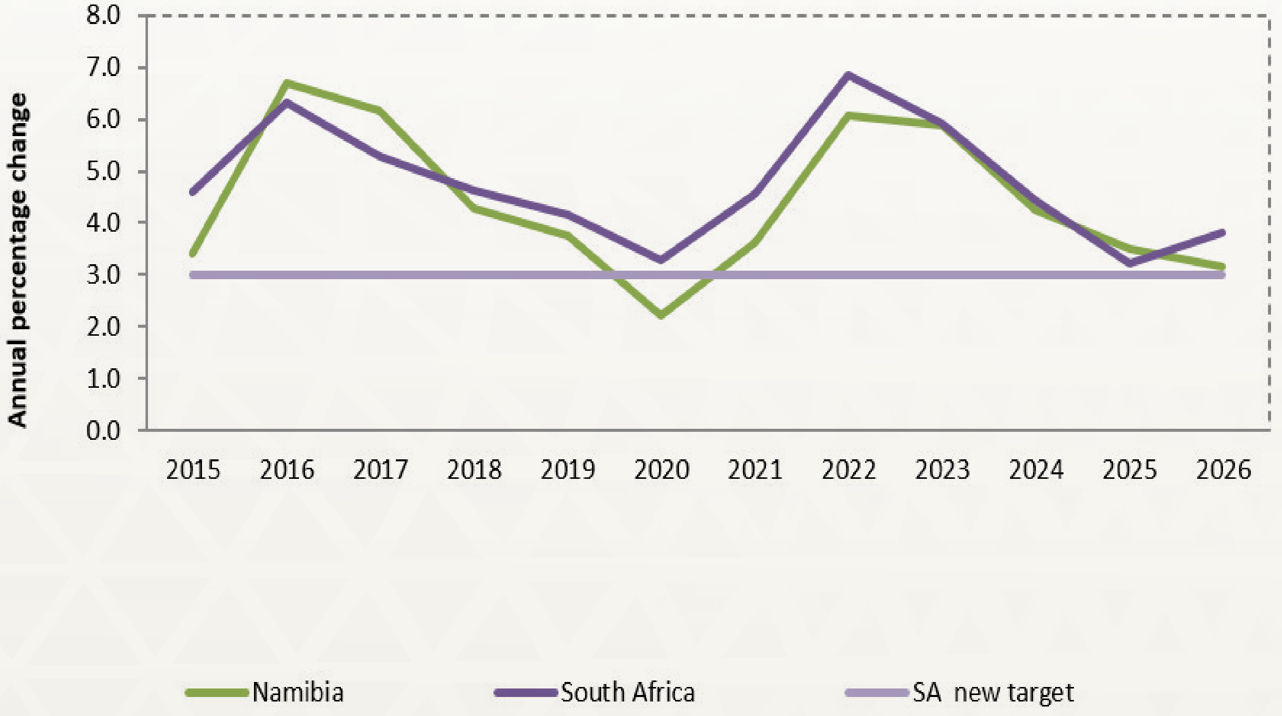
Source: SARB, BoN

Since late 2022, the Bank has maintained a policy rate below that of South Africa, **mainly to support the domestic economy.**

The Bank also reduced the prime-repo rate spread to 3.50 from 3.75, aligning it with other CMA states.

SELECTED INDICATORS

Inflation



Source: NSA, STASSA,SARB

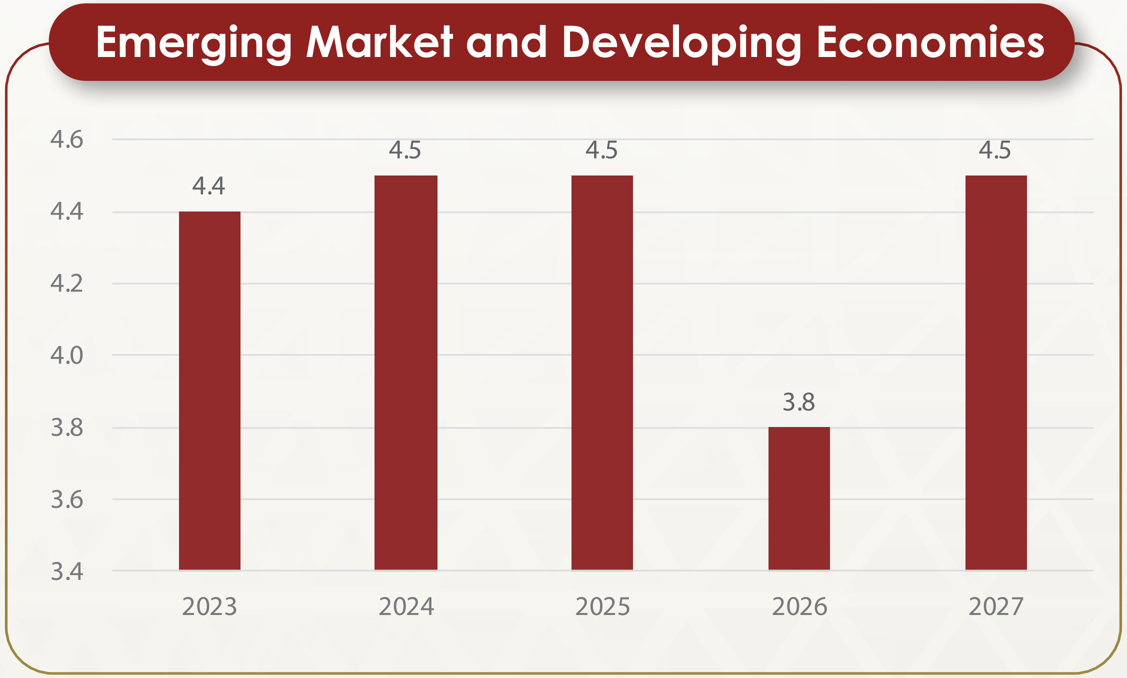
- **Inflation in both South Africa and Namibia has been remained low**, despite under and overshooting the South African target in some period.
- **Looking ahead, inflation is forecast to rise in 2026, and is expected to slowdown in 2027.**
- Mainly on account of morestable oil prices for 2027.

3

GLOBAL AND DOMESTIC ECONOMIC DEVELOPMENTS

GLOBAL ECONOMY

Global growth is projected at 3.0 percent in 2026 & 3.4 percent in 2027, down from 3.5 percent in 2025 & broadly unchanged from the April 2026 WEO forecasts.



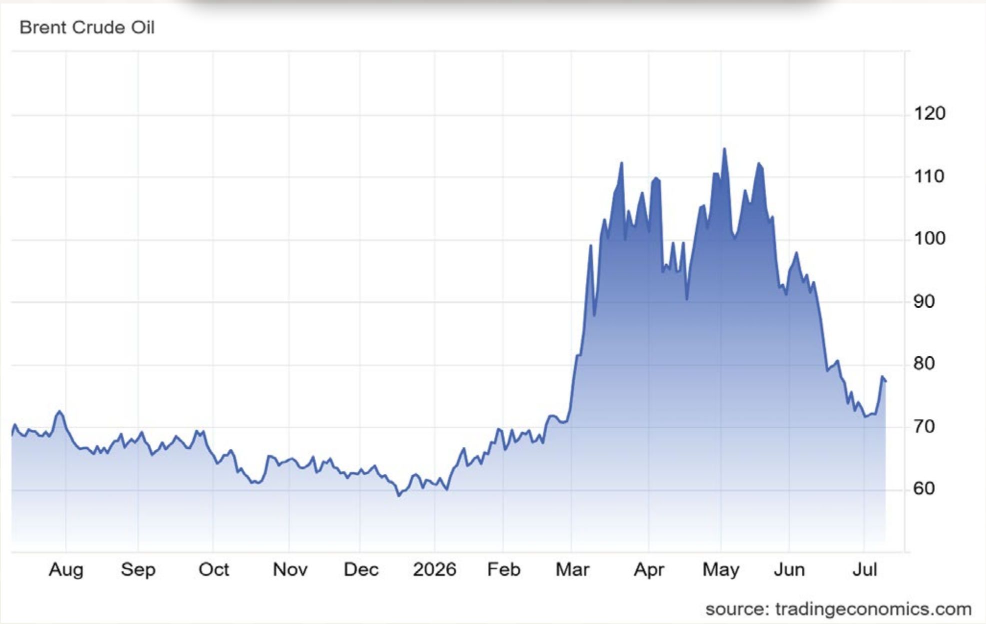
Source: IMF

- The slowdown reflects the effects of the war in the Middle East being partly offset by accelerated demand driven momentum in the global technology cycle.

- The revised growth rate represents a slowdown from 3.5 percent growth in 2025.
- Global grow this anticipated to improve slightly to 34 percent in 2027.

Brent fell toward US$77 per barrel on Thursday, from a two-day rally even after the US military confirmed it had carried out strikes on Iran for a second straight day.

Brent Crude Oil



Ceasefire is fragile

President Trump said that as far as he is concerned, the ceasefire is over and threatened additional strikes on Iran and a new blockade.

Oil Price Spike

On Tuesday the US revoked a waiver that allowed Iran to sell crude, after attacks on vessels transiting the Strait of Hormuz.

Shipping Disruption

Renewed conflict raised the prospect of fresh disruptions to global energy supplies by deterring shipowners and regional producers from using the vital waterway.

Namibia's Exposure

Since the war in Iran, Namibia has diversified sources of refined fuel import, with Nigeria making up 32 percent in April 2026.

DOMESTIC ECONOMY

REAL SECTOR

- The **Namibian economy** remains on a positive but uneven recovery. The Primary industry continues to shrink, negatively affected by low diamond prices and depleting gold deposits.
- **Headline inflation** remained low during the first five months of 2026 but started to increase in April and May 2026 in line with surging global oil prices.

EXTERNAL SECTOR

- The **merchandise trade deficit** is anticipated to remain high in 2026, mainly due to high imports by the oil and gas sector.
- The stock of **foreign reserves** stood at N$55.4 billion at the end of May 2026, translating into an estimated import cover of 3.5 months.

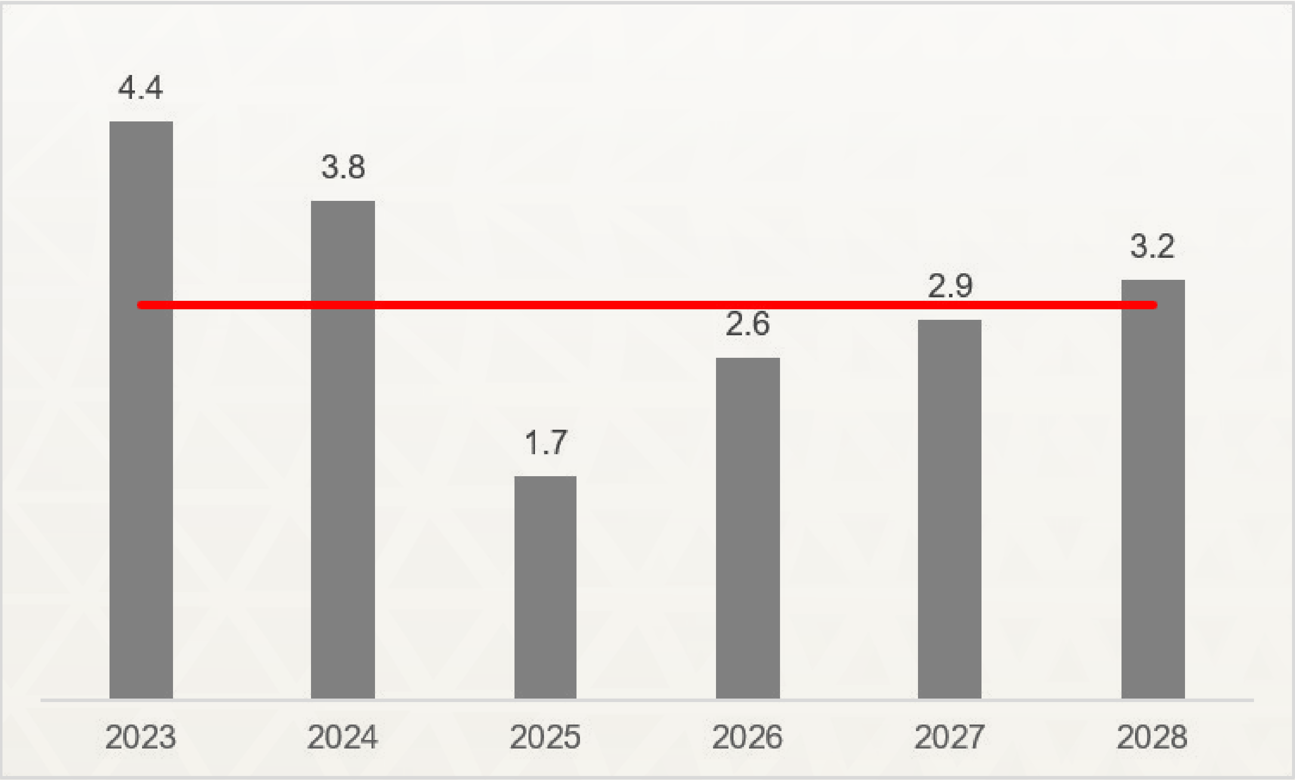
PUBLIC SECTOR

- **Government debt** stood at N$180.7 billion at the end of May 2026, representing a yearly increase of 6.5 percent.

MONETARY SECTOR

- Growth in private sector credit remained low across businesses and households alike, largely reflecting limited activity in the property (mortgage) sector.

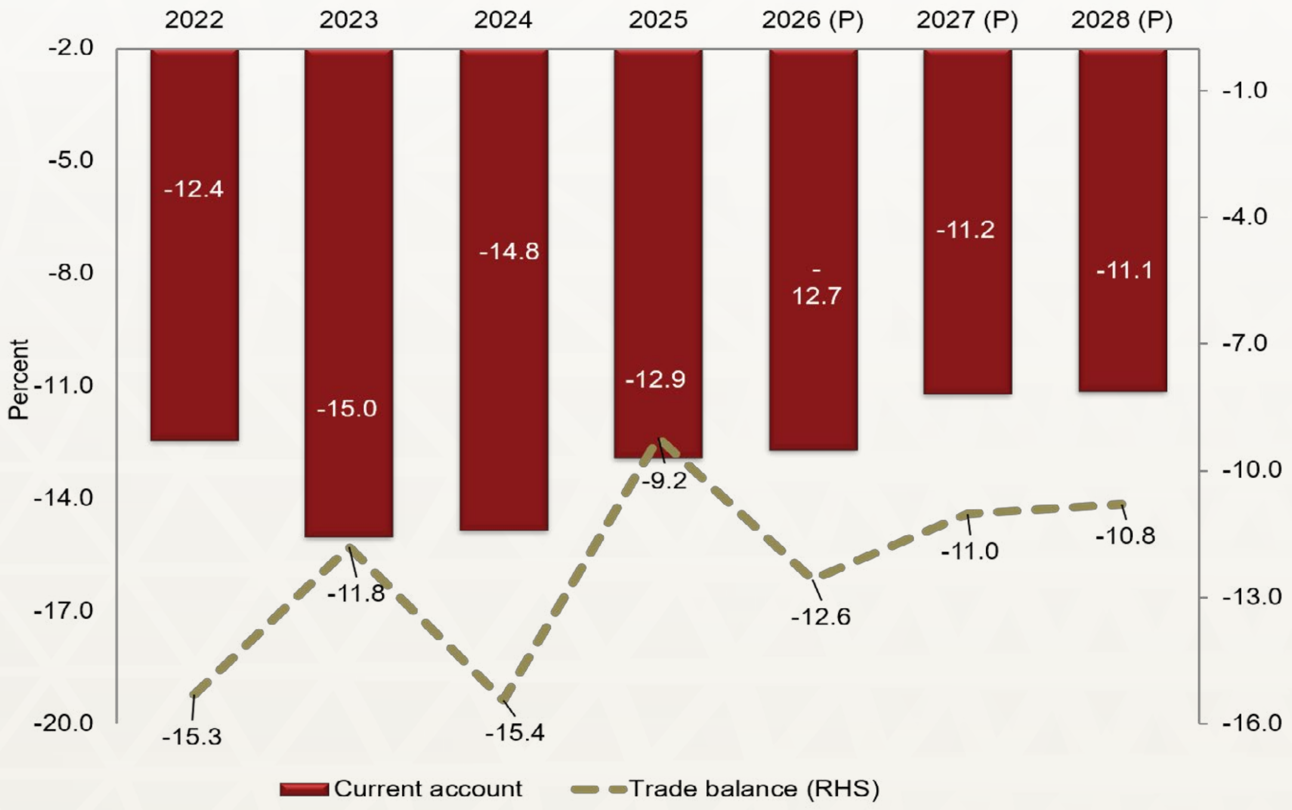
GDP growth is projected at 2.6 percent in 2026 and 2.9 percent in 2027.



- Moderate economic growth prospects
  - Climatic shocks
  - Diamond prices
- Uranium mining emerging as a key source of growth.
- Strong growth in financial services, tourism, transport & storage, electricity & water.
- Oil and gas prospects are the main greenshoot on the horizon.

DOMESTIC OUTLOOK

Namibia's current account deficit is projected to remain elevated in 2026.



- Namibia's current account deficit (as % of GDP) is projected to moderate in 2026 but remains high.
- High deficits due to oil and gas activities, where imports of services, machinery and mineral fuels are expected to remain elevated.
- Such deficit are not of macroeconomic concern as they are financed through Foreign Direct Investments (FDI).

4

EMERGING ISSUES

MINING INVESTMENT

Twin Hills Gold Project
Shanjin International

Update: Construction commenced in Q4 2025

CAPEX: US$450 million *(~N$7.3 billion)*, FDI of about N$2.5 billion thus far

Construction: 2 years

Jobs: 1,000 - 1,500 employees at full production

Production: 2027, 160,000 ounces of gold per year

Etango Project
Bannerman

Update: JV with CNNC subsidiary to fund Etango FID after the JV approval

CAPEX: US$353 million *(~N$5.8 billion)*

Construction: 2nd half of 2026

Jobs: 1,200 construction jobs, 750 permanent positions

Production: 2028, 3.5 million pounds of U3O 8 per year

Tumas Project
Deep Yellow

Update: FID (sufficient uranium price incentivization

CAPEX: US$475 million *(~N$7.8 billion)*

Construction: Bulk earthworks 65% complete, power & water agreements finalized

Jobs: 1,000 construction jobs, 600 permanent jobs

Production: 2028, 3.6 million pounds of U3O 8 per year

S1 Desalination Plant
JV - Swakop Uranium & Namwater

Update: Final bids from contractors - May 2026

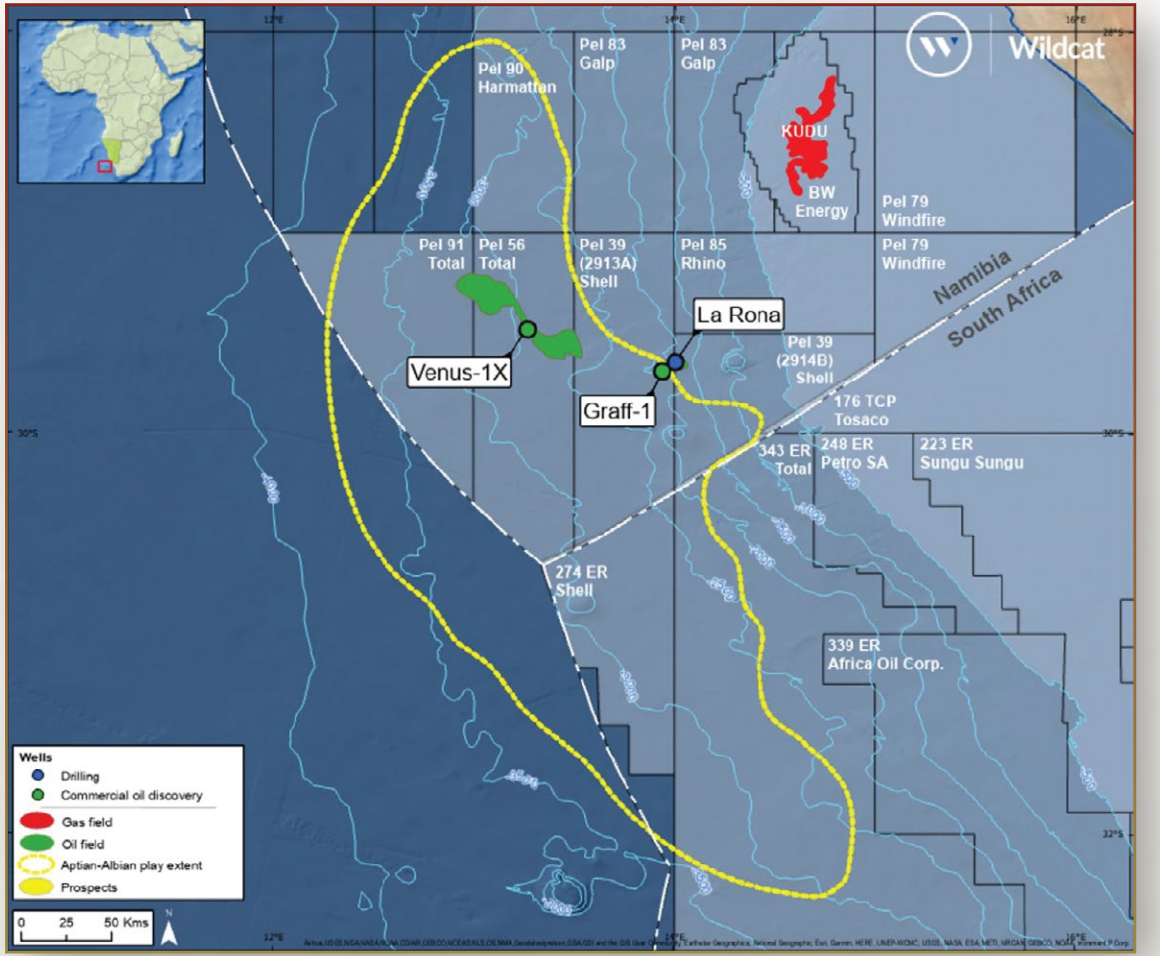
CAPEX: N$2.1 billion, blended financing, Nampower 30% stake

Construction: Notice to proceed with development around July 2026

Jobs: 1,000 construction jobs, 50-100 permanent jobs

Production: 2028, 20 million cubic litres of potable water per year.

OIL AND GAS RELATED FDI EXPECTED TO REMAIN ELEVATED IN 2026



01 **TotalEnergies** Venus Field Development Plan submitted, targeting the FID in mid-2026.

02 **Shell (PEL 39)** is expected to spud the Merlin exploration well in April 2026.

03 **Chevron** planned to drill the Nabba-1X well offshore Namibia in Q4 2026.

04 **Rhino resources** has planned appraisal wells for 2026, in the Volans and Capricornus areas.

05 **Galp & TotalEnergies** planning exploration(*1) and appraisal wells (*2) for 2026 and 2027, Mopane FID expected in 2028.

GOLD ACQUISITION PROGRAMME

- **Globally, gold has emerged as a critical reserve asset valued for its stability and ability to act as a hedge against systemic shocks.**
- **The Bank has developed a structured acquisition framework grounded in international best practice and supported by engagements with peer central banks.**

Gold will be sourced directly from domestic producers and refined through London Bullion Market Association accredited facilities.

Implementation is at an advanced stage.

NAMIBIA'S SOVEREIGN WEALTH FUND

The Welwitschia Fund was established in **2022** to enhance Namibia's resilience against **cyclical and external shocks and promote intergenerational prosperity** through the distribution of benefits from **natural resources.**

The Welwitschia Fund's **initial seed capital of USD 17.74 million/ NAD 282.68 million** was injected in early **2022.**

As of **30 April 2026**, the Fund has achieved an annualised return of **16.01 percent since inception.** This resulted in a total market value of **USD30.24 million/ NAD 511.25 million.**

Stabilisation Account: Achieving short-term objectives pertaining to fiscal stability.

Intergenerational Savings Account- geared towards the attainment of long-term intergenerational transfer of wealth earned mainly from Namibia's natural resources.

The Sovereign Wealth Fund of Namibia Bill is undergoing the **statutory approval** processes and is envisaged to be **tabled** in Parliament later in 2026 (likely Q3-Q4).

The Ministry of Finance has placed the custodian of the Fund with the **Bank of Namibia Board of Directors.**

5

INSTANT PAYMENT PLATFORM

A national initiative aimed at transforming access to financial services by enabling fast, affordable, and secure payments for all Namibians.

- Interoperable
- Government to Person
- Person-to-Person
- Business to Person
- Business-Business
- ATM Withdrawal functionality

- Tailored features to meet local needs such as interoperability, affordability, and 24/7 accessibility.

WayaMe

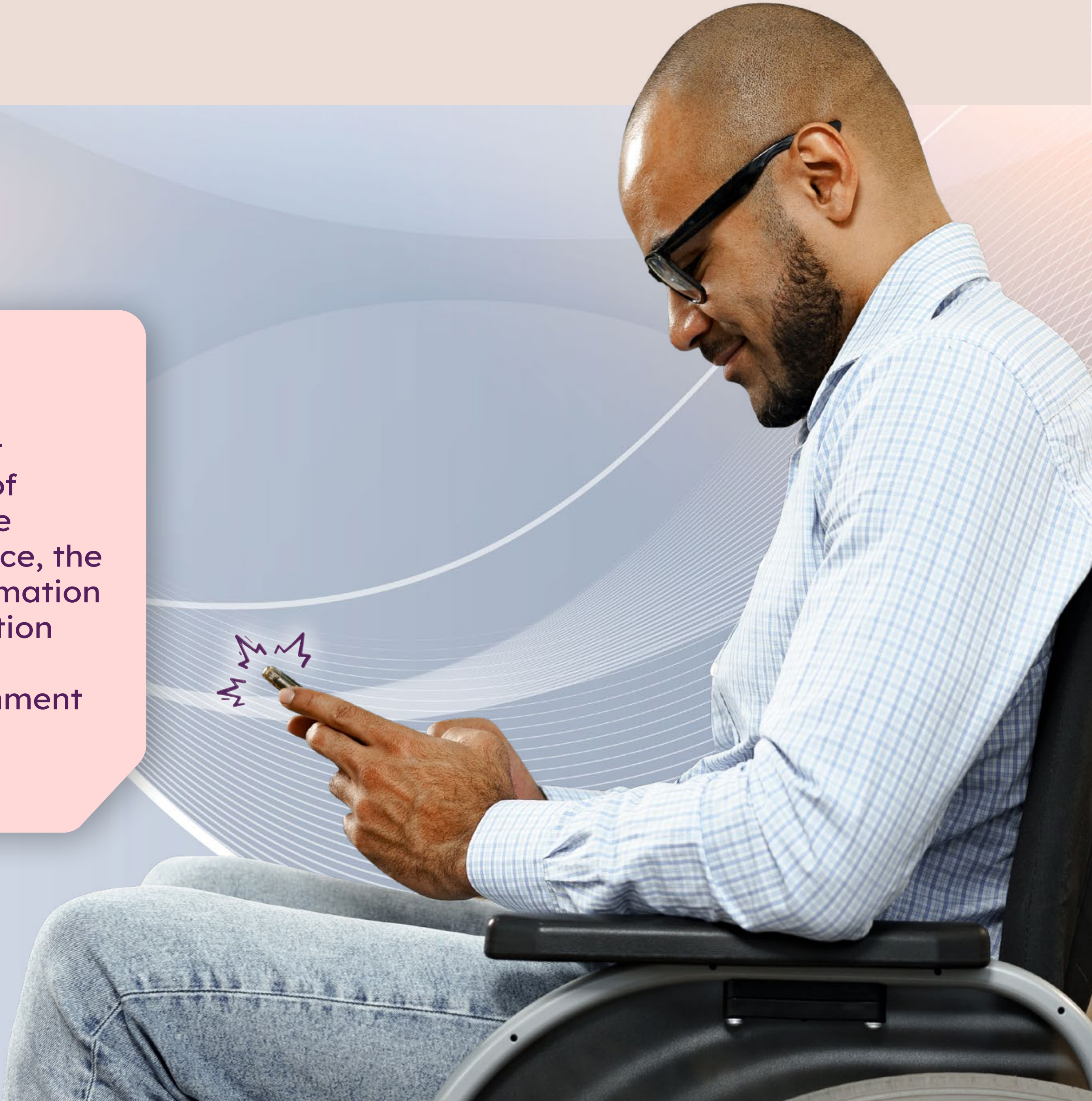
It works for everyone.

- G2P is Live – Bank Windhoek, Nampost and Letsego, CMBO

- Opens up opportunities in fintech enablement, agent networks, SME financing, and data-driven services that will emerge from a more connected and inclusive payment infrastructure.

- Continued engagement with participating financial institutions and strategic collaboration with NPCI International to support implementation and ecosystem readiness.

- Ongoing support from the Office of the President, the Ministry of Finance, the Ministry of Information and Communication Technology, and other key government stakeholders.



CONCLUSION

Today's discussion highlighted that:

1. Namibia's economic outlook remains positive despite global uncertainty.
2. The Financial System Remains Safe, Sound and Stable - The Bank remains vigilant to domestic and global risks, including geopolitical developments, inflationary pressures and financial sector vulnerabilities.
3. The Bank is modernising the financial sector to support growth, inclusion and resilience.
4. Digital innovation, particularly the Instant Payments Platform, is transforming how Namibians transact.
5. Strong partnerships between the Bank, Government, business and communities remain essential to building a prosperous Namibia.

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Governor
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