



MODERNISING NAMIBIA'S FINANCIAL LANDSCAPE FOR A PROSPEROUS NAMIBIA

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01 October 2024



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ROLE OF THE FINANCIAL SYSTEM

01

**CHALLENGES IN THE FINANCIAL
SYSTEM**

02

**MODERNISING THE FINANCIAL
SYSTEM**

03

**THE FUTURE OF MONETARY
SYSTEMS**

04

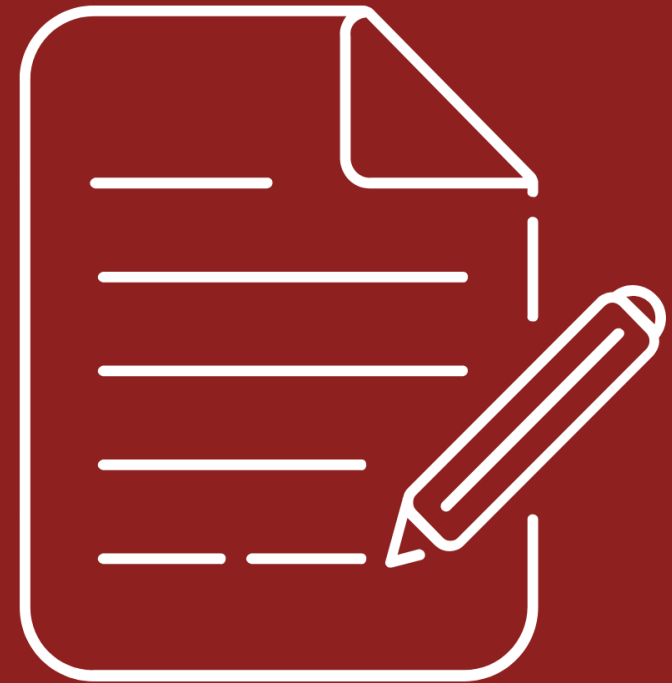
INNOVATION

05

CONCLUSION

06

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A hand holding a blue credit card with a gold chip. The card has the text "CREDIT CARD" at the top, a card number "1234 5678 9012 3456", and the name "WILE SURNAME". In the background, a smartphone is visible on a wooden surface.

“A cradle of innovation and the birthplace of transformative ideas”

Without innovation, regulation becomes lifeless tradition. Yet without regulation and stability, innovation lacks the trust needed for lasting impact. Trust is the sine qua non of sustainability. Both are essential, working together to create a sustainable future.

THE ROLE AND CHALLENGES IN THE FINANCIAL SYSTEM



ROLE OF THE FINANCIAL SYSTEM



01

**FUNCTIONING OF
COMMERCE,
INDUSTRY &
GOVERNMENT
OPERATIONS**



02

**ENSURES
LIQUIDITY IN
THE MARKET**



03

**MANAGE RISK
DIVERSIFICATION**



04

**FOSTER
INNOVATION &
COMPETITION**

CHALLENGES IN THE FINANCIAL SYSTEM



01

**TECHNOLOGICAL
& ECONOMIC
CHANGES**



02

**EXCLUSION OF
INFORMAL &
URBAN NAMIBIA**



03

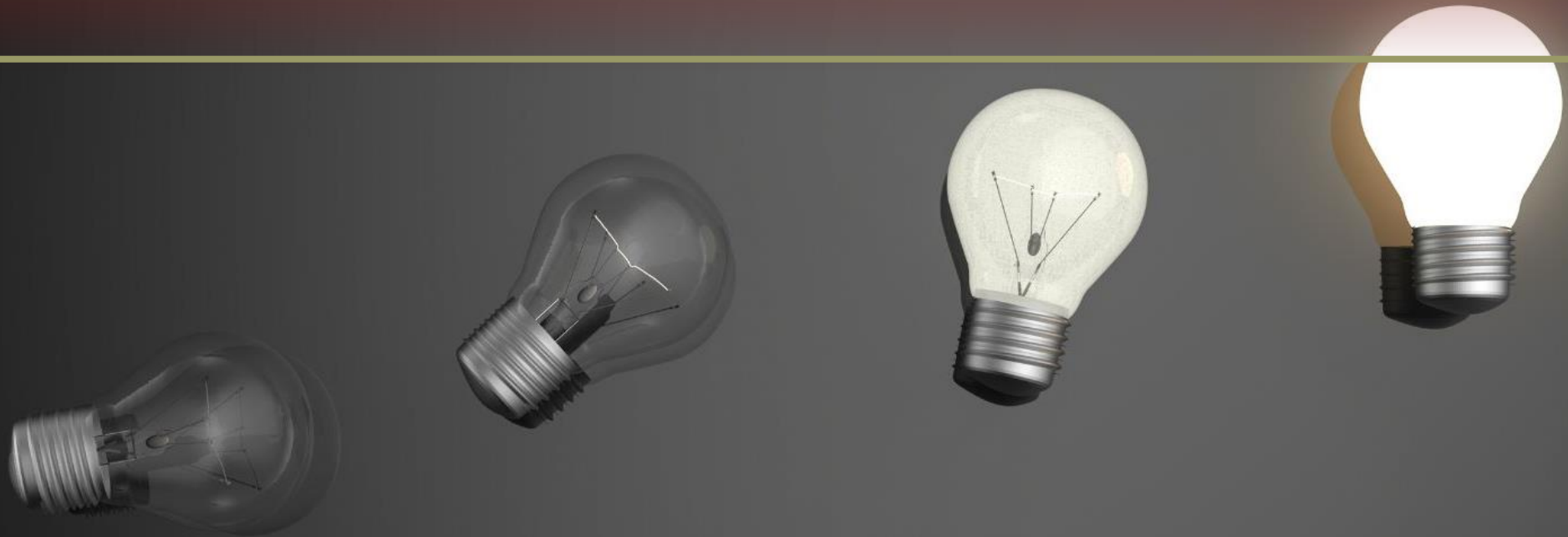
**POPULATION
DEMOGRAPHIC**



04

**CLIMATE
CHANGE**

LINK BETWEEN MODERNISATION, THE BANK'S STRATEGY AND THE ECONOMY



THE BANK'S STRATEGY ON MODERNISING THE FINANCIAL SYSTEM



Build an innovative, agile central bank responsive to an ever-changing operating environment.



Build a resilient and inclusive financial sector.



Ensure the financial sector lays the foundation for a diversified and transformed economy.

HOW THE BANK INTENDS TO MODERNISE THE FINANCIAL SYSTEM



MODERNISING THE FINANCIAL SYSTEM

Our modernisation and innovation journey are underpinned by a focus on:

01 INNOVATION IN OUR BUSINESS PROCESSES

02 INNOVATION OF THE BANKING SECTOR WE REGULATE AND SUPERVISE

03 INNOVATION WITHIN THE NAMIBIAN ECONOMY



MODERNISING THE FINANCIAL SYSTEM

Ensuring that monetary policy supports the development efforts to transform the Namibian economy and address poverty, inequality, and unemployment

01 SAFEGUARDING THE ECONOMY
FROM POTENTIAL DISRUPTIONS

02 CAPITALISE ON GLOBAL
FINANCIAL INNOVATIONS

03 ENSURING LONG-TERM
PROSPERITY AND STABILITY



GAZE INTO THE FUTURE MONETARY SYSTEM



CBDCs, STABLECOINS, CRYPTOCURRENCIES & TOKENISATION

A NEW HORIZON FOR CENTRAL BANKS

01 **CBDCs:** Digital money created by a country's central bank that people can use for buying and selling, just like cash but in electronic form.



02 **STABLECOINS:** Digital currency tied to a stable asset, like the US dollar, to keep its value steady. They aim to combine the benefits of cryptocurrencies with the stability of traditional money.



03 **CRYPTOCURRENCIES:** Virtual currencies that use cryptography for security and operate on a technology called blockchain. They are decentralized and not controlled by any government or central authority.



04 **TOKENISATION:** Turning real things, like property or art, into digital assets on a computer system. These tokens show who owns the item and make it easier to buy or sell.



CBDCs, STABLECOINS & CRYPTOCURRENCIES A NEW HORIZON FOR CENTRAL BANKS

01 REVOLUTIONISING DOMESTIC &
CROSS-BORDER TRANSACTIONS

02 STREAMLINE AND DEMOCRATISE
FINANCIAL INTERACTIONS

03 CHANGING HOW WE PERCEIVE AND
USE MONEY



CASH REMAINS KING



\$5.2 BILLION

Currency in Circulation (CIC) 2023

01

**NAMIBIA'S FINANCIAL SYSTEM WILL
SEE BOTH CASH AND DIGITAL
PAYMENT METHODS COEXISTING.**

02

**CASH REMAINS A KEY PLAYER
ACROSS GLOBAL ECONOMIES.**



INSTANT PAYMENT SOLUTION

The Instant Payment Solution enables real-time transfer of funds between bank accounts 24/7 and will be introduced in Namibia with a Go-Live date slated for September 2025.

KEY BENEFITS OF THE INSTANT PAYMENT SOLUTION

1



The platform is considered as public good (not-for-profit)

2



Solution for financial inclusion – informal economy and rural sector

3



Address the challenges associated with high fees and charges

4



Digital profile, transactional history and financial services deepening

5



Modernisation of the Namibian payment system

6



The IPS is a multi-party model, which further drives interoperability

7



Increased money velocity, transactions and increased economic activity

8



The solution plays a catalyst role in driving digitisation of financial services



INSTANT PAYMENT SOLUTION VIDEO



WHAT THE BANK HAS DONE THROUGH ADOPTING THE DIGITAL TRANSFORMATION AGENDA



ADOPTING THE DIGITAL TRANSFORMATION AGENDA



EMBRACING AUTOMATION

Creating an Automation Centre of Excellence to enhance operational efficiency and minimise manual interventions.



DEPLOYED VIRTUAL BOTS

Freeing staff from cumbersome, manual work that took days to complete.



GOVERNMENT PAYMENT PORTAL

online portal for payments to be uploaded and a robot to automatically process the transactions, reducing the processing time per transaction from 30 to 2 minutes.

CONT'



ADVANCED DATA ANALYTICS

Greater visibility into operations enabled data-driven decision-making and facilitated a culture of continuous improvement.



MONETARY POLICY MANDATE

Automated the collection of mineral data, offering a significant advantage in speed and data accuracy

**Improved data
quality and the
ability to deliver
quick, reliable
insights**

**Enhancing the
institution's
overall efficiency
and analytical
capabilities**

FUTURE-FIT LEGISLATION





**CYBER SECURITY
COUNCIL**



**ELEVATE THE USAGE
OF ELECTRONIC
WALLETS**



**STANDARDISATION
OF QR CODES**



**ALLOW VIRTUAL
ASSET ACTIVITIES
TO OPERATE**

DIGITAL IDENTITY

Identify individuals for other government services: Authenticating against the eID system and verifying members of the public for Know Your Customer.

01 ROBUST, MODERN AND SECURE

02 IDENTIFIES INDIVIDUALS FOR GOVERNMENT SERVICES

03 VERIFICATION FOR KYC



CENTRAL SECURITIES DEPOSITORY (CSD)

01

Financial securities, such as stocks and bonds, in electronic form



02

Enhance efficiency and transparency in trading Namibian securities



03

Reducing associated risks and enhancing the user experience



INNOVATION IN THE ECONOMY



TOTAL FACTOR PRODUCTIVITY

Namibia can accelerate **Total Factor Productivity** growth by encouraging industries to adopt cutting-edge technologies, streamlining operations, and exploring new markets

01 Investment in research and development

02 Encouraging industries to adopt cutting-edge technologies

03 Diversified and sustainable economy, ensuring it remains competitive globally.



INNOVATION FOR REGIONAL INTEGRATION



CROSS-BORDER PAYMENTS

01

Enhanced regional collaboration within the Common Monetary Area (CMA).

02

Namibia reduces transaction costs and time delays associated with international trade.

03

Foster stronger economic ties with neighbouring countries.



FINANCIAL TECHNOLOGY (FINTECH)

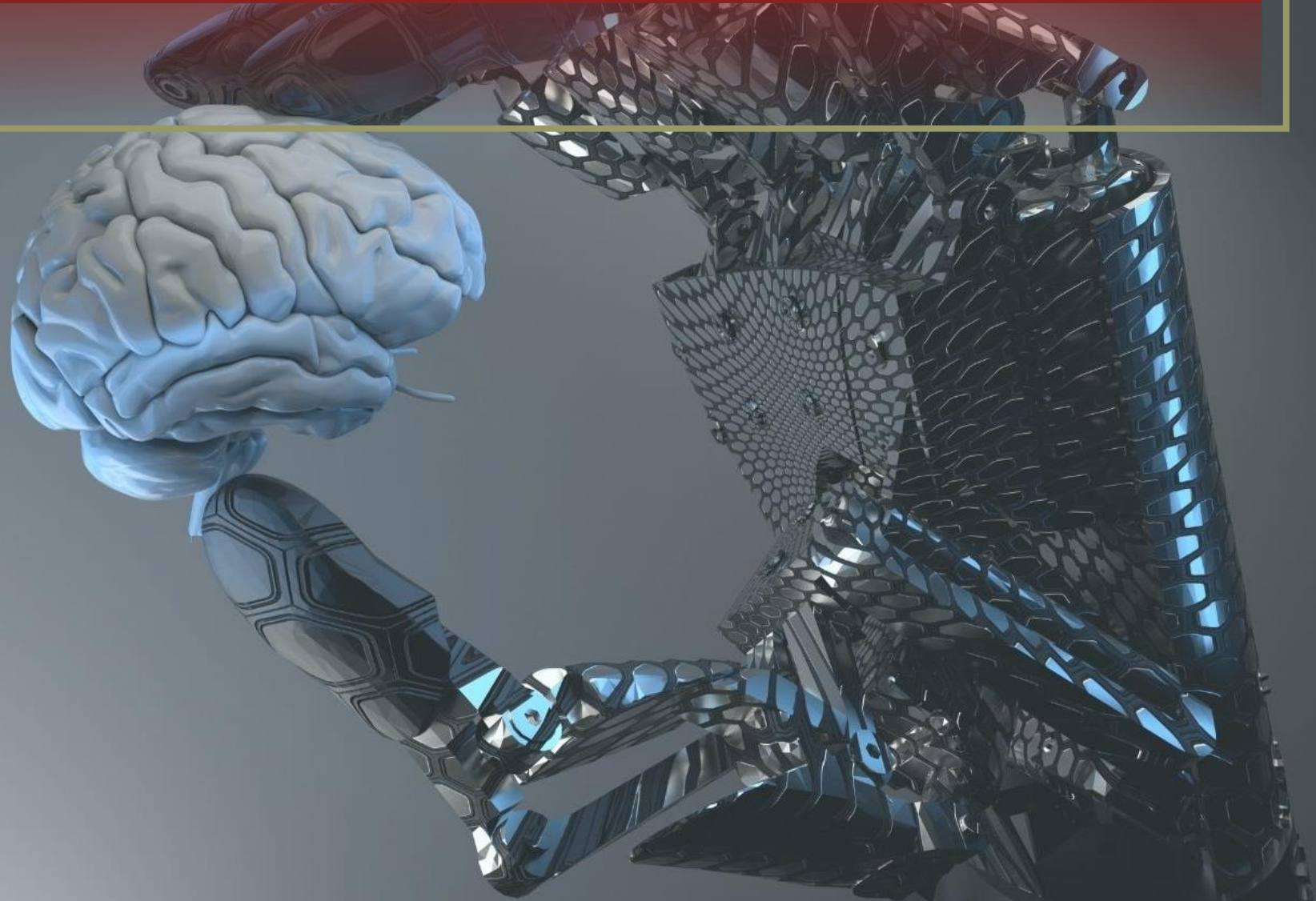
01 Established a Fintech Framework

02 Testing innovations safely within the financial system through a Regulatory Sandbox

03 Manage risks and uphold the financial system's integrity



ARTIFICIAL INTELLIGENCE (AI)



ARTIFICIAL INTELLIGENCE (AI)

01

**ALMOST 40% OF JOBS AROUND
THE WORLD MAY BE AFFECTED
WITH AI**

Source: International Monetary Fund (IMF)

02

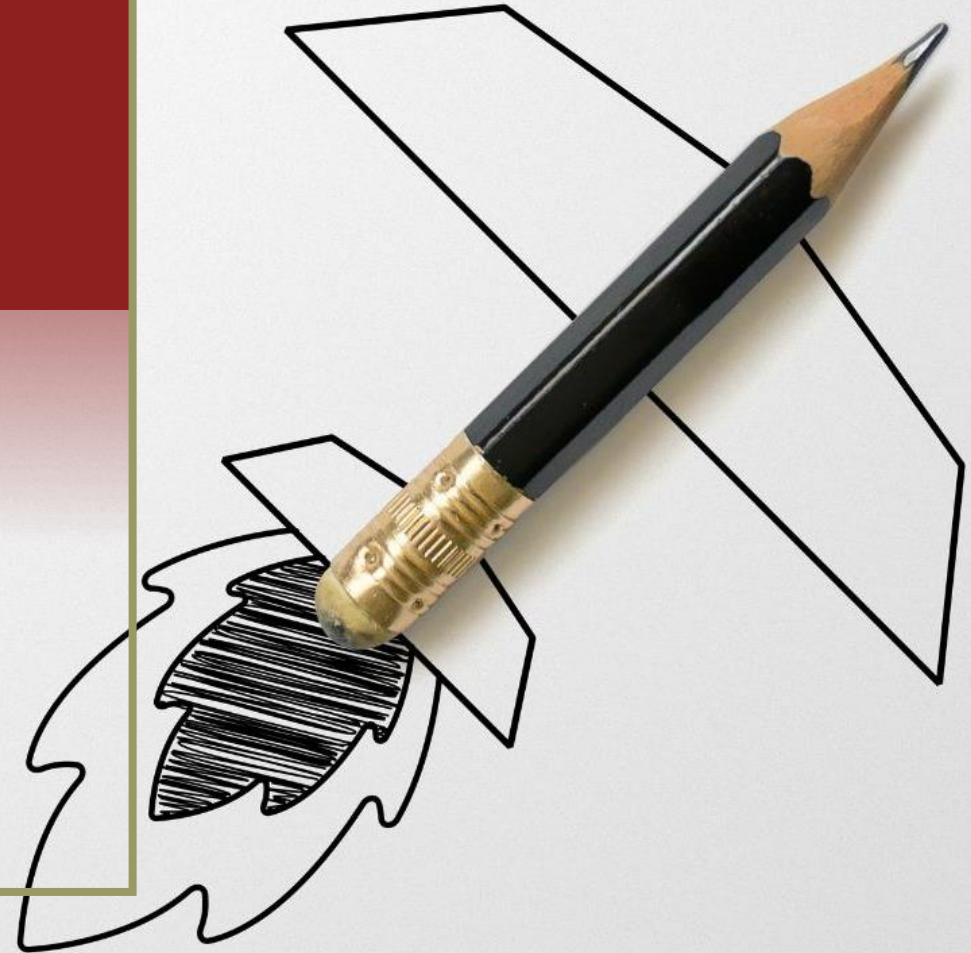
**WE USE MACHINE LEARNING
(ML) TO DETECT FRAUD IN
FINANCIAL TRANSACTIONS**

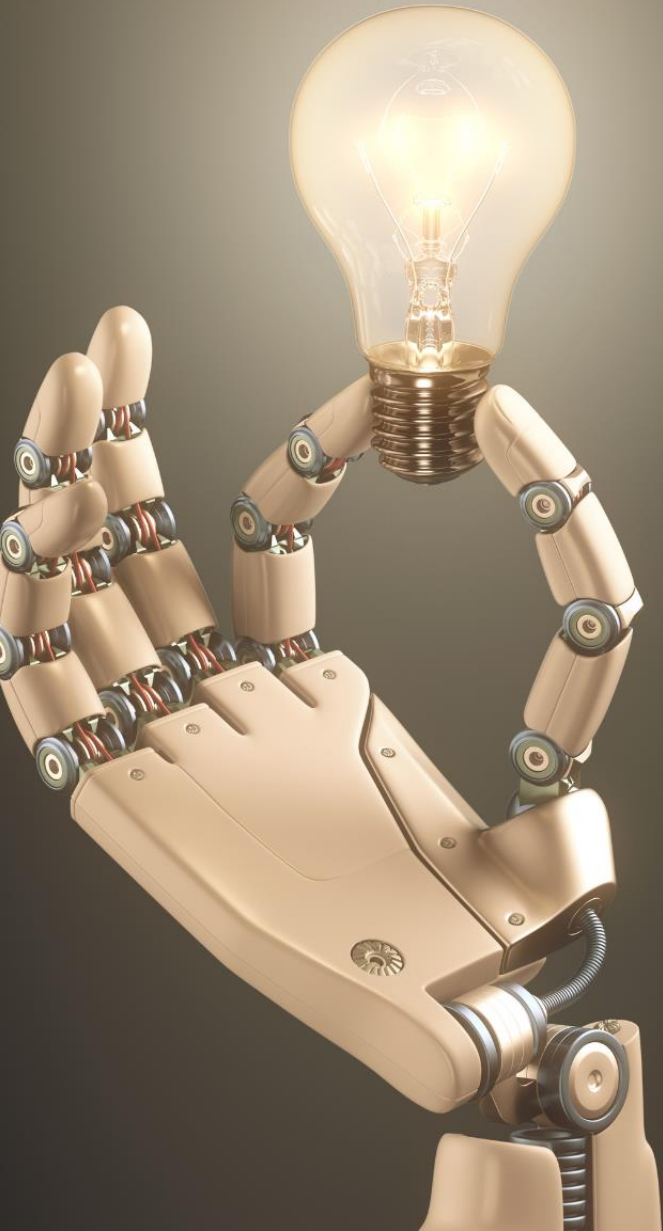
03

**NATURAL LANGUAGE PROCESSING
TOOLS TO ENHANCE OUR
ANALYTICAL CAPABILITIES**




CONCLUSION





MOVING INTO THE NEW ERA

- ▶ **The adoption of digital money** can transform the structure of our international monetary system, raising new policy questions, opportunities, and trade-offs.
- ▶ **As digital money gain traction,** they may impact traditional mechanisms of seigniorage, affecting central bank revenue and monetary policy.
- ▶ **There is a likelihood of a shift of credit intermediation** from banks to non-deposit-taking institutions, particularly BIG Tech, which are poised to assume a more substantial role in the distribution and aggregation of digital money.
- ▶ **Effective policymaking will be crucial,** as tomorrow's economy depends on the foresight and wisdom of the decisions we make today, ensuring that the benefits of digital transformation are realised without compromising financial integrity or public trust.



THE FUTURE OF NAMIBIA'S FINANCIAL SYSTEM



We have entered an era defined by rapid technological advancements, shifting demographics, and the urgency of climate resilience



A vision of a “Finternet” — a financial system where multiple ecosystems are interconnected, much like the internet— will inevitably shape the future of finance, potentially leading to cheaper, faster, and more accessible payments, seamless cross-border payments, and financial inclusion.



The financial system is more than a mechanism for wealth; it is the backbone of our collective prosperity, a pathway to opportunity for every individual, and a foundation for sustainable growth.



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"Transformation ahead is vast, but so is Namibia's potential to emerge more robust, more connected, and better equipped to face the challenges and seize the opportunities of the 21st century."

**Mr. Johannes !Gawaxab,
Governor**

