Annual Report 2016

Bank of Namibia

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2016, 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 (Act no. 15 of 1997). The report outlines the governance of the Bank of Namibia (hereinafter referred to as the Bank), global and domestic economic and financial developments, and key achievements of the Bank in 2016. These issues are reflected in the paragraphs below.

The Bank is committed to good governance practices and accountability to the public. It is of paramount importance that the Bank always maintains its accountability to the public at large by adhering to good corporate governance principles. The Bank's legislation, its Corporate Charter and its Strategic Plan are some of the tools that guide the Bank in living up to these ambitions. The Bank also strives to be transparent by employing a concrete communication strategy that is able to openly and clearly convey why and how the Bank does what it does.

I am delighted to report that the Bank completed its 5-year Strategic Plan for the period of 2012 – 2016 during the period under review. In the past five years, the Bank has remained committed to its strategic plan and through its dedicated staff's collective efforts, the plan was achieved. The Bank has achieved most of its strategic goals, as stipulated in the plan. As this plan has come to an end, a new 5-year strategic plan (2017-2021) was adopted towards the end of 2016, which will enforce the important functions of the Bank, going forward.

The year 2016 was characterised by slower activities in the global economy, when compared to 2015. Global economic growth is estimated to have slowed to 3.1 percent in 2016 from 3.2 percent in 2015. Economic growth in the advanced economies moderated, while that of emerging market and developing economies remained weak. The lower estimated growth in advanced economies were on account of weak investment and slower productivity growth. Emerging markets and developing economies were adversely affected by the sluggish growth in advanced economies, tighter financial conditions, and low commodity prices. Exporters of oil and other key commodities have been particularly hard hit. The global financial markets were volatile in 2016, following the UK's vote to leave the European Union and the outcome of the US presidential elections. Monetary policy stances were generally accommodative in both key advanced and emerging market economies in 2016, while inflation increased in the advanced economies, but it varied in emerging markets and developing economies.

Similar to the fragile global economic environment, domestic economic growth is estimated to have slowed in 2016, compared to 2015, while inflation rose over the same period. Growth in the domestic economy is estimated to have slowed to 1.0 percent in 2016, from 5.3 percent in the previous year. The sluggish performance was mainly attributed to the decline in construction activities, metal ores, and diamond mining, as well as slower activities in the public sector. The severe drought also negatively impacted on the agricultural sector, and the overall performance of the economy. The annual inflation rate, on average, increased to 6.7 percent in 2016, from 3.4 percent in 2015. The increase in overall inflation was reflected in the inflation rates for housing, food and transport.

Namibia's external balance recorded a reduced surplus of N$0.9 billion during 2016, dropping sharply from a surplus of N$10.0 billion in 2015, while reserves remained sufficient to sustain the one-to-one currency peg to the South African Rand. This lower surplus was mainly due to decreased capital inflows in the capital and financial account. The reduced inflows should be viewed as normalisation of the external balance as the 2015 position was an anomaly caused by the issuance of the Eurobond. Meanwhile, the current account deficit improved during the year under review, mainly as a result of a significant increase in export earnings relative to import payments. The level of international reserves increased by 4.8 percent to N$24.7 billion at the end of 2016, from N$23.6 billion one year earlier. This level of reserves resulted in an improved import cover of 2.9 months in 2016 from 2.8 months in 2015, maginally lower than the international benchmark of 3.0 months.

The Bank raised its policy rate twice during 2016. The Repo rate was increased by 25 basis points at two MPC meetings to 6.75 percent and 7.00 percent in February and April 2016, respectively. In line with the changed monetary policy stance, commercial banks increased their prime lending rates to 10.50 percent and 10.75 percent during February and April 2016, respectively. Meanwhile, growth in broad money supply slowed to 4.9 percent in 2016, compared to 10.2 percent in 2015, mainly due to the decline in net foreign assets of other depository corporations, coupled with slower growth in credit extended to the private sector (PSCE). Growth in PSCE slowed to 8.9 percent at the end of 2016, having dropped from 13.5 percent in 2015, mainly due to lower demand for credit by both the corporate and household sectors.

On the fiscal front, Government's overall budget deficit is estimated to improve both in nominal terms and as a ratio to GDP during the 2016/17 fiscal year, thanks to the current fiscal adjustments. Government's overall budget deficit as a percentage of GDP is estimated to improve to 6.3 percent, which is lower than the 8.3 percent during the previous fiscal year. This was mainly attributed to the Government's consolidation efforts. To finance the deficit of 6.3 percent of GDP, the Government introduced two new bonds, and a total of N$492 million was successfully issued, on top of regular issuance of Treasury Bills and existing bonds (internal registered stocks). Furthermore, the Government tapped its JSE-listed Medium Term Note programme and increased the size of this bond programme from N$3.0 billion to N$7.5 billion. The intention is for the Namibian Government to become a regular issuer on the JSE and, in so doing, increase the liquidity of, and demand for, Namibian securities on that exchange. As a result, total government debt as a percentage of GDP increased to 40.7 percent, higher than the Government debt ceiling of 35.0 percent, but is expected to reduce to 37.7 percent over the period of the current Medium-term Expenditure Framework spanning from 2016/17 to 2018/19.

The financial performance of the Bank showed an improvement in 2016, when compared to the previous financial year. An improvement in the interest rate environment in certain capital markets, resulted in higher returns on our investment portfolios. This coupled with a revised investment strategy which focused on investments in specific markets, further contributed to the improved financial performance. As in the past, the Bank prudently managed its operational costs and declared dividends of N$68.1 million to the State Revenue Fund.

Namibia's financial system in general and the banking sector in particular, remained sound during 2016. This performance was supported by adequate levels of capital, higher than the minimum threshold set by the Bank. Banking institutions have displayed positive aggregate balance sheet growth and high profitability during the reporting year. Liquidity of the banking sector, however, was under pressure during 2016, due to limitation in the banks' funding structures and deposit mix. The asset quality continued to be good with very low levels of non-performing loans (NPLs) and a declined NPL ratio, which stood at 1.5 percent in 2016, down from 1.6 percent a year ago.

Banco Nacional de Angola (BNA) continued to honour its repayment obligation with the Bank, emanating from the implementation of the Angola Trade facilitation or Kwanza conversion agreement. The risks relating to this obligation has been monitored during the reporting year, and efforts resulted in an accelerated repayment plan that has since become part of a revised agreement. The acceleration was a prudent risk mitigation measure to changes in economic conditions in Angola. Furthermore, the two central banks continued to share information on the global economic environment and the impact of low commodity prices on the economies of Namibia and Angola.

The Bank successfully executed its regulatory mandate to oversee the National Payment System (NPS) in 2016. This was achieved in line with the Payment System Management Act 18 of 2003, as amended, through onsite and offsite oversight activities. This function and the co-operation from the NPS stakeholders, ensured the safe, secure, efficient and cost effective operations of the NPS. Offsite monitoring was conducted through a combination of periodic assessments based on data furnished by regulated institutions in the NPS. The stability of the Namibia Interbank Settlement System (NISS) to enable real-time payments was also monitored. During 2016, the NPS Vision 2020, which was launched during 2015, was further cemented in the National Payment System. Key developments in support of the Vision during 2016 focused on the rapid growth and developments in the National Payment System in terms of new entrants and new innovative payment products and services on the market.

The Bank continued to invest in building capacity among its employees in order to enable them to accomplish the Bank's mandate as articulated in its Strategic Plan. During 2016, a total of 69 employees were trained in various aspects of central banking. In addition, a number of employees were provided with technical and soft skills training interventions in leadership, effective management and accountability. The need for soft skills training was identified from staff performance appraisals as well as by the development needs identified and proposed by supervisors and managers. Furthermore, the Bank continued to invest in the education of its staff. Thus, five bursaries and 19 study loans were granted to various deserving candidates who consistently met their performance goals. In addition, the Bank sponsored four employees registered for Master degrees at universities that are recognised internationally. The year 2016 also saw the Bank awarding nine new bursaries to Namibian school-leavers to study at recognised institutions within the Southern African Development Community (SADC) Region in the fields of Accounting/Finance, Computer Science/IT, Economics, Actuarial Science, Education and Science.

The Graduate Accelerated Programme, which was introduced in 2011, continued to progress well in 2016. The purpose of the Programme is to provide graduates in the areas of Banking, Economics and Finance 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 related areas, and to facilitate paradigm shifts with all participants toward excellence.

In 2016, the Bank continued to make the most of the support created by excellent relations with multiple stakeholders to further its mandate. Numerous stakeholder engagements took place during the year under review through the use of interactive channels of communication to strategically and proactively manage such relationships. In this regard, the Bank hosted regular media briefings on monetary policy and other relevant issues, media releases/ placements as well as timely responses to various queries from stakeholders were also used to interact continuously with stakeholders. The Bank further disseminated data frequently in the area of balance of payments and monetary and financial statistics as well as publications such as the Annual Report, the Bank's Quarterly Bulletins, the Financial Stability Report, and the Economic Outlook Reports.

The achievements noted in this report would not have been possible without the invaluable contributions of our staff and unwavering support of all our stakeholders. My appreciation goes to all employees and to the Senior Management Team for their hard work, innovation, commitment and dedication in delivering outstanding service to the Bank. Let me also acknowledge the important role played by the Board of the Bank for their independent views and strategic direction in guiding us towards attaining the objectives of the Bank. I also acknowledge with gratitude the support of all our other stakeholders who contributed a great deal towards realizing the strategic goals of the Bank in 2016. The compilation of this report, among other Bank issuances, depends very much on quality cooperation by numerous respondents who provide information and data to the Bank. Their cooperation and assistance are deeply valued. For the year ahead, I am looking forward to the continued dedication and support of our staff and stakeholders as the Bank strives to achieve its strategic objectives for 2017.

Iipumbu Shiimi
Governor
23 March 2017

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Part A

Operations and Affairs of the Bank

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Bank of Namibia Corporate Charter

Our Vision

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

To support economic growth and development in Namibia, we act as fiscal advisor and banker to Government;

Promote price stability;

Manage reserves and currency;

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.

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Bank of Namibia - Management Structure

(As at 31 December 2016)

- **Governor** – Iipumbu Shiimi
  - **Deputy Governor** – Ebson Uanguta
    - **Director of Information Technology** – Marsorry Ickua
      - *Deputy Director: Business Systems* – Martha Dama
      - *Deputy Director: IT Infrastructure* – Vacant
    - **Director of Payment and Settlement Systems** – Barbara Dreyer-Omoregie
      - *Deputy Director: NISS Operations & Projects* – Peter Nghinyotwa
      - *Deputy Director: Oversight, Policy & Research* – Candy Ngula
    - **Director of Finance & Administration** – Kuruvilla Mathew
      - *Deputy Director: Financial Administration* – John Amakali
      - *Deputy Director: General Services* – Dave Kambinda
      - *Deputy Director: Treasury* – Vernon Louw
    - **Director of Banking Services** – Sam SHIVUTE
      - *Deputy Director: Currency & Banking* – Sencia Rukata
      - *Deputy Director: Protection Services* – Johannes Asino
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Analysis & Examinations* – Penelao Kapenda
      - *Deputy Director: Policy & Regulations* – Urbans Karumendu
      - *Deputy Director: Banking Groups & Special Institutions* – Ancois Plaatje
    - *Deputy Director: Exchange Control* – Bryan Eiseb
    - *Head of Legal Services & Contract Management* – Tulonga Nakamhela
    - *Financial Markets Technical Expert* – Dantagos Jimmy-Melani
  - **Director of Strategic Comm. & Financial Sector Development** – Emma Haiyambo
    - *Deputy Director: Corporate Communications* – Israel Zemburuka
  - **Director of Financial Intelligence Centre** – Leonie Dunn
    - *Deputy Director: Investigations & Analysis* – Gerrit Eiman
    - *Deputy Director: Legal, Policy, Regulation & Enforcement* – Zenobia Barry
    - *Deputy Director: Compliance* – {Vacant}
  - **Director of Research** – Florette Nakusera
    - *Deputy Director: Macro Models & Financial Stability* – {Vacant}
    - *Deputy Director: Policy Research & International Affairs* – Postick Mushendami
    - *Deputy Director: Statistics and Publications* – Edler Kamundu
  - **Director of Financial Markets** – Nicholas Mukasa
    - *Deputy Director: Investments & Domestic Markets* – {Vacant}
    - *Deputy Director: Compliance and Risk Analytic* – {Vacant}
  - **Director of Human Resources** – Lea Namoloh
    - *Deputy Director: HR Admin & Employee Relations* – Shirene Bampton
    - *Deputy Director: OD & Training* – Henny Janse van Rensburg
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Head of Risk Management and Assurance** – Magreth Tjongarero

Members of the Board

As at 31 December 2016

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Mr Iipumbu W Shiimi

Governor of the Bank of Namibia, Chairperson and Executive Member of the Board

Term
- Incumbent since 26 March 2010
- Current term ended 31 December 2016
- Renewed until 31 December 2021

Qualifications
- MSc Financial Economics (UL)
- P/G Diploma Economic Principles (UL)
- Diploma Foreign Trade and Management (MSM)
- Hons Economics (UWC)
- BComm Economics and Accounting (UWC)
- Specialised training in Management Development Programme, Economics and Finance (US & Wits)

Years of experience
22

Expertise
- Economic policy research
- Macroeconomics
- Central banking
- Development policy
- Leadership and corporate governance

Mr Ebson Uanguta

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

Term
- Incumbent since 1 January 2012
- Current term ended 31 December 2016.
- Renewed until December 2021

Qualifications
- MSc Economic Policy Analysis (AAU)
- BEcon (UNAM)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (USB)
- Project Management Programme (USB)

Years of experience
20

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

Mr Veston Malango

Non-Executive Member of the Board and Chairperson of the Remuneration Committee

Term
- Incumbent since 1 April 2008
- Current term end 1 January 2019

Qualifications
- MSc in Mining Engineering (Bergakademie Freiberg, Germany
- MBA (MSM)

Years of experience
32

Expertise
- Mineral policy and governance
- Mining industry sustainability

Ms Ericah Shafudah

Ex officio Member of the Board and Permanent Secretary of the Ministry of Finance

Term
- Incumbent since 3 April 2010

Qualifications
- MSc ed (Mathematics) MSc Biostatistics
- MSc in Leadership and Change Management, (PoN)
- Dip in Accounting and Finance

Years of experience
20

Expertise
- Accounting
- Public policy
- Finance
- Governance

Adv. Charmaine van der Westhuizen
Non-Executive Member of the Board, Member of the Audit Committee and Member of the Remuneration Committee

Term
- Incumbent since 30 May 2012
- Current term ends 31 January 2019

Qualifications
- MBA (Cum Laude) (US)
- LLB (US)

Years of experience
13

Expertise
- Law and litigation
- Corporate governance
- Corporate social respnsibility
- Risk and compliance

Dr Omu Kakujaha-Matundu
Non-Executive Member of the Board and Member of the Audit Committee

Term
- Incumbent since 1 November 2008
- Current term ends 31 January 2019

Qualifications
- PhD Economics (ISS)
- MA Economics (UB)
- BA Economics (UNAM)

Years of experience
22

Expertise
- Economic policy research and analysis
- Lecturing economic theory and practice

Ms Ally Angula
Non-Executive Member of the Board and Chairperson of the Audit Committee

Term
- Incumbent since 1 February 2014
- Current term ends 31 January 2019

Qualifications
- Chartered Accountancy Board exams (SAICA)
- B.Acc (Hons) (UKZN)
- B.Acc (UNAM)
- Executive Education (various) (Harvard, GIBS and LBS)

Years of experience
12

Expertise
- Financial management
- Business development
- Auditing
- Strategic investment
- Financial services and energy and natural resources

Ms E Shangeelao Tuyakula Haipinge
Non-Executive Member of the Board and Member of the Remuneration Committee

Term
- Incumbent since 18 July 2014
- Current term ends 31 December 2018

Qualifications
- MBA Corporate Strategy and Economic Policy (MSM)
- Diploma in Personnel Management (PoN)
- Specialised training in Senior Management Development Programme (US),
- Project Management Estara Skills Development (Bloemfontein SA/NIPAM)
- Driving Government Performance (Harvard-KSG),
- Leadership, Innovation, and Change Management (US/NIPAM)

Years of experience
24

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

The Bank’s Senior Management team

As at 31 December 2016

Mr Iipumbu W Shiimi
Governor
(MPC member)

Qualifications
- MSc Financial Economics (UL)
- P/G Diploma Economic Principles (UL)
- Diploma Foreign Trade and Management (MSM)
- Hons Economics (UWC)
- BComm Economics and Accounting (UWC)
- Specialised training in Management Development Programme, Economics and Finance (US & Wits)

Years of experience
22

Expertise
- Economic policy research
- Macroeconomics
- Central banking
- Development policy
- Leadership and corporate governance

Mr Ebson Uanguta
Deputy Governor
(MPC member)

Qualifications
- MSc Economic Policy Analysis (AAU)
- BEcon (UNAM)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (USB)
- Project Management Programme (USB)

Years of experience
20

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

Ms Florette Nakusera
Director: Research
(MPC member)

Qualifications
- MComm Economics (US)
- Hons B.Comm Economics (US)
- BComm (Economics Management Science and Auditing) (UNAM)
- Executive Development Programme (EDP) (USB)
- International Executive Development Programme (IEDP) (WBS/LBS)

Years of experience
18

Expertise
- Macroeconomics and statistics
- Economic policy research
- Central banking
- Finance
- Strategy
- Leadership and corporate governance
- Environmental economics and policy

Mr Emile van Zyl
Technical Advisor to the Governor
(MPC member)

Qualifications
- MComm Economics (UP)

Years of experience
32

Expertise
- Economics
- Banking
- Financial markets

Ms Lea Namoloh
Director: Human Resources

Qualifications
- MBA (UM)
- MEd (UNAM)
- BEd (Hons) (UB)

Years of experience
21

Expertise
- Human resources management
- Training and development
- Currency management
- Project management

Mr Romeo Nel
Director: Banking Supervision

Qualifications
- M Banking (UL)
- P/G Intermediate Certificate Accountancy (UKZN)
- BEcon (UNAM)
- International Executive Development Programme (WBS/LBS)

Years of experience
24

Expertise
- Customs and excise
- Finance
- Banking regulation
- Risk management

Mr Nicholas Mukasa
Director: Financial Markets
(MPC member)

Qualifications
- Chartered Financial Analyst (CFA)
- BBA (UNAM)

Years of experience
14

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

Ms Leonie Dunn
Director: Financial Intelligence Centre

Qualifications
- LLM cum laude (UNICAF)
- LLB and BA Law (US)
- International Executive Development Programme (WBS/LBS)
- Woman in Leadership (US Fellow)

Years of experience
18

Expertise
- Law: Corporate, Commercial and Criminal
- International AML/CFT/CPF expert
- Financial services regulation
- Financial intelligence unit strategic leadership
- Board of Directors strategic leadership

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The Bank's Senior Management team

As at 31 December 2016

Ms Barbara Dreyer Omoregie
Director: Payment and Settlement Systems

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

Years of experience
22

Expertise
- Payment systems strategy
- Human resources management strategy
- Remuneration strategy and organisation development
- Strategic management and leadership
- Knowledge management
- Organisation learning
- Corporate governance

Dr Emma Haiyambo
Director: Strategic Communication and Financial Sector Development (MPC member)

Qualifications
- PhD Development Finance (US)
- MSc Financial Economics (UL)
- MA in International Business (PoN)
- P/G Diploma in Financial Economics (UL)
- BEcon (UNAM)
- Diploma in Public Administration (TN)
- Management Development Programme (USB)

Years of experience
20

Expertise
- Macroeconomics and economic statistics
- Research
- Trade policy analysis
- Financial sector development
- Development finance
- Project management
- Strategic planning and management
- Corporate governance and communication

Mr Marsorry Ickua
Director: Information Technology

Qualifications
- MSc Information Systems
- Management (ULIV, UK)
- PC Support (BCC, SA)

Years of experience
16

Expertise
- Information technology
- Innovation
- Project management
- Resource planning
- Information technology governance

Mr Kuruvilla Mathew
Director: Finance and Administration

Qualifications
- MSc Accounting (University of Glamorgan)
- Chartered Certified Accountant (FCCA, UK)
- International Executive Development Programme (WBS/LBS)

Years of experience
27

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

Mr Sam SHIVUTE
Director: Banking Services

Qualifications
- LLM International Finance and Banking Law (UL)
- LLB (Hons) and BJuris (UNAM)
- BTech Policing (TUT)
- National Diploma Police Science (PoN)
- International Executive - Development Programme (WBS/LBS)
- Small Countires Financial Management Programme (SBS)
- Management Development Programme (USB)

Years of experience
21

Expertise
- Banking Operations
- Currency management
- Security managment
- Tax law
- Transfer pricing
- Transformational coaching
- Motivational speaking
- Crime investigation

Ms Magreth Tjongarero
Head: Risk Management and Assurance

Qualifications
- BAcc (UNAM)
- International Executive Development Programme (WBS/LBS)

Years of experience
16

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

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GOVERNANCE

OBJECTIVES AND ACCOUNTABILITY OF THE BANK

The Bank of Namibia is the central bank of the Republic of Namibia, created under Article 128(1) of the Namibian Constitution. The Constitution mandates the Bank to serve as the State's principal to control money supply, the currency and the institutions of finance. The objectives of the Bank as defined in the Bank of Namibia Act, 1997 (No. 15 of 1997, hereinafter the Act), are, inter alia, as follows:

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

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

- The Banking Institutions Act,1998 (No. 2 of 1998, as amended), which empowers the Bank to supervise banking institutions
- The Payment System Management Act, 2003 (No. 18 of 2003), which provides for the management, administration, operation, regulation, oversight and supervision of payment, clearing and settlement systems in Namibia, as well as providing for incidental matters.
- The Financial Intelligence Act, 2012 (Act No. 13 of 2012), which obliges the Bank to provide administrative services to the Financial Intelligence Centre of the Republic of Namibia.

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

CORPORATE CHARTER

Apart from its statutory mandate, the Bank's actions and the way it carries out its mandate are guided by its Mission and Vision Statement as detailed in its Corporate Charter (page 8). The Bank's Vision portrays the desired state of the Bank in terms of how the institution would like to carry out its mission. The Mission defines the fundamental purpose of the Bank and describing why it exists. 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 articulate the code of conduct that the Bank uses in getting all its resources mobilised in pursuit of its Mission and Vision. All of 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 the Mission, Vision and ethical behaviours.

STRATEGIC OBJECTIVES 2012–2016

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

Bank aspires to achieve. The Strategic Objectives are as follows:

1) Safeguard and enhance financial stability
2) Promote price stability
3) Manage reserves prudently
4) Provision of currency, Government debt issuance and banking services
5) Promote a positive reputation
6) Promote financial sector development
7) Enhance contribution towards sustainable economic growth, and
8) Optimise organisational efficiency and cost-effectiveness.

Measureable strategies are designed with clear outcomes in order to achieve the eight Strategic Objectives. Thus, to ensure successful Strategic Plan implementation, the Strategic Objectives have been transformed into areas of concentration with clear, measurable targets. As such, twice a year, the Directors of the various Departments report on progress in their areas of concentration and the achievement of their targets. Once a year, the entire Strategic Plan is reviewed and refreshed. Therefore, it is important not only to design strategies that can be engaged in pursuit of these objectives, but also to clearly describe the strategic outcomes that would reveal whether or not the objective concerned has been met.

To promote ownership of the Strategic Plan and to attain performance excellence, the Strategic Plan is rolled out across the board through a Performance Management System. Individual performance goals are crafted for each employee, and performance progress is evaluated by means of performance appraisals. The section titled "The year in review" in this Report explains the activities and progress under each of the eight Strategic Objectives during the review period.

ACCOUNTABILITY

The Bank is committed to good governance practices and accountability to the public. It is of paramount importance that the Bank always maintains its accountability to the public at large by adhering to good corporate governance principles. The Bank's legislation, its Corporate Charter and its Strategic Plan are some of the tools that guide the Bank in living up to the 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 convey why and how the Bank does what it does. Below are some of the expectations of good governance that the Bank is committed 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 its services, and
- To be flexible and forward-looking in its approach, but to avoid undue risks.

THE GOVERNOR

The Governor serves the Bank of Namibia as its Chief Executive Officer, and is accountable to the Board for the management of the Bank and for the implementation of its policies. The Governor also represents the Bank in its relations with the Government and other institutions. In most other matters, comprehensive and Board-approved delegations of power are in place to guide the decision-making powers of the Governor and his delegates. The Governor is appointed for a five-year term. The Act sets specific criteria for the appointment, reappointment and dismissal of a Governor.

THE BOARD OF THE BANK OF NAMIBIA

The Board is responsible for the policies, internal controls, risk management and the general administration of the Bank. Board Members, in addition to having typical fiduciary duties, are also charged with many high-level responsibilities directly related to the policies and operations of the Bank, including approving the licensing of banking institutions and ensuring the prudent management of international

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reserves. In addition, the Board is responsible for approving the Bank's financial statements and annual budget, promoting effective corporate governance practices and monitoring internal controls and risk management frameworks.

The Board of the Bank of Namibia is appointed by the President of the Republic of Namibia, and consists of two Executive, one Ex officio and five Non-executive Members. The Governor (Chairperson) and the Deputy Governor are Executive Members, while the Permanent Secretary of the Ministry of Finance is an Ex officio Member. One staff member from the Public Service and four other persons constitute the Non-executive Members. Board Members who served during the year under review are portrayed on page 10-11 of this report.

The Board meets regularly – at least four times a year – with the main purpose of overseeing and monitoring the Bank's finances, operations and policies. During 2016, four ordinary and three special Board meetings were held. Table A.1 below sets out the frequency and attendance of Board meetings during 2016.

Table A.1: Frequency and attendance of Board meetings, 2016

Board Member	26 February	21 April (Special)	27 May	31 August	8 November (Special)	25 November	14 December (Special)
Mr I Shiimi (Chairperson)	✓	✓	✓	✓	✓	✓	✓
Mr E Uanguta	✓	✓	✓	✓	✓	✓	✓
Ms A Angula	✓	✓	x	✓	✓	✓	✓
Ms E Haipinge	✓	✓	✓	✓	✓	✓	✓
Dr O Kakujaha-Matundu	✓	✓	✓	✓	✓	✓	✓
Mr V Malango	✓	✓	✓	✓	✓	✓	✓
Ms E Shafudah	x	x	x	✓	x	✓	✓
Adv. C van der Westhuizen	✓	✓	✓	✓	✓	✓	✓

The Board Committees, namely the Audit Committee and the Remuneration Committee, 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 its 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 attends Audit Committee meetings upon invitation. In general, the Audit Committee is responsible for considering all audit plans as well as the scope of external and internal audits in order to ensure that the coordination of the audit efforts is maximised. The Committee is also required to introduce 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 an emphasis on the principles of accountability and transparency, including adequate disclosure of information to the public.

The *Remuneration Committee* 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 comprises three Non-executive Board Members.

Tables A.2 and A.3 set out the frequency and attendance of Audit and Remuneration Committee meetings, respectively, during 2016.

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Table A.2: Frequency and attendance of Audit Committee meetings, 2016

Audit Committee Member	25 February	20 May	12 August	18 November
Ms A Angula (Chairperson)	✓	x	✓	✓
Dr O Kakujaha-Matundu	✓	✓	✓	✓
Adv. C van der Westhuizen	✓	✓	✓	✓

Table A.3: Frequency and attendance of Remuneration Committee meetings, 2016

Remuneration Committee Member	9 May	4 August	3 November
Mr V Malango (Chairperson)	✓	✓	✓
Ms T Haipinge	✓	✓	✓
Adv. C van der Westhuizen	✓	✓	✓

MANAGEMENT STRUCTURE

The Bank's *Senior Management Team* consists of the Governor, the Deputy Governor, the Advisor(s) to the Governor, and the Directors of the Bank's various Departments, as outlined on page 9 of this Report. The positions of Governor and Deputy Governor are required by law. To ensure that the Bank implements its policies effectively, various committees have been created. These are the Monetary Policy Committee, the Investment Committee, the Management Committee and the Financial System Stability Committee.

The Bank's *Monetary Policy Committee (MPC)* consists of the Governor (Chair), Deputy Governor, Advisor(s) to the Governor, the Director of Research, the Director of Financial Markets and the Director of Strategic Communications and Financial Sector Development. The MPC meets every second month to deliberate on an appropriate monetary policy stance to be implemented by the Bank in the two-month period that follows. The monetary policy decision is communicated to the public through a media statement delivered at a media conference. Decision-making at the MPC is by consensus.

The *Investment Committee* consists of the Governor (Chair), Deputy Governor, Advisor(s) to the Governor, the Director of Financial Markets, the Director of Research, the Director of Strategic Communications and Financial Sector Development and the Director of Finance and Administration. The Investment 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 Investment Committee reviews the investment guidelines for final approval by the Governor. The Investment Committee is also expected to ensure that investments comply with approved policy.

The *Management Committee* is composed of the Governor (Chair), Deputy Governor, Advisor(s) to the Governor, all Directors, and the Head of Risk Management and Assurance. The Management Committee is responsible for reviewing the Bank's policies on financial, human resources, operational and risk management. In addition, the Committee is responsible for reviewing and approving policies relating to regulations and determinations. The Management Committee meets every second week.

The *Financial System Stability Committee* is an inter-agency body set up between the Bank and the Namibia Financial Institutions Supervisory Authority (NAMFISA), with the Ministry of Finance as an observer. The chairpersonship alternates every two years between the Bank's Deputy Governor and NAMFISA's Assistant Chief Executive Officer for Supervision. The Committee, which is currently chaired by the Deputy Governor, is composed of representatives from these institutions and meets on a quarterly basis to assess the potential risks to the financial system as a whole and to discuss appropriate policy measures to address such risks.

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REPORTING OBLIGATIONS

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

COMMUNICATION AND STAKEHOLDER RELATIONS

In 2016, the Bank continued to make the most of the support it has created by maintaining excellent relations with multiple stakeholders to further its mandate. During the year under review, the emphasis was on growing and nurturing stakeholder relations in a systematic manner and thereby enhancing the reputation of the Bank as a leading institution. The Bank made good use of a wide array of communication tools to engage with diverse internal and external stakeholder groups strategically and proactively. These tools included maintaining a dynamic website and channelling information through social media platforms such as Facebook, Twitter and Flickr. Constant engagement was ensured through regular media briefings on monetary policy and other relevant issues, media releases and placements, and timely responses to various queries.

The Bank values stakeholder feedback and uses it to inform policy interventions and improve services to achieve set objectives. Annually, the Bank identifies strategic stakeholder engagements based on this feedback mechanism. To this end, regular consultative meetings took place with various stakeholders in support of the Bank's corporate communication strategy. The Bank used these opportunities to share its economic outlook for the country and to discuss views on issues of common interest within the Bank's mandate. External engagements held during the review period included the following:

- **In September 2016, the Governor of the Bank hosted members of the diplomatic corps and shared views on relevant economic issues and challenges.** Via this platform, the Governor presented and discussed economic trends, the performance of the banking sector and other related issues. In turn, the diplomats raised matters relating to trade, currency, the performance of different sectors of the economy, structural issues as well as the adverse drought conditions which mostly affected the agricultural sector. All parties found the engagement fruitful and valuable.

Governor Iipumbu Shiimi (centre front row) together with Heads of Diplomatic Missions during the diplomatic engagement event

- **The Governor also hosted the National Assembly Standing Committee on Public Accounts as well as the National Council Standing Committee on Public Accounts and the Economy on separate occasions in May 2016.** The role of Parliamentary Standing Committees is to ensure proper oversight in government policy implementation and thereby hold ministries, agencies and offices of government accountable to the legislative arm of the state. Standing Committees also play a major role in soliciting input from various stakeholders and the ordinary citizens in the governance of the country in promotion of participatory democracy through outreach missions, consultations and courtesy visits. The purpose of this meeting was to brief the Parliamentarians on the mandate and the functions of the Bank; as well as to hear Members' views on economic policy and the status of the domestic economy.

Governor Iipumbu Shiimi (front left) together with members of the National Council Standing Committee on Public Accounts and the Economy.
[From left to right] Hon. Gerhard Shiimi, Hon. Cornelius Kanguatjivi, Hon. Phillip Shikongo, Hon. Lonia Kaishungu, Hon. John Likando, Hon. Peter Kazongominja, Mr Norbert Uuyuni (Parliamentary Clerk), Hon. Joseph Mupetami and Mr Ndangi Katoma (former Director of Strategic Communications and Financial Sector Development at the Bank of Namibia).

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- **Former President His Excellency Hifikepunye Pohamba paid a courtesy visit to the Bank of Namibia on 17 October 2016.** During his visit, the Former President Pohamba addressed staff members and they, in turn, had an opportunity to direct questions to him. Notably, the Former President was one of the policymakers who were instrumental in the Bank's establishment. The visit presented Former President Pohamba with a moment of reflection on his own contribution to the continued success of the Bank.

Former President of Namibia HE Hifikepunye Pohamba (centre) with the Bank of Namibia's Management Team.
[From left to right, front row] Ms Sencia Rukata, Deputy Director of Currency Services; Ms Barbara Omoregie, Director of Payment and Settlement Systems; Mr Iipumbu Shiimi, Governor; Ms Magreth Tjongarero, Head of Risk Management and Assurance; Mr Marsorry Ickua, Director of Information Technology; Ms Florette Nakusera, Director of Research;
[From left to right, back row] Mr Nicholas Mukasa, Director of Financial Markets; Mr Bryan Eiseb, Deputy Director of Exchange Control; Mr Ebson Uanguta, Deputy Governor; and Mr Peter Mwatile, Permanent Secretary in the Office of the Former President.

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- **The Bank hosted its Annual Symposium on 22 September 2016, under the theme "Reducing Unemployment in Namibia – Creating More Jobs in the Manufacturing and Tourism Sectors".** This 17th Symposium was organised to address key issues pertaining to reducing unemployment in Namibia. Delegates who attended the event comprised representatives of the public and private sector including role players such as academics, researchers, the media and policymakers. An evaluation of the event reported that stakeholders had expressed great satisfaction with how it had been organised. They had found it relevant and timely in respect of addressing Namibia's development needs, and made useful suggestions for future events.

Governor Iipumbu Shiimi and Deputy Governor Ebson Uanguta with the main speakers and presenters at the 2016 Annual Symposium.
[From left to right] Dr Michael Humavindu (Deputy Permanent Secretary, Ministry of Industrialisation, Trade and SME Development), Dr Diana van Schalkwyk (Owner and Director, Food Chain Solutions Namibia), Dr Sem Shikongo (Director of Tourism and Gaming, Ministry of Environment and Tourism), Dr Emma Haiyambo (Director of Strategic Communications and Financial Sector Development, Bank of Namibia), Mr Iipumbu Shiimi (Governor, Bank of Namibia), Hon. Lucia Ipumbu (Deputy Minister, Economic Planning), Dr Stephen Gelb (Senior Research Fellow, Overseas Development Institute), Ms Florette Nakusera (Director of Research, Bank of Namibia), Dr Erling Kavita (Associate Dean and Head of Hospitality and Tourism Department, Nambia University of Sciecne and Technology), Mr Manfred Goldbeck (Managing Director, Gondwana Group), Mr Ebson Uanguta (Deputy Governor, Bank of Namibia)

Internally, the Bank promotes an effective and favourable working relationship with its employees. The dissemination of corporate information via the Bank's Intranet, triannual internal newsletter, corporate email system and regular staff meetings are key platforms used to reach every employee. The following are some of the internal engagements that took place during the year under review:

- **Progress reviews continued to take place each semester.** During these reviews, the Senior Management Team gave feedback to the rest of the Bank's employees regarding progress made in the implementation of respective departmental strategies and areas of concentration for the year. These enabled employees to participate and be conscious of the Bank's strategic direction while allowing them to make contributions towards the successful attainment of such plans.
- **The Governor continued to hold biannual general staff meetings.** Staff were encouraged to take the opportunity to air their concerns.
- **The Employee Liaison Forum continued to strengthen the internal communication channels within the Bank.** The Forum, an internal structure that serves as a communication

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link between management and employees, further continued to provide constructive inputs in related policy and operational matters of the Bank.

- **The Deputy Governor continued holding briefing meetings to present monetary policy decisions to staff.** These briefings provide staff and the media with the opportunity to discuss matters pertaining to monetary policy.

During 2016, the Bank continued to produce statutory publications as well as publications covering general information about the Bank, the economy and financial sector. The aim is to broaden the public understanding of the Bank's functions and operations. The following publications were issued during the review period and are available on the Bank's website:

- **In line with statutory requirements, the Bank's *2015 Annual Report* was released in March 2016.** This Report not only covered the operations and affairs of the Bank, but provided information on the Bank's annual financial statements, as well as macroeconomic information on the state of the economy.
- **The *Financial Stability Report*, which provides an assessment of the financial system in Namibia, was issued in May 2016.** The report, which is a joint Bank– NAMFISA publication, highlights the potential risks to financial stability emanating from developments in the national and international environment. The report recommends appropriate policy actions where concerns have been raised.
- **The *Quarterly Bulletin* serves as a prime source of information on economic and financial developments in Namibia.** It contains a full set of data covering the real sector, monetary and financial developments, public finance, and the balance of payments. The Bulletin customarily also includes a section entitled "Monetary Policy Review". The latter offers an understanding of monetary policy and the factors the MPC takes into account in its decision-making.
- **An *Economic Outlook Report* was released in July and November 2016.** These reports highlight global, regional and domestic economic growth prospects and outlooks, and present domestic sectoral estimations and forecasts for the three-year period from 2016 to 2018.

THE YEAR IN REVIEW

As mentioned earlier, the Bank's activities are premised on eight Strategic Objectives that guide its operations over five-year periods. These Strategic Objectives are directly connected to the Bank's functional priorities, its Mission and its Vision, as well as to developments in the internal and external environment. The Bank has determined appropriate initiatives and strategies in order to accomplish each Strategic Objective. In this section, each Strategic Objective is presented in tabular form along with its associated initiatives and strategies. These are complemented by a list of strategic outcomes which serve as indicators of success in achieving the objective in question. Each presentation is concluded with a report of key actual outcomes during the course of the year.

STRATEGIC OBJECTIVE 1: SAFEGUARD AND ENHANCE FINANCIAL STABILITY

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
1.1 Deter illegal financial schemes	All known and detected schemes declared illegal within three months of their identification.	All potential schemes reported to the Bank were investigated and the outcomes were communicated to the whistleblowers. All potential and known illegal schemes investigated were recorded on the Bank's internal database.	Yes
1.2 Supervise and regulate deposit-taking institutions and credit bureaus	Early warning indicators such as the following are in place for all deposit-taking institutions and credit bureaus		
	• There is a minimum capital adequacy of 11 percent.	Capital adequacy in excess of 15 percent was recorded for 2016.	Yes
	• There is a minimum liquidity assets ratio of 10.5 percent.	Banks recorded a liquid assets ratio of 13.3 percent in 2016.	Yes
	• There is a maximum of 4 percent in respect of non-performing loans (NPLs).	NPLs of 1.5 percent were registered in 2016.	Yes
	• There is adequate risk management at banks.	Targeted and follow-up examinations were carried out at banking institutions, subject to risk-based examination models and the supervisory review and evaluation process.	Yes
	• Bank of Namibia recommendations are implemented within agreed timelines.	Corrective measures were implemented within agreed timelines, unless otherwise negotiated.	Yes

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Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
1.3 Licencing	Entities that have submitted all information are processed within three months.	An application to establish a banking institution was received in August 2015, but could not be completed due to significant deficiencies noted in the submission. After further consultation and information, the application was finalised in February 2016. The Minister of Finance's concurrence was subsequently obtained and the applicant was informed accordingly.	No
	There is 95 percent compliance with regulations and standards.	Banking institutions complied with regulations and standards to a level of at least 95 percent.	Yes
1.4 Ensure efficient, safe and effective payment and settlement systems	There is compliance with the Safety Index, per the following indicators:		
	• The fraud to turnover ratio is below 0.05 percent.	Fraud to turnover ratio was 0.01 percent for 2016.	Yes
	• The retail payment system and the NISS are available 99 percent of the time.	The two systems were available 99 percent of the time.	Yes
	• All high- and medium-risk issues identified from inspections are addressed within agreed timelines.	Most high- and medium-risk issues identified by inspections were addressed within the agreed timelines.	No
1.5 Enhance the assessment of financial sector stability	• Pre-emptive action is taken to address vulnerabilities identified in the financial system.	The Financial stability report for 2016, showed that Banking institutions remained stable, household indebtedness was high and thus warranted monitoring. The loan-to-value (LTV) regulation on non-primary properties was gazetted on the 20th of September, to mitigate the high exposure of banks to mortgage lending.	Yes
1.6 Develop the ability to handle crises in the financial system	A tested crisis resolution framework is in place.	Crisis resolution framework was tested and deficiencies identified are being addressed.	Yes
1.7 Introduce a financial sector safety net.	Small depositors are protected in case of a bank failure.	A Deposit Guarantee Scheme Bill is ready for submission to the Minister of Finance.	No

Deterrence of illegal financial schemes

Section 5 of the Act prohibits unauthorised persons to conduct banking business, receive, accept or take a deposit by any means or advertise or solicit, procure or attempt to procure a deposit. Section 55 A (1) of the Act prohibits any person or banking institution from conducting, permitting or getting involved in the acceptance or obtaining of money from members of the general public as a regular feature of a business practice, with the prospect that such members will receive monetary or other money-related rewards on or after the introduction of other members of the public to the business practice, regardless of who introduces them, and whether or not the newly recruited members are required to acquire movable or immovable property.

During the review period, the Bank investigated a number of schemes and found three in contravention of the Act. These schemes were Four Corners Namibia, Grow Big Corporation and Mema Affiliate Marketing. The Bank informed the promoters of these schemes accordingly and they were directed to stop their operations in Namibia.

Licensing of new banking institutions

The Bank issued two final certificates of authorisation to establish banking institutions in Namibia during 2016. The two institutions were Letshego Bank Namibia Limited and Bank BIC Limited.

Registration of credit bureaus

The Bank granted licences to two credit bureaus during 2016. Authority to conduct credit bureau business was granted to Compuscan Credit Reference Bureau (Pty) Limited and TransUnion Namibia Limited on 22 January and 22 April 2016, respectively.

Payment systems oversight

The Bank successfully executed its regulatory mandate to oversee the National Payment System (NPS) in 2016. This was achieved in line with the Payment System Management Act, through on-site and off-site oversight activities. With the cooperation of the NPS stakeholders, the Bank ensured the safe, secure, efficient and cost-effective operations of the NPS. Off-site monitoring was conducted through a combination of periodic assessments based on data furnished by regulated institutions in the NPS. As part of its on-site activities, the Bank conducted on-site risk assessments on regulated institutions as well as new institutions planning to enter the NPS. On-site inspections are based on the risk profile of the institution concerned, which is derived from the application of the Payment and Settlement Systems Risk-based Oversight Policy Framework, off-site-based data and information, and market intelligence.

The stability of the Namibia Interbank Settlement System (NISS) to enable real-time payments was also monitored. Availability of the NISS and retail payment systems operated by the automatic clearing house Namclear – i.e. the Electronic Fund Transfer (EFT) System, the Cheque Processing System and the Card Switching System – were also monitored. Overall availability of the retail payment systems was registered at 99.4 per cent, while NISS was available 98 per cent of the time in 2016.

During 2016, the NPS Vision 2020 was cemented further into the NPS. Since its launch in 2015, execution of the Vision has focused on the rapid growth and development of the NPS in terms of new entrants as well as innovative payment products and services on the market. The NPS infrastructure was upgraded in 2016 to enhance its efficiency, security and ultimately, service delivery. Furthermore, in support of the Determination on the Efficiency of the National Payment System (PSD-7), the industry embarked on a large-scale, novel project to enhance the current EFT services. Given the evolving nature of, and rapid developments in the payments landscape, as well as the increasing risks, the Bank focused strongly on greater efficiency in the NPS and encouraged businesses and the general public to make use of electronic means of payment. In light of this, the Bank issued its Determination on the Reduction of the Item Limit for Domestic Cheque Payments within the Namibian National Payment System (PSD-2), specifically in response to and in support of the banking industry's intention to phase out cheques by 31 December 2017.

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Through various editorials in the print media, the Bank rolled out an awareness campaign on the NPS and key components that make up the payments ecosystem. Throughout 2016, the Bank maintained an ongoing awareness of the NPS' role in the economy.

In line with its mandate to ensure efficient access to the NPS, the Bank granted additional participants entry to and use of the system. The total number of participants in the NPS by the end of 2016 had increased to nine. By the end of 2016, the total number of non-bank payment instrument issuers were five.

The Bank continued to participate and contribute to the joint oversight of the Southern African Development Community (SADC) Integrated Regional Electronic Settlement System (SIRESS). SIRESS is a regional settlement system that caters for time-critical or high-value payments between 14 participating SADC countries. There are a total of 83 SIRESS participants i.e. registered banking institutions as well as central banks within the respective SADC jurisdictions. Of these participants, 7 are Namibian. To date, all SADC countries except Madagascar participate in SIRESS. During 2016, the total value of payments processed in SIRESS by Namibian banks amounted to N$360 billion. Of all the payments processed in SIRESS during 2016 (N$820 billion), Namibian banks accounted for 44 per cent.

The Bank conducted a review of the Risk-based Oversight Policy Framework which was promulgated in January 2016. The Framework, initially developed and adopted in 2009, serves as a guide for the Bank's payment systems oversight function. The Framework provides not only specific guidelines governing the types of risks to which the NPS is exposed, but also offers a scope of activities and tools for effective oversight. In 2016, through technical assistance from the World Bank, the need to further revise the Framework was recognised and changes were made. The changes included a stronger focus on the principles for financial market infrastructure (PFMI), as well as the oversight of the Payment Association of Namibia and its operations.

Substantial progress has been made in the recalling of magnetic strip based cards and the issuing of chip-based cards in 2016. The Europay, MasterCard and Visa (EMV) standard covers the processing of card payments using a card that contains a microprocessor chip at a payment terminal. During 2016, the industry continued in its efforts to recall magnetic-strip only payment cards to replace and issue EMV-standard-compliant equivalents. The reporting year revealed that 64 per cent of all payment cards circulating in the NPS were EMV-standard-compliant. All card-issuing participants are committed to a phased approach to have all non-compliant cards replaced.

Settlement services

The Bank provided collateralised liquidity to NISS participants through overnight and intra-day repo facilities. Participants maintained sufficient settlement account balances in NISS, resulting in minimal utilisation of repo facilities during 2016.

Cheque volumes and values processed by Namclear continued to decline in 2016. A total of 1.1 million cheques were processed during 2016, with a combined total value of N$10 billion (Table A.5). The continuing downward trend in volume and value is mostly due to the shift to electronic means of payment and the less efficient nature of cheques as a payment instrument when compared to cards and EFT. In addition, the Namibian banking industry reduced the cheque limit from N$500,000 to N$100,000 at the beginning of 2016, with the view to eliminate cheques as a payment instrumented in Namibia by 31 December 2017.

EFT transactions processed by Namclear increased in 2016, compared to 2015. Namclear processed 17.3 million EFT transactions to the value of N$260 billion in 2016, compared with 15.6 million EFT transactions to the value of N$236 billion in 2015. This increase in EFT usage reflects its efficiency and security as a method of payment versus instruments such as cheques. In addition, the industry's efforts to discourage the use of cheques as a payment method has induced the public to employ alternatives such as cards and EFT, which further explains the upward trend.

The card payment stream (NamSwitch) also increased in volume and value during the reporting year in comparison with 2015. Namclear through the local card switch, NamSwitch, processed 17.9 million card transactions to the total value of N$9.7 billion in 2016, meaning that the volumes and values switched increased by 16.9 and 20.2 percent, respectively, compared with their counterparts in 2015. The trend has continued upward in terms of volumes and values processed since the switch was localised in 2013.

The reporting year saw an increase in the value and volume of payments in NISS as well. The total value settled through NISS in 2016 amounted to N$738.0 billion, compared to N$727.2 billion in 2015, of which 61.1 per cent resulted from real-time transactions settled in the NISS, and 38.9 per cent from retail payment transactions processed through Namclear. The total number of transactions settled in 2016 was 69 579, an increase from the 61 702 transactions settled in 2015. This is an averages of 231 transactions per settlement day and an average daily settlement value of N$2.5 billion.

Table A.4: NISS transaction values and volumes

Year	Number of settlement days	Values settled (N$ billion)			Total number of settlement transactions
		Total value settled	Value of real-time transactions	Value of retail payment transactions	
2012	300	480.1	300.5	179.6	49 453
2013	301	516.0	304.0	212.0	49 049
2014	301	611.7	370.4	241.2	52 658
2015	301	727.2	416.6	266.8	61 702
2016	301	738.0	450.7	287.2	69 579

Table A.5: Namclear transaction values and volumes

Year	Cheque transactions		EFT transactions		Card transactions		Total value cleared (N$ million)
	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	
2012	30 782	2 268	147 062	12 239	4 529	9 781	182 373
2013	30 544	2 128	178 248	14 067	4 813	9 703	213 375
2014	28 129	1 822	207 428	15 085	5 818	11 017	241 375
2015	26 783	1 607	236 055	15 641	8 038	15 324	270 876
2016	10 670	1 078	260 356	17 250	9 668	17 922	280 706
Annual % change							
2012	-0.2	-15.6	30.4	26.7	50.0	42.0	24.4
2013	-0.8	-6.2	21.2	14.9	6.3	-0.8	17.1
2014	-7.9	-14.9	16.4	7.2	20.9	13.5	13.0
2015	-4.8	-11.8	13.8	3.7	38.2	39.1	12.2
2016	-60.1	-32.9	10.2	10.3	20.2	16.9	3.6

Financial stability assessment and surveillance

The Bank publishes a Financial Stability Report once a year, which assesses the stability and resilience of the Namibian financial sector to internal and external shocks. The report highlights specific risks stemming from the domestic and external economic environments, household and corporate debts, the banking sector, the non-banking financial sector as well as payment and settlement systems.

The 2016 Financial Stability Report, published in May, found that banking institutions in Namibia were adequately capitalised, profitable, stable and healthy. Standard indicators showed that banking institutions continued to be resilient and that they not only maintained enough capital, but also kept their liquidity at higher levels than the minimum set by the Bank. In addition, banking institutions displayed robust aggregate balance sheet growth, positive profitability

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and satisfactory liquidity levels. The asset quality continued to be good, with very low levels of non-performing loans (NPLs): the latter stood at 1.5 percent during 2016, compared with a maximum tolerance level of 4.0 percent. Overall, this good performance of the banking sector is expected to endure in the foreseeable future.

The Financial Stability Report further revealed that household indebtedness in Namibia was high relative to comparable economies. Furthermore, corporate debt levels increased in 2016, underpinned by developments in both foreign and domestic debt. The key categories that triggered the rise in household debt were mortgages, coupled with instalment credit and other loans and advances. Growth in household disposable income was also slower and contributed to the weakening ratio of household debt to disposable income. Although corporate sector debt increased, risks from this source were well contained as the major drivers were multinationals with strong balance sheets.

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STRATEGIC OBJECTIVE 2: PROMOTE PRICE STABILITY

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
2.1 Ensure reliability of economic data to support economic policy	• Timely and reliable balance of payments (BOP) and monetary and financial statistics (MFS) and data that meet international standards are provided. • Timely and reliable other economic data provided to relevant stakeholders.	• MFS data were provided to the public once a month before the 5th. • Both BOP and MFS data were provided to the public on a quarterly and annual basis. • All macroeconomic data were provided to the MPC every two months and to external stakeholders on time.	Yes
2.2 Pursue monetary policy in accordance with the Monetary Policy Framework	Headline inflation below 10 percent is maintained without compromising economic growth.	Average inflation was maintained below 10 percent, having averaged 6.7 percent in 2016.	Yes

Monetary policy stance during 2016

The MPC maintained a relatively accommodative monetary policy stance in the second half of 2016 in order to support the domestic economy, despite the pressure on international reserves and a fragile regional and global economic environment. At its February and April 2016 meetings, the MPC decided to increase the repo rate by 25 basis points at each meeting, to 6.75 percent and 7.00 percent, respectively. These decisions were taken to align the interest rate to that of South Africa, with the overall aim to prevent capital outflows and to continue maintaining the one-to-one link to the South African Rand. After the MPC meeting in April, the repo rate was held steady at 7.00 percent for the rest of 2016. Inflation during the reporting year averaged at 6.7 percent, which was relatively higher than the comparative 6.3 percent recorded in South Africa for 2016.

Global economic growth remained fragile during 2016, where commodity prices, uncertainty regarding the Brexit vote and geopolitical risk negated growth. Low growth was observed in key advanced economies such as the United States (US), the United Kingdom (UK) and the Euro Area, as well as in the neighbouring economies of South Africa and Angola.

Domestic economic activities slowed down in 2016, mainly due to contractions in major sectors. Contractions in the mining, agriculture and construction sectors are attributed to weak global economic growth, drought, low commodity prices and fiscal consolidation.

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STRATEGIC OBJECTIVE 3: MANAGE RESERVES PRUDENTLY

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
3.1 Manage foreign reserves prudently in accordance with the Investment Policy	Returns are in line with agreed benchmarks and risk levels.	No losses or negative returns were recorded on any foreign reserve portfolios during 2016.	Yes
3.2 Manage liquidity in the banking system proactively to support reserves	There is 100 percent compliance with reserve adequacy thresholds, in accordance with the Market Intervention Framework.	The level of foreign exchange reserves, although under pressure during 2016, remained adequate and above currency in circulation plus a buffer equal to three months of average commercial bank outflows.	Yes
3.3 Administer exchange control in accordance with relevant laws	All known and detected illegal foreign exchange trading is investigated and reported to law enforcement within 30 days.	All illegal cash movements detected were reported to law enforcement during 2016.	Yes

Foreign exchange reserve developments during 2016

The Bank is responsible for the prudent management of the country's foreign reserves. These reserves are held to back the Namibia dollars in circulation, maintain the peg to the South African Rand, and ensure that the country meets its international financial obligations. In satisfying the level of prudence required in managing foreign reserves, the Bank is obliged to ensure that the investment objectives of capital preservation and liquidity are met at all times. The investment objectives are achieved by determining an optimal combination of assess. This combination or mixture of assets is an outcome of the Bank's annual strategic asset allocation exercise which determines the optimal asset allocation, while recognising the risk tolerance and liquidity constraints.

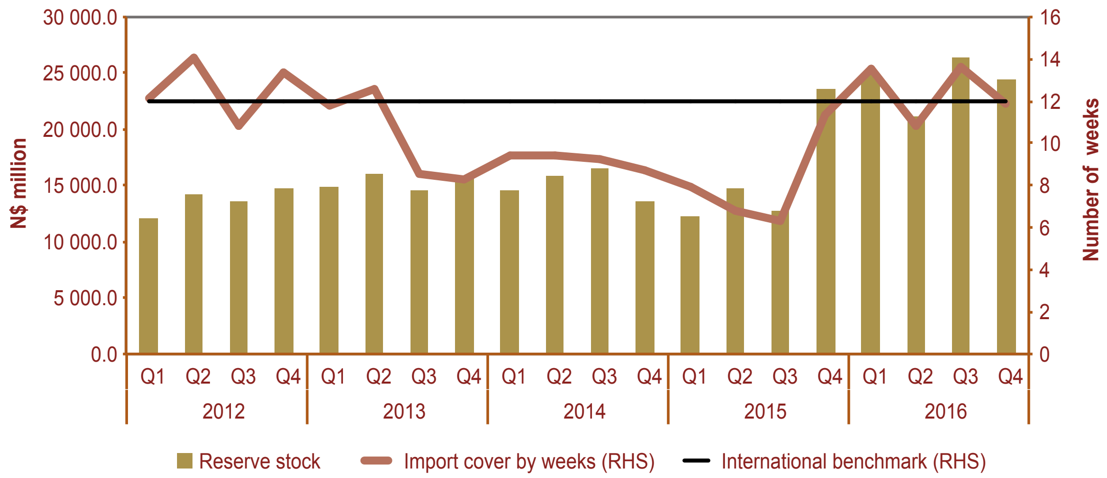
Over the course of the reporting year, the level of foreign exchange reserves increased marginally, namely by 4.7 percent, in comparison with 2015. The country's foreign reserves increased from N$23.6 billion at the end of 2015 to N$24.7 billion as at 31 December 2016. During 2016, the Bank continued the asset swap arrangements with institutional investors, which raised the level of the stock of foreign reserves.

Other notable inflows into the reserves during the reporting period include receipts from the Southern African Customs Union (SACU), the repatriation of South African Rand, and US Dollar inflows from the Angolan Kwanza currency conversion arrangement as well as compensation for the circulation of Rand in Namibia. Foreign borrowing in the form of the issuance of a Government bond listed on the Johannesburg Stock Exchange (JSE) in July 2016 contributed positively to the reserve position as well.

Despite the significant inflows outlined above, foreign reserves remained under pressure from several quarters. For one, the level of imports remained elevated during the year, thereby exerting persistent pressure on the foreign exchange reserves. Moreover, significant net commercial bank outflows as well as net Government expenditures were recorded during 2016. Added pressure on the foreign reserve level emanated from the Namibia Dollar as well: it was much stronger against major currencies such as the Euro, British Pound and US Dollar at year end, compared with its position at the end of 2015.

Nonetheless, the current reserve levels were adequate in terms of the Common Monetary Area (CMA) agreement, but were slightly lower than the benchmark of three months' import cover. The total reserves holding of N$24.7 billion at the end of 2016 is considered adequate as it stands well above the currency in circulation of N$4.4 billion. In terms of the import cover, foreign reserves increased from around 2.8 months of imports at the end of 2015 to around 2.9 months by the end of 2016 (Chart A.1).

Chart A.1: Official foreign exchange reserve stock and import cover



During the period under review, foreign exchange reserves continued to be managed under challenging and volatile market conditions. The uncertainties surrounding the low commodity prices, the European Central Bank Quantitative Easing Programme and the market miscalculation of the Brexit vote, among other things, created volatility in the financial markets. Other factors contributing to this volatility included the Federal Reserve's rate hike, policy uncertainty surrounding the Trump presidency, and slower growth in key emerging markets. Notwithstanding these events, all foreign reserve portfolios generated positive returns for the 12 months under review.

The ZAR, USD and EUR currencies continued to represent the biggest share of the Bank's foreign exchange reserves. As at the end of 2016, the ZAR, USD and EUR respectively accounted for 49 percent, 45 percent and 3 percent of foreign exchange reserves. During the corresponding period in 2015, these currencies accounted for 21 percent, 67 percent and 3 percent of foreign exchange reserves, respectively. The increase in the weights of the ZAR reserves during 2016 was mainly due to asset swaps, while the USD proportion decreased due to funding for government expenditure and other international obligations as well as reserve asset reallocation. The Bank held about 3.0 percent of the reserves in EUR, utilised mainly to cover Government obligations. A small percentage of reserves in currencies such as British Pounds Sterling (GBP), Japanese Yen (JPY) and most recently the Chinese Yuan/Renminbi (CNY) were also held as part of the Special Drawing Right basket of currencies (see Chart A.2).

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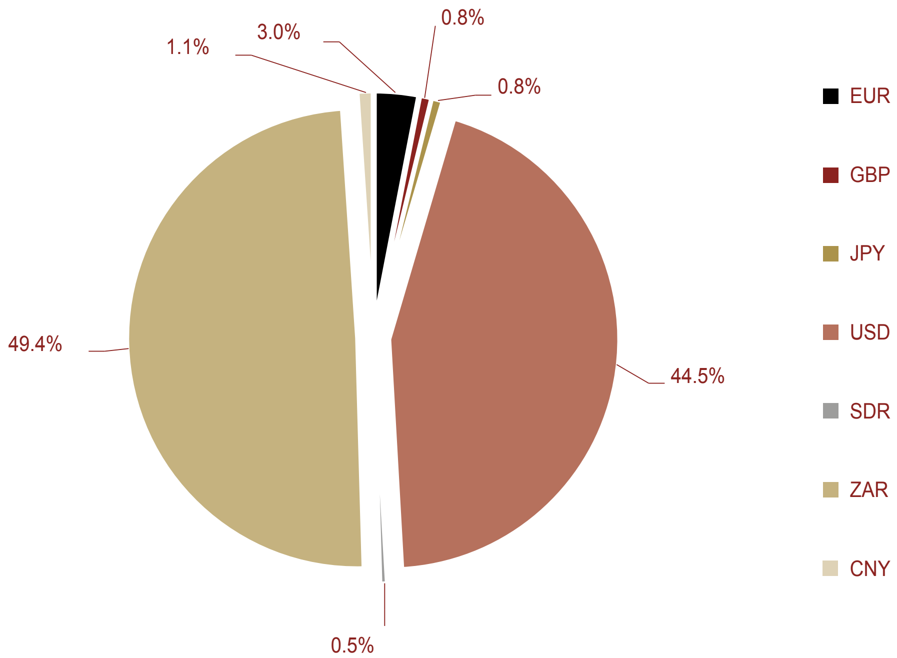
Chart A.2: Currency mix of foreign exchange reserves, 31 December 2016



Administration of exchange control

During 2016, the Bank of Namibia licensed Bank BIC Limited, Atlántico Bank and SME Bank as Authorised Dealers in foreign exchange. This brought the total number of Authorised Dealers in Namibia to eight. There were, however, no new Authorised Dealers with Limited Authority (ADLA) licensed during the year under review. The number of ADLAs currently operating in Namibia remains at ten, with branches operating countrywide.

In terms of Exchange Control Regulations of 1961, no person other than Authorised Dealers and ADLAs are allowed to deal in foreign exchange in Namibia. These institutions perform an important role of ensuring that foreign exchange is made available for legitimate purposes only and thereby support prudent foreign reserves management.

The Bank continued its efforts to curb illegal trade in foreign currency during the year under review. In this regard, training interventions were offered to the Namibian Police and to Customs and Immigration Officials. Compliance inspections were also conducted in respect of Authorised Dealers and ADLAs.

As part of the Bank's multilateral obligations in the CMA, regular consultations take place through CMA quarterly Exchange Control Technical Meetings. Thus, exchange control remains harmonised within the CMA. The Bank also participates in regional efforts to liberalise exchange controls as well as to harmonise balance-of-payment reporting within SADC. The strategy is to move to the use of International Monetary Fund (IMF) Balance of Payment Manual 6 reporting codes, and to receive such information from reporting institutions within SADC.

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

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
4.1 Provide effective and efficient banking services	Currency is supplied to commercial banks as per demand at all times.	All commercial banks were supplied with currency as per demand.	Yes
	All (100 percent) of Government payments and deposits are correctly effected and recorded within the agreed timeline.	One hundred percent of Government payments and deposits were effected.	Yes
4.2 Provide sufficient quality and quantity of currency	Counterfeit is detected, and counterfeits in circulation does not exceed the threshold of ten pieces per one million notes.	The ratio of counterfeit recorded in 2016 was six pieces per million notes in circulation and, thus, within the Bank's threshold.	Yes
4.3 Provide effective lending facilities to banking institutions	All (100 percent) of banking institutions' borrowing needs are met.	One hundred percent of banking institutions' borrowing needs were met.	Yes
4.4 Issue and manage Government securities	Funds are raised for Government in line with the approved borrowing plan.	Government funds were raised in line with the said plan, but a borrowing shortfall was recorded in both the domestic and regional markets.	No

Currency operations

Currency management and issuance are among the Bank's strategic functions. The Bank is responsible for the supply of currency of all denominations to the Namibian market. The Bank ensures that sufficient stock of currency and good quality currency are in circulation at all times. All unfit, soiled or mutilated banknotes are deposited by the commercial banks at the Bank for destruction.

The Bank observed a slight decrease with regards to growth in the volume of total currency in circulation in 2016. The total volume of banknotes in circulation decreased by 1.9 percent in 2016, or 49.3 million pieces, compared with the increase of 2.0 percent (51.2 million pieces) recorded in 2015. By the end of 2016, the volume of coins in circulation had decreased by 4.4 percent compared with the 10 percent increase recorded for 2015. Conspicuously, a slower growth of 5.9 percent was registered for the N$10 coin in 2016, compared with a high growth of 40.9 percent recorded in 2015 (Chart A.3 and Table A.6).

As at 31 December 2016, the total value of currency in circulation stood at N$4.4 billion, while this had been registered at N$4.5 billion for the preceding year. Thus, a negative annual growth rate of 2.6 percent was recorded in 2016, compared with the increase of 8.4 percent noted in 2015. The slower growth on banknotes in 2016 coincided with the reductions noted in the issuance of the N$100 and N$200 denominations, namely 14.9 percent lower for N$100 notes, and a minor rise of 2.4 percent on the N$200 notes. Despite these reductions, the N$100 and N$200 denominations remained the most widely circulated banknotes in 2016. Notably, an increased issuance was noted on the N$50 denomination, namely 17.3 percent, in comparison with

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a 14.4 percent reduction noted during the previous reporting year. In terms of coinage, the 5-cent piece remained the most popular among the coin series, recording a 9.7 percent increase in the value of coins in circulation in 2016, although this is relatively lower than the 11.3 percent increase recorded for 2015.

Chart A.3: Growth in currency in circulation

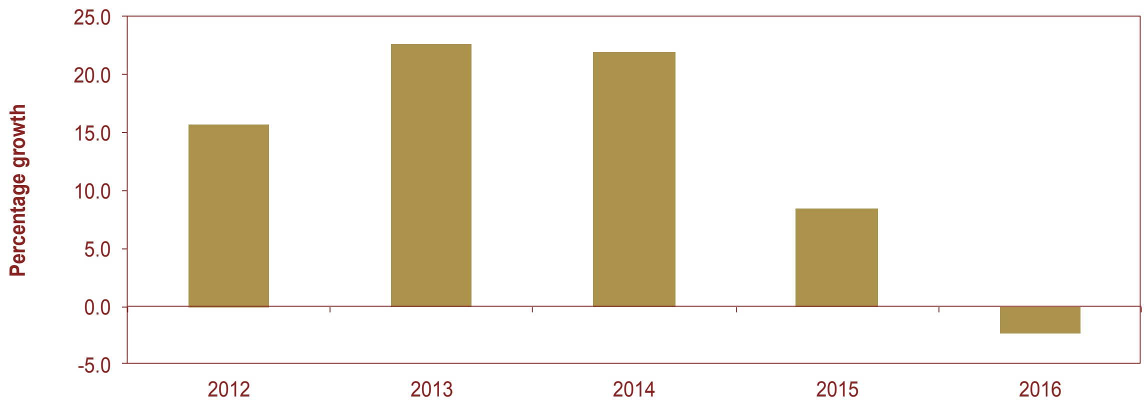

Table A.6: Composition of currency in circulation, 31 December 2016

Denomination	2015 Value (N$ million)	2015 Volume (millions)	2016 Value (N$ million)	2016 Volume (millions)	% change in value
5c coins	10.3	206.2	11.3	226.2	9.7
10c coins	16.8	168.0	18.1	180.5	7.7
50c coins	14.4	28.7	15.1	30.1	4.9
N$1 coins	105.6	105.6	108.3	108.3	2.6
N$5 coins	56.2	11.2	59.3	11.9	5.5
N$10 coins	17.8	1.8	18.9	1.9	6.2
Total – Coins	221.1	521.5	230.9	558.9	4.4
N$10 notes	108.8	10.9	101.5	10.2	-6.7
N$20 notes	181.3	9.1	172.9	8.6	-4.6
N$50 notes	299.4	6.0	351.2	7.0	17.3
N$100 notes	1 360.9	13.6	1 157.6	11.6	-14.9
N$200 notes	2 324.3	11.6	2 380.5	11.9	2.4
Total – Notes	4 274.7	51.2	4 163.7	49.3	-2.6
Grand total	**4 495.8**	**572.7**	**4 394.5**	**608.2**	**-2.3**

The quality of currency remained one of the key focus areas for the Bank in 2016. New banknotes to the value of N$2.6 billion were issued, compared with the N$4.1 billion issued in 2015. This 36.6 percent decrease in the issuance of new banknotes is attributed to the finalisation of sorting volumes on the Namibian currency which were halted in 2015 in order to sort and clear Angolan Kwanzas as part of the Currency Conversion Agreement between the Bank of Namibia and its Angolan counterpart, the Banco Nacional de Angola.

The Bank is required to ensure that only banknotes of good quality are in circulation. To this end, the Bank checked the authenticity and fitness of banknotes for recirculation, which subsequently resulted in the withdrawal of 52.7 million banknote pieces with a face value of N$3.1 billion in 2016, compared with 44.4 million pieces with a face value of N$2.8 billion in 2015.

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In its continuous drive to stay abreast of the latest developments in the currency space and ensure that quality standards are maintained, the Bank made a substantial investment in its currency operations in 2016. The Bank procured a state-of-the art BPS M7 high-speed note-processing machine for its Oshakati Branch. The new addition will raise the quality level of the banknotes by ensuring that only fit notes are put into circulation. Moreover, overall operational efficiency within the Bank will be enhanced by this investment.

The South African Rand is a legal tender in Namibia in accordance with the provisions of section 26(1) of the Act. Furthermore, in line with the Bilateral Monetary Agreement between Namibia and South Africa dated 14 September 1993, the Bank of Namibia is required to repatriate to the South African Reserve Bank any Rand banknotes that are deposited in Namibia. During the period under review, an amount of R600 million was repatriated, compared with R450 million in 2015. These figures show a substantial increase of 33.3 percent between 2015 and 2016, following a decline of 53.8 percent in the total Rand repatriations recorded for the previous year. Rand repatriation values and the value of Namibia Dollars in circulation over the past five reporting years are presented in Table A.7.

Table A.7: Repatriation of South African Rand banknotes and Namibia Dollar banknotes in circulation

Calendar year	Value of Rand repatriation		N$ in circulation	
	Rand (millions)	% change in value	N$ (millions)	% change
2012	1 650.0	46.7	2 773.3	15.6
2013	1 800.0	9.1	3 402.1	22.7
2014	975.0	-45.8	4 146.6	21.9
2015	450.0	-53.8	4 495.8	8.4
2016	600.0	33.3	4 394.5	-2.3

A substantial decrease was recorded in the number of counterfeit banknotes detected in 2016. The total number of counterfeit Namibia Dollar banknotes detected in 2016 decreased to 277 pieces compared with 465 pieces recorded in 2015 (Table A.8). It is quite evident that the counterfeiters mostly targeted the N$200 banknote, which accounted for 71.8 percent of total counterfeits detected in 2016.

As at 31 December 2016, the ratio of counterfeits per million in respect of all Namibia Dollar banknote denominations stood at 6 pieces of counterfeits per million banknotes, which was well below the international benchmark of 70 pieces of counterfeits per million banknotes in circulation. It is also worth noting that the 6 pieces were below the Bank's own threshold of 10 pieces per 1 million banknotes (Table A.8). The quality of counterfeits detected was poor and, as such, they did not pose a major concern to the Bank.

Table A.8: Counterfeit Namibia Dollar banknotes

Denomination	Number of counterfeit banknotes detected					Counterfeits per single denomination per million notes in 2015	Counterfeits per single denomination per million notes in 2016
	2012	2013	2014	2015	2016		
N$10	4	3	1	4	0	0	0
N$20	2	3	8	7	11	1	1
N$50	57	40	28	33	29	4	4
N$100	258	125	140	169	38	10	3
N$200	62	212	166	252	199	18	14
TOTAL	383	383	343	465	277		
Total counter-feits per million notes for all denominations	10	9	7	9	6		

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Table A.9: 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	0	10	28	26	197	261	43 600
Old series	0	1	1	12	2	16	1 670
Total	0	11	29	38	199	277	45 270

The Bank not only provides effective and efficient banking services to the Government by acting as its banker and by maintaining the State Account, it also offers assistance in terms of the safekeeping of significant and valuable assets. One such special safekeeping duty is to safeguard gold and silver coins found on a recently discovered shipwreck at Oranjemund. On investigation, it emerged that these coins were artefacts from a Portuguese trading vessel that sank in Namibian waters in the 16th Century. Given the significance of this discovery, the Governments of Portugal and Namibia are working together to preserve and promote the remains of the shipwreck. The ongoing bilateral cooperation resulted in a high-level delegation from Portugal paying a courtesy visit to the Bank of Namibia on 14 November 2016.

[Front row from left] Mr Iipumbu Shiimi (Governor of the Bank of Namibia) and Hon. Maria Teresa Goncalves Ribeiro (Deputy Minister of Foreign Affairs and Cooperation, Portugal) [Back row from left] Ms Ana Paula Laborinho (Portugal Commerce Institute), Mr Ebson Uanguta (Deputy Governor of the Bank of Namibia), HE Ms Isabel Brilhante Pedrosa (Ambassador of Portugal to Namibia), Ms Esther Moombola-Goagoses (Director of National Heritage and Culture Programmes, National Museum of Namibia), Mr Boniface Sinvula (Portugal Desk Officer, Ministry of International Relations and Cooperation, Namibia), Ms Fousy Kambombo (Archaeology Technician, National Museum of Namibia), Ms Sencia Kaizemi-Rukata (Deputy Director of Currency and Banking, Bank of Namibia) and Mr Joao Luis Neves Queiros (Head of Cabinet of the Deputy Minister for Foreign Affairs, Portugal).

Banking services

The use of electronic means of payment made significant strides during the 2016 financial year, whilst payments effected through cheques recorded a further decline (Table A.10). During the 2016 reporting period, the volume of Government transactions in respect of local transfers[1] processed by the Bank through the NISS increased from 978 to 1 153 (Table A.10). The volume of NISS payments made to the Government by commercials banks increased from 2 164 in 2015 to 2 509 in 2016, which reflects a rise of 15.9 percent. The said growth is much higher than the 4.0 percent growth recorded for 2015.

Table A.10: Volume of foreign and local transfers by Government

Calendar year	Local Transfers (Volume)	Foreign Transfers (Volume)
2012	768	1 531
2013	750	1 959
2014	879	2 453
2015	978	2 366
2016	1 153	2 173

During the review period, the Bank continued to ensure that all the Government's foreign obligations were honoured timeously. The Bank recorded a reduction in the number of foreign transfers[2] effected on behalf of Government from 2 366 in 2015 to 2 173 in 2016, which equates to a decline of 8.2 percent (Table A.11). An increase of 17.9 percent in the volume of local transfers was, however, recorded for 2016 in comparison with the previous year.

In addition, the Bank noted an increase in EFT payments[3] effected by the Government. The total volume of such EFT payments effected in 2015 amounted to 2 395 920 in comparison with 2 545 720 in 2016 (Table A.11), which reflects an increase of 6.3 percent. During the period under review, the total value of outflows effected from the State Account amounted to N$101.7 billion, whilst total inflows were N$99.9 billion.

Table A.11: Government EFT payments

Calendar year	EFT transfers (volume)	EFT transfers (value, N$)
2012	1 988 391	20 368 858 417
2013	2 473 285	21 020 396 152
2014	2 317 679	21 094 416 791
2015	2 395 920	27 332 351 655
2016	2 545 720	31 365 656 013

The volume of cheque transactions dropped by 4.1 percent in 2016, in comparison with a reduction of 1.1 percent recorded the preceding year (Table A.12). The decrease can be ascribed to the reduction of the cheque item limit from N$500,000 to N$100,000 that was implemented on 1 February 2016. The Bank anticipates a further decrease in the volume of cheque transactions, given that cheques are expected to be fully phased out by the end of 2017.

1 These are high-value and time-bound electronic payments effected through the NISS.

2 These are electronic transactions effected by the Bank on behalf of the Government to foreign beneficiaries.

3 The electronic transfer of low-value payments to and from the Government via the Bank of Namibia's EFT System.

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Table A.12: Government cheques processed

Calendar year	Volume	Change (% decrease)/% increase
2012	271 519	-37.4%
2013	229 157	-15.6%
2014	231 705	1.1%
2015	229 050	-1.1%
2016	219 675	-4.1%

Issuance of government debt

JSE-listed bonds

During the period under review, the Government tapped its JSE-listed Medium-term Note Programme and listed two new bonds. Besides increasing the size of its bond programme from N$3.0 billion to N$7.5 billion during the review period, the Government also introduced two new bonds, namely the seven-year NAM03 due in 2023, and a ten-year NAM04 due in 2026. In July 2016, a total of N$492 million was successfully issued: N$157 million on the NAM03, and N$335 million on the NAM04. The issuances were undertaken at spreads of 165 basis points over the R2023 and 180 basis points over the R186, respectively. The intention is for the Government to become a regular issuer on the JSE and, in so doing, increase the liquidity of, and demand for, Namibian securities on that exchange.

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STRATEGIC OBJECTIVE 5: PROMOTE A POSITIVE REPUTATION

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
5.1 Enhance the Banks' corporate image	More than 80 percent of stakeholders express satisfaction with the Bank, based on a minimum response rate of 60 percent.	Based on regular assessments of stakeholder feedback on engagements held during the year, the Bank achieved an average satisfaction rate above the 80 percent target.	Yes
	The tone with which reference is made to the Bank in the media is positive more than 60 percent of the time, according to systematic media analyses.	The Bank was referred to in a positive tone in the media 96 percent of the time during 2016.	Yes

Corporate image

During the period under review, the Bank maintained its positive image, as measured through proactive feedback from regular assessments of its engagement with various stakeholders. Based on systematic evaluations and feedback mechanisms during the reporting year, the Bank recorded positive media coverage of its activities 96 percent of the time, and stakeholder satisfaction beyond the targeted 80 percent.

Public education

The Bank continued to take advantage of its public education platforms to achieve greater awareness and understanding of its role in the economy. The Bank's Public Education Programme continued to educate various stakeholders on selected issues relating to its functions, role and operational activities. As in previous years, the media benefited from the programme as well. The role of the media in improving public access to information and assisting in educating the public about various complex economic and financial issues cannot be overemphasised. This fact underlay the Bank's hosting of its annual economic reporting workshop for media practitioners in June 2016. The workshop provided tools for journalists to report accurately about economic issues. It also served as a platform for insightful engagement with Bank staff.

During December 2016, the Bank also launched a public awareness campaign on the Loan-to-value Ratio Regulations, which were gazetted on 3 August 2016. The aim was to clarify the intentions of the Regulations and to inform the public of their effective date, i.e. 22 March 2017. According to the Regulations, home loan applicants who wish to purchase a second or subsequent residential property are required to pay a percentage of its purchase price as a deposit. The public education campaign will continue until the Regulations are implemented.

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Corporate social investment and responsibility

In support of the Government's efforts to promote computer literacy at Namibian schools, the Bank continued to play an active role in the upliftment of Namibian communities, focusing in the areas of education and information technology. To this end, the Bank honoured its five-year commitment to support the Hans Daniel Namuhuya Senior Secondary School (Oshikoto Region) and the PK De Villiers Secondary School (Karas Region) by way of a computer laboratory project. During its five-year project commitment period, which came to an end in December 2016, the Bank assisted with the provision of maintenance for equipment and with training computer teachers at both schools. The project saw the introduction of Information and Communications Technology (ICT) as a subject from Grades 8 to 10 at both schools. The total value of the project was N$1,000,000, spread over the five-year period in question.

During the year under review, the Bank also sponsored various community activities. These sponsorships targeted various institutions that demonstrate potential in contributing to the attainment of Namibia's developmental, economic and social empowerment goals. The beneficiaries included the Student Economic and Accounting Societies of both the University of Namibia and the Namibia University of Science and Technology. Various community charities also received support. In addition, Bank staff organised fund-raising activities to support certain charity causes.

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STRATEGIC OBJECTIVE 6: PROMOTE FINANCIAL SECTOR DEVELOPMENT

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
6.1 Promote financial sector development	The implementation of the Namibia Financial Sector Strategy is coordinated and executed in line with the agreed Implementation Action Plan.	The Bank continued to coordinate and execute initiatives aimed at improving access to finance not only by individuals earning a low income, but also by small and medium enterprises.	Yes
	Payment services are provided in a cost-effective manner.	The Bank is currently in the process of rolling out a costing and income survey to enable it to set appropriate standards for the cost-effective provision of payment services.	No

Financial sector development

The need and associated aspiration to develop the Namibian financial sector is outlined in the Namibia Financial Sector Strategy (NFSS), launched in 2012 as a long-term development road map for the sector. The expectation is that the Strategy should guide the achievement of financial sector objectives set out in the various national development plans (NDPs and Vision 2030).

As Secretariat to the NFSS, the Bank of Namibia continued to coordinate the NFSS implementation process effectively during 2016, and implemented such activities that fell within its mandate. In this regard, the Bank and other relevant stakeholders implemented a number of projects geared towards the promotion of the Strategy, during the year under review.

The Bank of Namibia also commissioned a study during the reporting year, as directed by the Financial Inclusion Council, to assess the skills needed in the financial sector. Such an assessment will assist in identifying current gaps in the sector as well as its future needs, and is in line with the aspirations of the National Human Resource Development Plan. This project also involves developing a Skills Development Plan for the sector after the needs assessment. The report on this study and the associated Skills Development Plan are expected to be finalised in the first quarter of 2017.

During the year under review, the Bank conducted a feasibility study with respect to establishing a collateral registry in Namibia. The study stemmed from research done in 2015, which explored alternative methods of collateral for small and medium enterprises (SMEs). This is in line with the NFSS objective to enhance SMEs' access to financial products and services, given that a number of studies have already revealed that the lack of collateral remains a major hindrance to SMEs in respect of accessing credit from lending institutions. Experience elsewhere has shown that countries have opted to introduce collateral registries that bring about confidence and transparency between lenders and borrowers. However, the study was not very conclusive about the viability of a collateral registry in Namibia.

The Bank continued to provide technical support to the Project Team and Steering Committee spearheading the SME Financing Strategy. The SME Financing Strategy aims to bridge the access to finance challenges faced by micro, small- and medium-scale enterprises (MSMEs) in Namibia. The Strategy consists of three facilities which are being investigated which are being considered potentially useful, namely, the Credit Guarantee Scheme, Catalytic First Loss Venture Capital Fund and the MSME Mentoring and Coaching Programme. The aim of each of these three complementary facilities as well as progress made on them is outlined below.

- **Credit Guarantee Scheme:** This Scheme aims at enhancing access to finance for SMEs who are unable to acquire loans from lending institutions due to lack of collateral. The Scheme is uniquely designed to cater for bankable SMEs, with risks

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shared among the Government, lending institutions and the borrowers themselves. The draft proposal was finalised and presented to various stakeholders, such as commercial banks and other relevant institutions. The document was further presented to the Financial Inclusion Council and further high level consultations are taking place before the proposal is finalised.

- **Catalytic First Loss Venture Capital Fund:** The proposed Fund is an equity financing intervention designed to cater for SMEs who are unable to get equity financing through the established private equity firms. The Fund will primarily cater for high-potential, growth-oriented SMEs looking to expand and/or access new markets. The proposal for the establishment of this Fund has reached an advanced stage. Once the consultations currently under way with key stakeholders have been concluded, the proposal will be submitted to the Financial Inclusion Council for consideration. This is anticipated to be in 2017.
- **MSME Mentoring and Coaching Programme:** One of the principal constraints to SME growth and development in Namibia is a lack of critical skills to manage and operate their businesses optimally. The lack of such operational, financial and managerial skills makes it difficult for SMEs to access loans from financial institutions. To address this constraint, the Project Team drafted a proposal for an MSME Mentoring and Coaching Programme, and consulted relevant stakeholders, including the Financial Inclusion Council, on its content during 2016. Following its endorsement by the Council, the proposal is due to be tabled in Parliament in 2017.

During the review period, the Bank also made progress on the project aimed at setting up an appropriate Deposit Guarantee Scheme in Namibia. This Scheme is meant to protect depositors in the event of bank failure by ensuring that they are reimbursed in an efficient and transparent manner. The Scheme is considered a necessity in the financial sector as its existence instils confidence in the system and reduce the risk of a financial system crisis occurring. In 2016, the Bank concluded consultations with the industry on a proposed Deposit Guarantee Bill to establish the said Scheme. The Bill will be forwarded to the Minister of Finance in 2017 for consideration.

During 2016, the Bank presented a proposal to the relevant Government authority for its approval in respect of how to ensure efficiency and effectiveness in allocating Government funds to support SMEs. The proposal emanated from a study commissioned by the Financial Inclusion Council. The study, undertaken in 2015, set out to take stock of the operations and performance of SME-supporting funds administered by the various Ministries, and to determine how coordination could be improved among them. However, before a final decision can be taken on the proposal, the Bank and the Ministry of Finance wish to extend the research to establish the impact of the various programmes and funds studied.

The Bank also made significant progress on the study investigating the feasibility and viability of having a sustainable Central Securities Depository. Interim regulations that will provide legal certainty and criteria around the licensing of such a Depository as well as the dematerialisation of Government securities have been developed after input from the market and all participants have been received. The regulations were submitted to the Ministry of Finance in 2016 for approval and gazetting.

During 2016, the Bank of Namibia drafted a General Notice on Securitisation Schemes and launched public consultations. Securitisation is the process by which relatively standard loans are pooled and sold to a Special Purpose Entity that issues marketable/tradable debt securities or debt instruments against the pooled assets to raise funding. The primary objectives of securitisation are to increase the liquidity of banks and non-bank entities, diversify the sources of funding, reduce the originating bank's capital requirements once certain conditions have been met, and deepen the financial markets. The Bank engaged in this process because, as a regulator of banks, one of its key responsibilities is to ensure that appropriate legal frameworks are in place to conduct securitisation transactions in Namibia. Once the Notice becomes effective, it will apply to all banks, non-bank entities and special purpose entities involved in securitisation transactions in the country.

During the year under review, the Bank tabled the monitoring and evaluation framework of the NFSS to the Financial Inclusion Council for endorsement. The framework, which contains set targets for 2015, 2018 and 2021, measures achievement across various identified indicators for NFSS goals, while also presenting progress on projects carried out, such as those discussed above. Accordingly, in 2016, the targets for 2015 were measured against the actuals realised in that year, and a report was submitted to the Financial Inclusion Council indicating notable progress, particularly on the goal of financial inclusion.

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STRATEGIC OBJECTIVE 7: ENHANCE CONTRIBUTION TOWARDS SUSTAINABLE ECONOMIC GROWTH

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
7.1 Deliver and assist with implementation of relevant and quality policy advice	Sixty percent of national economic policy advice is accepted and implemented within a period of five years.	Ninety percent of national economic policy advice was accepted and implemented during the period under review.	Yes
7.2 Deliver innovative and quality research output	At least one of the Bank's working and occasional papers is published in a peer-reviewed journal.	A study titled "Exchange rate pass-through to inflation in Namibia" was conducted and published in a peer-reviewed journal in 2016.	Yes
7.3 Promote regional integration	SADC Regional Integration Agenda of the Bank is implemented.	The Bank is responsible for the implementation of some of the following annexes of FIP:	
		• The macroeconomic convergence criteria for assessing the various stages of integration have been monitored in 2016.	Yes
		• Cooperation on Exchange Control	Yes
		• Harmonisation of Legal and Operational Frameworks	Yes
		• Cooperation in the area of Payments systems	Yes
		• Cooperation in the area of ICT	Yes
		• Cooperation in Banking and Regulatory Supervision	Yes
	The Bank contributes to the development of the SADC Payments System Model law.	The SADC Payments System Model law has been developed and is currently being finalised for approval by SADC Central Bank Governors.	Yes
	The Bank participates in overseeing the SADC Integrated Regional Settlement System (SIRESS).	The Bank participated in the relevant regional committee structures to provide effective oversight over SIRESS.	Yes

Policy research and advice

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

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In accordance with the Bank of Namibia Act, the Bank renders fiscal advice to the Government. In particular, the Bank furnishes reports to the Minister of Finance on economic, financial or any other matter that the Minister may refer to the Bank for investigation or advice. Furthermore, the Bank may provide reports to the Minister of Finance on matters that could prevent it from achieving its objectives or hinder the performance of its functions. In this regard, the Bank carried out a number of research projects and activities in 2016, as summarised below:

- **A study on the exchange rate pass-through to inflation in Namibia was conducted during 2015 and published in a peer-reviewed journal in 2016.** The study appeared in the *Journal of Emerging Issues in Economics, Finance and Banking*. The main conclusion of the study was that the exchange rate pass-through to inflation was low in Namibia. This was attributed to the ability of firms to set different prices for the same good in the domestic and foreign markets. According to the IMF in 2006, a low exchange rate pass-through implies that the response of the trade balance to nominal exchange-rate changes will be small.
- **During 2016, the Bank continued to take part in efforts to establish a Revenue Agency for Namibia.** The relevant Bill to set up such an entity was drafted in 2016 and sent to the legal drafters to refine. It will then be presented to Parliament for enactment. The Revenue Agency is envisaged to be operationalised in 2017.
- **On 22 September 2016, the Bank held its 17th Annual Symposium, themed as "Reducing unemployment in Namibia: Creating more jobs in the manufacturing and tourism sectors".** The theme was informed by the high rate of unemployment prevailing among the youth in particular. In this regard, the Symposium aimed to answer the following questions:
  - What is the potential that the country has in terms of reducing unemployment, using the tourism and manufacturing sectors?
  - How many jobs can the tourism and manufacturing sectors provide, compared with the current level?
  - What measures need to be undertaken to ensure a successful creation of jobs in these two sectors?
  - What can Namibia learn from international experiences in terms of reducing unemployment using the two sectors?

These issues were addressed through presentations given by local and international speakers, and supplemented by panel discussions comprising representatives from the manufacturing and tourism sectors as well as the Bank of Namibia. The various research papers and recommendations were then published in a Symposium report.

International financial cooperation

The Bank regularly engages and collaborates with international and regional stakeholders as part of its day-to-day activities. The key international stakeholders with whom the Bank collaborates are other central banks, as well as the IMF and the World Bank Group (WBG). Within continental Africa, the Bank is a member of the Association of African Central Banks (AACB). At the regional level, the Bank continues to participate in SADC activities through the Committee of Central Bank Governors (CCBG) as well as the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). Similarly, the Bank participates in CMA and SACU activities. These cooperation arrangements are elaborated below.

Cooperation with the World Bank Group and the International Monetary Fund

In 2016, the Bank continued to participate in the IMF and WBG's annual meetings. These meetings were held in Washington, DC, in the US from 7 to 9 October 2016. The meetings bring together central bankers, ministers of finance and development, private sector executives and academics to discuss issues of global concern, which include the world economic outlook, the eradication of poverty, economic development, and the effectiveness of aid. Among other things, the 2016 meetings focused on monetary policy and financial stability, inequality, opportunity and prosperity, fiscal monitoring, climate change, how to avoid fiscal breakdown, financial inclusion, and sustaining growth amid rising global risks. At the meetings, the Bank of Namibia used the opportunity to engage its counterparts in central banking with the aim of strengthening existing bilateral agreements.

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Cooperation with the IMF

The IMF team visited the Bank in September 2016 as part of its annual surveillance activities under Article IV of the IMF Articles of Agreement. The team discussed issues pertaining to financial stability, real sector development, the economic outlook, monetary policy and the financial sector, the anti-money laundering and combating of terrorist financing regime, and balance-of-payment developments. Such Article IV consultations allow the IMF to assess the economic health of each country and to forestall future financial problems. The IMF team's subsequent Article IV report highlighted that Namibia's gross domestic product (GDP) growth had exceeded 5 percent since 2010, despite being a small commodity-dependent economy that was exposed to external shocks such as low commodity prices and slowdown in the South African economy. Nonetheless, the report raised concern about the expansionary fiscal policy of the last four years, i.e. 2013–2016, high unemployment, high income inequality, overvalued housing prices, strong credit growth, and increased household indebtedness in the economy.

Staff members of the Bank attended training courses offered by the IMF in 2016. Through its collaboration with the Regional Technical Assistance Center (RTAC) in Southern Africa (AFRITAC South – AFS), the IMF provided fully-funded training workshops in the following areas, among others: financial stability, stress-testing in banks, monetary policy and exchange rate regimes, macroeconomic management and fiscal policy, monetary policy communication, government compensation and employment.

The IMF also offered technical assistance to the Bank in the areas of monetary and financial statistics. The IMF statistics team provided the Bank with technical assistance in respect of collecting data on other financial corporations such as pension funds and insurance companies, as per the given benchmarks for these bodies. The Bank made significant progress in collecting data on other financial corporations, as per benchmarks for such entities.

Cooperation with the WBG

Bank of Namibia continued to benefit from WBG technical assistance and training in 2016. In May 2008, the Bank had entered into an investment management and consulting agreement with the WBG, under its Reserves Advisory and Management Program. In terms of this Program, the Bank receives certain technical advisory and asset management services. In 2016, the Program team provided on-site training on the implementation of the WBG's Portfolio Analytics Tool 3 (PAT3), which equips risk managers with portfolio analytics software. Bank staff also attended a number of training workshops related to strategic asset allocation during the review period. In addition, a number of staff continued to benefit from fully funded Chartered Financial Analyst training and examination.

Cooperation with the Alliance for Financial Inclusion

The Bank maintained its membership of the Alliance for Financial Inclusion during the year under review, and continued benefiting from the Alliance's activities and programmes. The Alliance is a world leader in financial inclusion policy and regulation, as well as being a member-owned network that promotes and develops evidence-based policy solutions that help to improve the lives of the poor. The Bank participates in the Alliance's activities as a primary member. Among other things, the reporting year saw the Bank providing input into a database that tracks members' progress towards achieving financial inclusion goals.

Bilateral cooperation with other central banks

Technical assistance that commenced in 2015 with the Sveriges Riksbank – the Kingdom of Sweden's central bank – continued in 2016. The areas covered include capacity development assistance rendered in the areas of monetary policy communication, financial stability, and banking supervision issues.

The Bank of Namibia maintained its bilateral collaboration on the Currency Conversion Agreement with its Angolan counterpart, the Banco Nacional de Angola, in 2016. The two central banks continued to share information on the global economic environment and the impact of low commodity prices on their own economies. The two central banks also reflected on developments regarding their Agreement with the aim of ensuring its efficacy.

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Cooperation with the Association of African Central Banks

The Governor of the Bank of Namibia served as Chairman of the AACB Southern Africa Sub-regional Committee during a two-year tenure that ended in August 2016. As part of this role, the Bank of Namibia was responsible for coordinating progress on the AACB's African Monetary Co-operation Programme for the Southern Africa Sub-region. The Programme aims to harmonise the AACB's monetary, financial and payments policies and to enhance monetary cooperation among African countries. In addition, the Bank of Namibia represented the Bureau of the Southern Africa Sub-regional Committee at AACB Bureau Meetings, which precede AACB Annual General Meetings. The Central Bank of Swaziland assumed the Southern Africa Sub-regional Committee chair for the next two-year period, ending in August 2018.

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

During the period under review, the Bank attended annual meetings of the Board of Governors, which precede IMF and WBG annual meetings. The Director of the Research Department was appointed to the MEFMI Academic Board in 2016. MEFMI, IMF and WBG collaborate in providing training in areas of Debt Management; Macroeconomic Management and Financial Sector Management.

The Bank continued its cooperation with MEFMI through participation in its fellowship and training programmes. One staff member participated in the Fellows Development Programme in the areas of balance-of-payments collection in terms of compilation and harnessing of remittances data, which commenced in October 2015. Graduate fellows are accredited and become regional experts in their respective areas of specialisation. The duration of the Programme is 18 months; current candidates are expected to graduate in 2017. In respect of MEFMI's training programmes, some members of the Bank attended fully funded workshops in areas such as the balance of payments, and monetary and financial statistics.

Cooperation with the Committee of Central Bank Governors in SADC

The Bank of Namibia continued to participate in CCBG activities. Bank staff participated in two CCBG meetings in 2016, namely in May and October, in which Governors discussed economic and financial developments in the SADC region as well as SADC's progress towards monetary integration. The CCBG also dealt with important issues such as the SADC Integrated Regional Settlement System (SIRESS), settlement currencies for SIRESS, and a clearing house for low value electronic funds transfers (EFTs).

Cooperation with Common Monetary Area structures

The Bank continued participating in CMA meetings during 2016. In this respect, the Bank participated in three CMA Governors' Meetings, during which Governors exchanged views on economic developments in their respective countries. The revised Multilateral Monetary Agreement among the four member states was submitted to the South African Treasury for further consultations with members states' National Treasury authorities. In addition, senior treasury officials from the four member states also held a meeting to discuss its content. The Agreement is expected to be discussed by CMA Ministers of Finance in 2017.

Cooperation with the Southern African Customs Union

The Bank maintained its participation in SACU activities during 2016. There were four SACU Commission[4] meetings held in 2016, of which the Bank was represented at two. Among other things, the meetings discussed matters related to the harmonisation of GDP compilation; trade data reconciliation, finance and audit; the trade facilitation programme; trade-related issues; and administrative issues.

4 The SACU Commission is made up of senior government officials at the level of Permanent Secretaries, Directors-General, Principal Secretaries or other officials of equivalent positions from each member state.

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STRATEGIC OBJECTIVE 8: OPTIMISE ORGANISATIONAL EFFICIENCY AND COST-EFFECTIVENESS

Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
8.1 Manage risk effectively	All gaps are identified and mitigating strategies for medium and high risks are implemented within the agreed time frame.	The 2016 Audit Plan was executed as intended. As per those assignments, sufficient audit coverage was achieved to enable the Bank to express an opinion on its risk management practices, controls and governance processes. The cure rate for the audit findings were 86 percent, which was below the targeted 100 percent.	No
8.2 Ensure that the Bank can function in the event of a disaster (business continuity)	A tested Crisis Management Plan is in place.	The Framework was tested and gaps were identified that have been corrected.	Yes
8.3 Enhance a high-performance-driven culture which lives the Values of the Bank and strategic talent management	The Bank achieves all (100 percent) of its goals.	Most of BoN stratigic goals were achieved.	No
	100% Staff members live the Bank's Values.	Bank's staff were found to be living its Values.	Yes
	95 percent of the critical talent of the Bank are retained.	All the Bank retained 95 percent of its critical staff in 2016.	Yes
8.4 Manage the Bank's financial resources and affairs in a prudent manner	The Bank issues unqualified Annual Financial Statements in compliance with the Bank of Namibia Act and International Financial Reporting Standards.	The Bank has consistently obtained an unqualified Audit Report, in compliance with International Financial Reporting Standards.	Yes
8.5 Ensure the functionality, security and availability of facilities, other assets and infrastructure that support the Bank's operations in an environment-friendly manner	There is 97 percent availability and functionality in respect of the facilities, infrastructure and other assets that support the Bank's operations in an environment-friendly manner.	An average of 99 percent availability in respect of Bank assets that support its operations was achieved during 2016.	Yes
	The Bank's security system is 100 percent functional.	The security system was 100 percent functional in 2016.	Yes
	Initiatives are taken to reduce the Bank's carbon footprint.	A successful energy awareness campaign was completed in 2016; its impact will be monitored in 2017.	Yes

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Initiatives and strategies	Strategic outcomes	Actual outcomes	Strategic Objective Achieved (Yes/No)
8.6 Provide relevant, secure, dependable and efficient information technology (IT) to improve business operations	There is 99.9 percent availability of IT systems.	IT systems' availability registered at 99.6 percent for 2016.	No
	The degree of IT security achieved is equivalent to maturity level 3.5.	The maturity level of IT security increased from 2.25 to 2.95 in 2016	No
8.7 Employ efficient procurement practices.	Procurement practices that result in cost savings and reduced procurement cycle time are in place.	Marginal cost savings were achieved. More initiatives towards achieving this goal will be explored in 2017.	Yes

Risk management and assurance

The Bank's risk management function facilitates enterprise risk management practices across the board, in order to manage risks in a proactive, coordinated, prioritised and cost-effective manner. In 2016, the Bank received an average Level 3 maturity rating through an independent maturity review. This rating places the Bank at a *Top down* level of maturity[5]. The reporting of operational risk incidents improved, with a total of 28 being reported for 2016 (2015:15). Actual financial losses incurred as a result of these incidents amounted to N$765,193. Remedial actions to address, wherever possible, the root causes of the incidents in question were defined and are being taken. The Bank's risk universe and risk tolerances are also being developed. These will assist the Bank in gaining a better understanding of the inherent risks it faces, while the tolerances will help ensure that risk-taking is effected within Board-approved limits. The top strategic and operational risks and their identified response strategies continued to be monitored at the Bank's quarterly Risk management and Audit Committees.

The risk relating to the Bank's repayment of obligations emanating from the implementation of the Angola Trade facilitation and its Currency Conversion Agreement with its Angolan counterpart, the Banco Nacional de Angola, were also monitored during the reporting period. These efforts resulted in an accelerated repayment plan which has since become part of a revised agreement. The acceleration was a prudent risk-mitigation measure as changes to economic conditions in Angola and global oil prices, could potentially affect the repayment pattern. So far, the Banco Nacional de Angola has honoured the repayments: since the Agreement's inception in 2015, US$120 million has been paid towards the obligation. Of this amount, US$80 million was for 2016 alone. By the end of the reporting period the total outstanding obligation amounted to US$306 million.

Business continuity management at the Bank continues to improve from year to year. During the review period the Bank conducted a business continuity simulation exercise to prepare for responses to significant disruptions to its most urgent (critical) business processes. The lessons learnt from the 2015 simulation exercises were implemented, which resulted in a good outcome for the 2016 simulation: all time-critical processes were able to operate at the disaster recovery site for at least one day. However, the recovery time objectives were not met for all systems, with the exception of the EFT system. The main cause identified

5 Top down level of maturity means that the Bank has a common framework program statement policy, routine risk assessment, communication of top strategic risks to the board and executive, sharing of knowledge across risk functions, awareness activities, formal risk consulting and a dedicated risk team.

for not meeting these objectives involved replication challenges. An awareness was done for the Crisis management team during October 2016. Actions defined as a result of the simulation and the crisis team exercise will be monitored for implementation. In addition, two disaster recovery tests were conducted in respect of the NISS.

The Bank-wide compliance management process was strengthened by having a detailed procedure in place, identifying compliance champions and clarifying the role of compliance facilitation. Implementation of the Anti-money-laundering Policy is also in progress, with suspicious transactions being monitored and suspicious activities being reported. The acquisition of a monitoring tool is being investigated as well.

The internal audit function provides independent and objective assurance on the adequacy and effectiveness of the Bank's control and governance processes. The approved Internal Audit Plan for 2016 provided comprehensive assurance over these processes, which manage key risks. This was undertaken as planned, and any material issues that arose were reported to the appropriate level of management and to the Board's Audit Committee. As per the completed assignments, sufficient audit coverage was achieved. This coverage enabled the Bank to express an opinion that it had adequate and effective risk management practices, controls and governance processes in place.

The tracking and accountability for corrective actions on issues raised during audits was prioritised by way of quarterly reporting to the Audit Committee in respect of the Bank-wide cure (resolution) rate. The cure rate results for November were 86 percent (2015: 88 percent), which is still below the desired target of 100 percent.

Staffing and human resource developments

Staffing

The Bank achieved significant milestones in 2016 by ensuring that it had an adequate staff complement, with the right people in the right positions, willing and able to contribute towards executing the Bank's mandate. The staff complement as at 31 December 2016 was 300 employees. This means 37 fewer posts than the approved establishment of 337 were filled. The discrepancy was attributed to vacancies resulting from retirements, promotions and resignations during the year under review (Table A.12). In addition, the Bank took a strategic decision not to automatically fill vacant positions, but only to do so where there was a critical need; hence, a number of the positions remained vacant in 2016.

Table A.12: Number of staff as at 31 December 2016

Staff category	2012	2013	2014	2015	2016
General staff	278	271	257	269	265
Management (excluding Executive Management)	34	33	32	32	33
Executive Management	3	3	2	2	2
Total employed	**315**	**307**	**291**	**303**	**300**

Employment equity

The Bank continued to comply with the requirements of the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998). In this regard, the Bank ensured that all its policies and practices were aligned to affirmative action requirements and guidelines. The Bank consistently followed through on its three-year Employment Equity Plan, which runs from 2016 to 2018. During the reporting year, the Bank met – and, in some instances, exceeded – its employment equity targets. The Affirmative Action and Employment Equity Commission therefore duly awarded the Bank with a certificate of compliance for 2016.

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The current total workforce profile for the Bank's 300 permanent employees was as follows at the end of December 2016 (Table A.13):

- A total of 288 (96 percent) of the Bank's employees are representative of the designated groups. Female representation totalled 164 (55.0 percent).
- A total of 27 new employees were recruited, of whom 44.0 percent were female. Two of the 12 new female employees were appointed at management level.

Table A.14: Employment equity data, 2012–2016

Workforce	2012	2013	2014	2015	2016
Male	161	153	140	144	136
Female	154	154	151	159	164
Racially disadvantaged	301	297	282	291	288
Racially advantaged	9	5	4	6	6
Persons with disabilities	4	4	5	6	6
Non-Namibians	1	1	0	0	0
Total	**315**	**307**	**291**	**303**	**300**

Capacity development

The Bank continued to invest in building capacity among its employees in order to enable them to accomplish the Bank's mandate as articulated in its Strategic Plan. In 2016, altogether 69 employees were trained in various aspects of central banking. In addition, a number of employees were provided with technical and soft skills training interventions in leadership, effective management and accountability. The need for soft skills training was identified from staff performance appraisals as well as by the development needs identified and proposed by supervisors and managers.

The Bank continued to invest in education by granting bursaries to Namibian learners as well as bursaries or loans to deserving staff members who consistently met their performance goals so that they could pursue undergraduate degrees in areas relevant to the operations of the Bank. For the period under review, 5 staff members received bursaries for undergraduate studies, while 19 were awarded study loans. The Bank also sponsored four staff members who were registered for Master's degrees at internationally recognised universities. Three other sponsored staff members completed their Master's degrees in IT, Risks Management and in Commerce, respectively. Their respective specialisations were governance, organisation management and financial crime. The reporting year also saw the Bank award nine new bursaries to Namibian school-leavers to study at recognised institutions within the SADC Region in the fields of Accounting/Finance, Computer Science/IT, Economics, Actuarial Science, and Education (Accounting and Science). A total of 43 percent of bursary recipients were female. The Bank provided altogether 28 undergraduate bursaries in 2016 (Table A.15).

Table A.15: Namibian students sponsored by the Bank's Bursary Scheme, 2016

Field of study	Number of students
Accounting/Finance	13
Computer Science/IT	2
Economics	8
Actuarial Science	1
Education (Accounting and Science)	4
Total	**28**

The Graduate Accelerated Programme, which was introduced in 2011, continued to progress well in 2016. The purpose of the Programme is to provide graduates in the areas of banking, economics and finance 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 related areas, and to facilitate framework shifts with all participants toward excellence. The Programme for 2016 proved to be very successful, with one of the six candidates securing permanent employment with the Bank. The remaining five candidates are due to complete the programme in August 2017. The next intake will be in February 2018.

In 2016, the Bank also provided various in-house training courses in advanced project management, industrial relations, advanced supervisory skills, leadership development and plain language. The training is meant to equip managers and staff with the necessary competencies aimed at contributing to superior performance. It also aims to create awareness of the role of the central bank in the economy. The technical training, which covered all mission-critical areas relevant to the Bank's operations, enhanced accountability awareness and improved the staff's technical competencies, thereby bridging performance gaps.

Organisation development and workplace culture

The Bank continued to motivate its staff through targeted interventions that develop and strengthen the Bank's Vision of being a Centre of Excellence. Through these interventions, the Bank fosters a culture of diversity by focusing on interpersonal and inter-group communication, and uses relationship-building activities to inculcate the Bank's culture drive for excellence in the workplace. Such sessions strive to instil the Bank's Values and to ensure that all staff are conversant with its Vision and Mission. This initiative was further consolidated through various team-building sessions and one breakaway session with the Governor for new employees. Other ongoing leadership development and coaching sessions complemented these efforts.

In the course of the reporting year, staff performance was managed and tracked to ensure employees remained optimally engaged. Staff members' work lives were assessed in respect of their deployment of the Bank's Values with a view to ensuring that the desired Bank culture remained intact and that staff continued to live the Bank brand.

An appropriately designed Wellness Programme is an important component in any organisation – and the Bank is no exception in this regard. During 2016, the Bank's Wellness Programme continued to impact Bank staff's work/life balance through awareness and knowledge sessions on issues such as effective stress management, emotional wellness, HIV/AIDS,[6] and financial coaching. Staff also took advantage of various other individual consultations and counselling sessions that were offered.

Bank staff benefited from the relevant wellness inputs in respect of issues such as general health and safety. Staff members working in sensitive such as cafeteria and note sorters underwent routine occupational general health check-ups. Staff members were also regularly updated on issues such as rubella (German measles), measles, the Zika virus and yellow fever. Some 65.0 per cent of staff were voluntarily immunised against the rubella and measles viruses. Wellness activities will continue to focus on preventative interventions to deal with potential health risks, and work related stress caused by work pressure.

The Bank engages in benchmarking activities with various institutions in Namibia and outside the country with a view to stimulate innovation as well as to enhance business efficiencies and organisational effectiveness. During 2016, various Departments benchmarked with identified institutions internationally and implemented what could be learnt from the experience of others in order to improve and enhance their own business practices and processes. In 2016, the project to map and enhance business processes was completed and signed off. Based on this business processes management exercise, all the job descriptions in the Bank were reviewed and analysed to ensure resources were being deployed and used optimally. The job evaluation project is expected to be completed by May 2017.

In 2016, the Bank also revised the terms of reference of the Benchmarking Committee to include a comprehensive drive to stimulate innovation and improve efficiencies. The Innovation and Efficiency

6 Human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS).

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Committee with a renewed terms of reference was formed to oversee and drive all benchmarking initiatives at the Bank, and to ensure innovation and central banking business progress. To this end, the benchmarking budgets for 2017 were finalised and the Business Processes Improvement and Re-engineering Project was initiated. Another milestone reached during the reporting period was the completion of a succession management pilot study. The Succession Management Project will be rolled out progressively in the next few years to include all the relevant posts in the Bank's organisational structure.

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	2012	2013	2014	2015	2016
N$ million					
Capital and reserves	1 798	3 165	4 018	5 123	7 384
Currency in circulation	2 332	2 864	3 385	3 929	4 044
Government deposits	7 328	6 975	3 556	3 510	6 635
Bank deposits	1 790	1 950	2 513	2 259	3 396
Other	1 804	2 134	3 155	5 440	11 677
Total	**15 052**	**17 088**	**16 627**	**20 261**	**33 136**
Percentage composition					
Capital and reserves	11.9	18.5	24.2	25.3	22.3
Currency in circulation	15.5	16.8	20.4	19.4	12.2
Government deposits	48.7	40.8	21.4	17.3	20.0
Bank deposits	11.9	11.4	15.1	11.1	10.2
Other	12.0	12.5	19.0	26.9	35.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The sources of Bank funds increased in 2016. One of the main contributing factors to this increase can be attributed to the increase in Other Deposits. Other Deposits increased from N$5.4 billion in 2015 to N$11.7 billion in 2016. As a percentage of liabilities, average Other Deposits increased from 26.8 percent in 2015 to 35.3 percent during 2016. A significant portion of this increase in Other Deposits can be attributed mainly to the Asset Swaps arrangements (GIPF & Nampower Swaps). Average Capital and Reserves, Currency in circulation, Government Deposits and Bank Deposits in absolute terms also increased moderately in 2016.

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. The Bank's foreign investments balances remained relatively constant until 2014. However, financial years 2015 and 2016 showed notable increases. The value of average foreign investments significantly increased from N$18.6 billion in 2015 to N$27.7 billion in 2016, which represents 48.9 percent increase over last year. The reason for this increase observed is primarily attributed to increases in the IMF Quota subscriptions for Namibia and to the Asset Swap arrangements with GIPF and Nampower entered into in order to enhance Namibia's foreign reserve stocks.

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

Financial year	2012	2013	2014	2015	2016
N$ million					
Foreign investments	14 334	16 253	15 859	18 594	27 687
Loans and advances	42	48	82	131	342
Fixed assets	247	311	306	297	309
Other assets	429	476	380	1 239	4 798
Total	**15 052**	**17 088**	**16 627**	**20 261**	**33 136**
Percentage composition					
Foreign investments	95.2	95.1	95.4	91.8	83.6
Loans and advances	0.3	0.3	0.5	0.6	1.0
Fixed assets	1.6	1.8	1.8	1.5	0.9
Other assets	2.9	2.8	2.3	6.1	14.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

As outlined in Table A.18, the Bank's total income increased in 2016 when compared to 2015 financial year. Interest earnings increased mainly due to higher average Rand holdings observed in 2016. In addition, market valuation gains on our investment portfolios also contributed to the increase in total income in the 2016 financial year.

Table A. 18: Sources of Bank income

Income component	2014		2015		2016	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Interest received	366.2	60.8	324.6	64.3	435.3	72.1
less: Interest paid	(124.6)	(20.7)	(88.9)	(17.6)	(174.2)	(28.9)
Net interest earned	241.6	40.1	235.7	46.7	261.1	43.2
Net realised gain/(loss)	102.2	17.0	(33.9)	(6.7)	12.8	2.1
Rand seigniorage	217.6	36.1	260.3	51.6	296.5	49.1
Other income	41.2	6.8	42.4	8.4	33.6	5.6
Total income	602.6	100.0	504.5	100.0	604.0	100.0
Annual % change	**n/a**	**68.0**	**n/a**	**-16.3**	**n/a**	**19.7**

Since the Bank maintains strict control over all expenditure and works within the budget constraints approved by the Board, it is possible to contain and manage operating expenses (see Table A.19). Other operating expenses makes up the Bank's largest expenses during 2016, followed by staff costs. Other operating costs increased from N$ 78.0 million in 2015 to N$163.0 million in 2016 due to increases in major accounts such as municipal charges, maintenance, subscriptions, management fees, etc,. Salaries and related personnel costs decreased by 13.9 percentage due to the costs of the Financial Intelligence Centre that were separated from the Bank during the 2016 financial year as well as the reduction in the Post-Retirement Medical Aid (PRMA) provision. In addition, depreciation charge increased significantly from negative N$2.4 million in 2015 to N$22.5 million in 2016. The negative depreciation recorded in 2015 arose from the residual value adjustments performed on assets. Currency expenses also went down due to a decrease in the issuance of new currency, hence reduced the amortisation cost of currency.

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

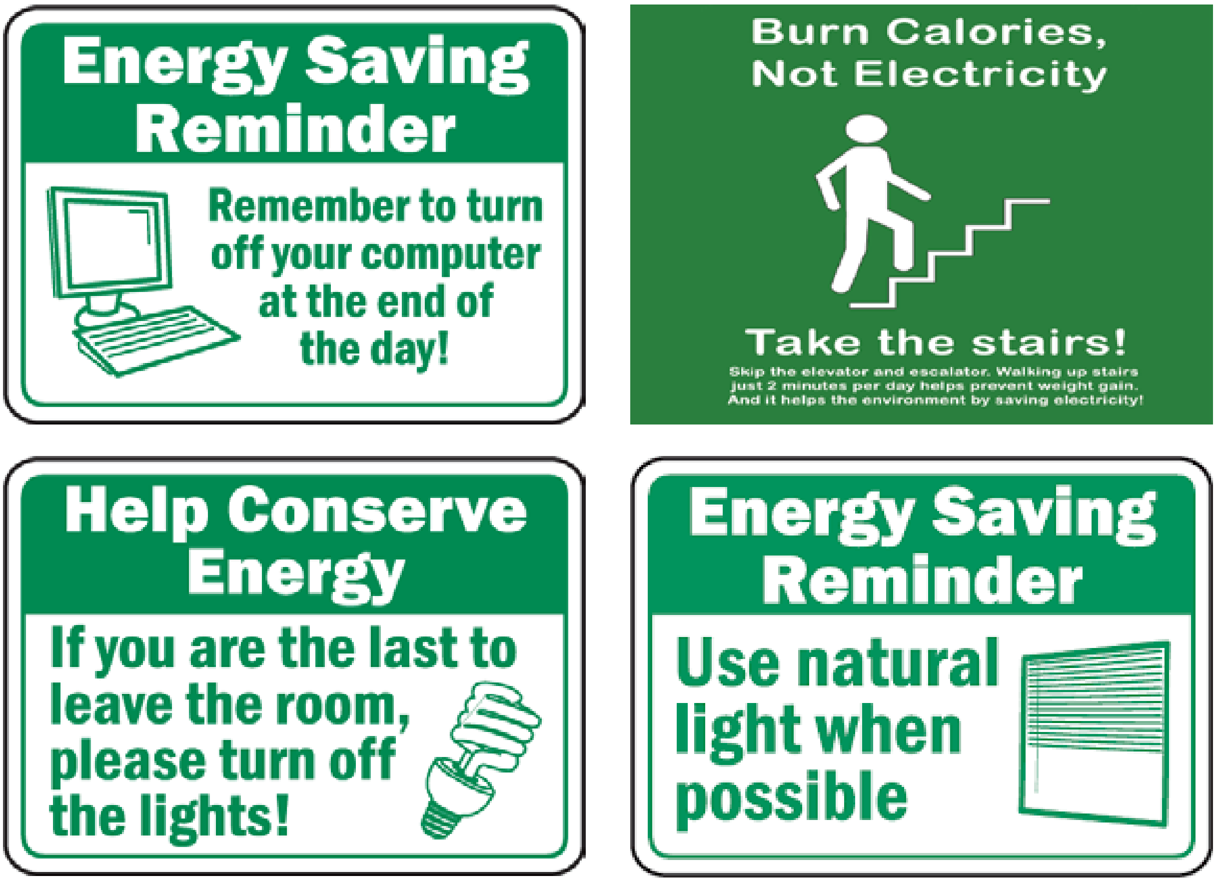
Cost component	2014		2015		2016	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Staff costs	168.5	54.2	192.8	56.3	166.0	40.7
Currency expenses	44.4	14.3	74.3	21.7	56.4	13.8
Depreciation charges	18.4	5.9	(2.4)	(0.7)	22.5	5.5
Other operating expenses	79.5	25.6	78.0	22.8	163.0	40.0
Total operating expenses	310.8	100.0	342.7	100.0	407.9	100.0
Annual % change	n/a	3.2	n/a	10.3	n/a	19.0

FACILITIES MANAGEMENT

Facilities management, which is an interdisciplinary field devoted to the coordination of all business-support services, is of strategic importance to the Bank. The Bank's facilities management function can be defined as the integration and alignment of non-core services required to operate and maintain the Bank to fully support its core objectives. The facilities management function includes infrastructure development, general repairs and maintenance, fire safety, utility services and business continuity.

In 2016 the Bank focused on three projects to maintain and enhance its facilities. These involved launching the Green Initiative Project, upgrading the air-conditioning system and repairing the parking garage floor.

- **The Green Initiative Project:** This is a long-term project aimed at identifying potential opportunities through which the Bank of Namibia can realise substantial reductions in energy consumption and thus reduce its carbon emission footprint. Following the successful completion of the first phase of the Green Initiative Project which entailed the carrying out of an energy audit on the Head Office building in 2015, a Bank wide energy awareness campaign was carried out during the month of August 2016 to sensitise the Bank staff on how to use electrical energy more efficiently. Emphasis was placed on the switching off of lights that are not in use and to encourage the use of natural light. The starting and stopping times of the HVAC (heating, ventilation air conditioning) system were also adjusted to ensure that the HVAC system only ran when the building is occupied. Consumption of energy data is being collected after these adjustments to assess the energy saving being realised at the end of 2017. The Bank will continue to explore areas in which greater energy savings can be realised through the Green initiative project.
- **Optimisation of the Bank's air-conditioning system:** This is a component of the Air-conditioning Upgrade Project. The optimisation exercise entails installing 24-V Rickard diffusors throughout the Bank building because the existing diffusors have become less efficient as they have aged. The new diffusors should improve the circulation of ventilated air in the building. It was decided that installations would be done one floor at a time each year. Thus, installations on Floor 1 were completed on 22 December 2016, while those on Floor 2 should be completed in 2017.
- **Headquarters Parking Garage Floor Repair Project:** This Project was intended to lift the parking floor at areas where it has sagged. The Bank was advised by the consultant that the floor would not sag further and that any repairs to it would be cosmetic at best. The Project was therefore discontinued during the reporting period.



Energy awareness campaign aimed at reducing the Bank's carbon footprint

Air-conditioning Upgrade Project

Old diffusors

New energy-efficient diffusors installed on Floor 1

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INFORMATION TECHNOLOGY

IT governance initiatives

The final and concluding period of the five-year IT Master Plan was reached in 2016. In 2012, the IT Department set out seven strategic themes, which in turn had around 70 sub-activities planned. The Bank has since managed to satisfactorily complete about 46 of these sub-activities, representing an execution success rate of approximately 65 percent. Of the original 70 sub-activities, 10 were either cancelled entirely or largely behind schedule due to various constraints, while 14 were still in progress by the end of the reporting period.

The Bank finalised its top five focus areas for technology governance. Following its migration to the latest technology governance framework (Control Objectives for Information and Related Technology, COBIT 5), the Bank rated its maturity across most of the processes outlined in it. A priority process was undertaken to align resources and focus efforts on the processes that would bring the most value to central banking business. The processes identified include IT risk management, benefits delivery, IT security, availability and capacity management, and business continuity. Implementation of these priority processes began at the end of 2016, and are earmarked for completion over a three-year period.

IT infrastructure and security developments

The Bank improved its IT security maturity steadily during the year under review. Thus, the maturity level of IT security increased from 2.25 to 2.95, based on the older IT governance framework. Nonetheless, this is still below the overall target of 3.5 for the Bank to be comfortable in its operations. To this end, further improvements are planned in this area of focus. The human resources IT security specialty field is also earmarked for attention in the first half of 2017.

Various security systems were steadily implemented during the year under review. The Bank saw the implementation of an improved intrusion prevention system, which monitors and assists in counteracting malicious data leaving or entering the Bank. The introduction of hardware and software based data encryption on removable media was also successfully deployed. Various other technologies have additionally been added to enhance network access controls – all with the aim of improving the Bank's overall security posture during a year of continued cybersecurity incidents and breaches around the world. Two feasibility studies were concluded in 2016 to strengthen the Bank's security posture further in 2017 and beyond.

The strategic target of systems availability of 99.9 per cent was within reach, but still not achieved during the year under review. The Bank's Early Warning System, which tracks the availability of systems 24/7, recorded an overall availability throughout the year of 99.55%. This is a steady improvement, given the average of 99.43 per cent recorded for 2015. The main outages registered were on the NPS and the databases infrastructure caused by network challenges, and connectivity to the Oshakati Branch caused by the Bank's Internet service provider.

Developments in IT business systems

The Bank's technology improvements during the year under review have been positive and cost-effective. The NPS was successfully upgraded to the latest version early in the year without any challenges. Improvements were also observed in better capabilities for disaster recovery testing for the national system.

The Bank is both a regulator of, and a participant in, the NPS and, as such, needs to comply with the provisions of the Determination on the Efficiency of the National Payment System (PSD-7). The Determination became effective on 31 December 2014 and requires improved efficiencies in the NPS, particularly the EFT payment instrument. The Bank therefore initiated the replacement of its EFT System during the year under review to address the provisions of PSD-7. With the bulk of the project completed in 2016, the Bank expects to complete it in 2017. This is in line with the project timelines of Namclear's Enhanced EFT Project coordinated by the Payment Association of Namibia.

The Bank conducted two mini-studies to look into the way information is handled with its internal and external stakeholders. The first study examined how the Bank collected information from commercial banks, the frequency at which such collections occurred, and the format in which the information was delivered. The study aimed to enhance the Bank's understanding of the nature of its data needs, and to reduce any potential burden to the commercial banks. These steps would in turn help to improve efficiencies in central banking operations. The second investigation was a feasibility study that looked into centralising various data repositories in the Bank for improved data collection, storage, dissemination and analysis. The key purpose of this study was to improve the Bank's decision-making, with the long-term view of having a single source of information available to the Bank's stakeholders.

As part of the Efficiency and Innovation Committee's agenda, the Bank saw various improvements in the IT space. These gains include a revision of a major software agreement between the Bank and one of its solution providers that saw a reduction of costs while observing an increase in services and functionality. The Bank also negotiated its telecommunication services around the country by reducing costs and increasing performance for stakeholders. Finally, the Bank's upgrade of its core payment system brought about significant cost savings that were derived through a cancellation of a hardware service-level agreement that became redundant. The combined efforts of the IT function resulted in a reduction of over N$870,000 in annual operational costs, while improving efficiencies in all the targeted areas.

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FIVE YEAR HISTORICAL FINANCIAL OVERVIEW

Table A. 20: Balance Sheet comparisons 2012-2016 - N$'000

	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
ASSETS					
Non-current assets	**436 020**	**491 316**	**460 401**	**491 689**	**1 868 010**
Property, plant and equipment	299 628	304 926	300 937	308 534	312 109
Intangible assets - computer software	8 448	5 166	2 686	7 551	6 093
Currency inventory - notes and coins	82 382	118 711	108 831	123 450	106 759
Loans and advances	45 562	62 513	47 947	52 154	1 443 049
Current assets	**15 109 847**	**16 086 865**	**16 437 114**	**32 303 401**	**32 346 126**
Investments	14 612 828	15 612 445	13 418 719	23 557 196	24 599 948
Loans and advances	2 529	750	358 415	784 338	716 038
Rand Cash	161 233	144 499	80 645	37 779	59 212
Other inventory - stationary and spares	2 189	2 195	2 211	1 926	1 947
Other assets	331 068	326 976	2 577 124	7 922 162	6 968 981
TOTAL ASSETS	**15 545 867**	**16 578 181**	**16 897 515**	**32 795 090**	**34 214 136**
EQUITY AND LIABILITIES					
Capital and reserves	**2 142 630**	**3 769 643**	**4 525 798**	**7 874 483**	**7 279 815**
Share capital	40 000	40 000	40 000	40 000	40 000
General reserve	812 792	835 588	1 127 638	1 197 333	1 277 053
Foreign Currency revaluation reserve	1 099 415	2 688 311	3 310 620	6 574 092	5 851 617
Distribution state revenue fund	9 442	-	-	-	-
Training fund reserve	-	-	10 000	15 000	15 000
Building fund reserve	150 000	150 000	-	-	20 000
Development fund reserve	25 000	25 000	35 000	43 789	43 789
Unrealised gain reserve	5 981	30 744	2 540	4 269	32 356
Non-Current Liabilities	**43 846**	**55 107**	**61 494**	**68 535**	**55 175**
Provision for post-employment benefits	43 846	55 107	61 494	68 535	55 175
Current Liabilities	**13 359 391**	**12 753 431**	**12 310 223**	**24 852 072**	**26 879 146**
Notes and coins in circulation	2 773 341	3 401 981	4 146 558	4 510 774	4 394 547
Deposits	10 560 075	9 299 551	8 134 924	20 294 533	22 452 711
Provision for post-employment benefits	890	1 199	1 295	1 470	1 453
Trade and other payables	25 085	50 700	27 446	45 295	30 435
TOTAL EQUITY AND LIABILITIES	**15 545 867**	**16 578 181**	**16 897 515**	**32 795 090**	**34 214 136**

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Table A.21: Income Statement comparisons 2012–2016 – N$'000

	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Interest income	255 833	345 506	366 247	324 608	435 251
Interest expense	(104 906)	(91 418)	(124 569)	(88 956)	(174 245)
Net interest income	**150 927**	**254 088**	**241 678**	**235 652**	**261 006**
Net gains/(loss) on portfolio investments	(39 301)	(148 501)	102 158	(33 914)	12 784
Net foreign exchange gains/(losses)	272 924	1 588 895	622 309	3 263 472	(722 475)
Rand compensation	190 174	214 618	217 600	260 288	296 463
Other income	20 196	38 417	41 292	42 391	33 598
Total income	**594 920**	**1 947 517**	**1 225 037**	**3 767 889**	**(118 624)**
Operating expenses	**268 200**	**301 292**	**310 827**	**342 736**	**407 925**
Net income for the year	**326 720**	**1 646 225**	**914 210**	**3 425 153**	**(526 549)**
Transfer from/(to) revaluation reserve	(272 924)	(1 588 895)	(622 309)	(3 263 472)	722 475
Unrealised Gain reserve	(721)	(24 763)	28 204	(1 729)	(28 087)
Net income available for distribution	**53,075**	**32 566**	**320 105**	**159 952**	**167 839**
Appropriations:	**53 075**	**32 566**	**320 105**	**159 952**	**167 839**
General reserve	22 710	22 796	142 050	68 476	79 720
Building reserve	-	-	-	-	20 000
Training fund reserve	-	-	10 000	5 000	-
Development fund reserve	5 000	-	10 000	10 000	-
Distribution to State revenue fund	15 923	9 770	158 055	76 476	68 119
Distribution to State revenue fund (retained)	9 442	-	-	-	-

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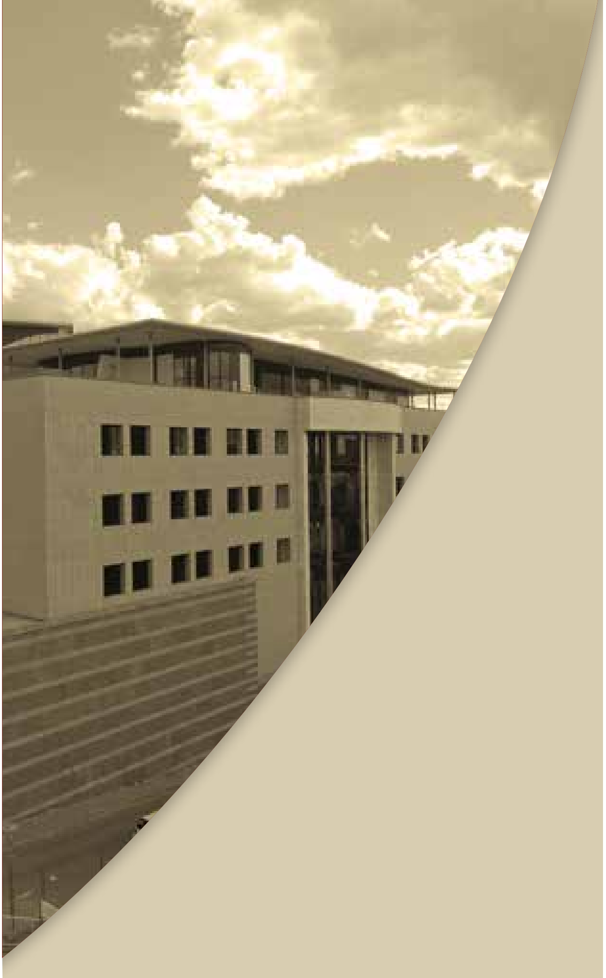


B

Part B

Annual financial statements

Content

FINANCIAL STATEMENTS OVERVIEW

B

KEY POINTS		2016 N$'000	2015 N$'000
→ Net interest income increased to N$261.0 million in 2016, from N$235.7 million in 2015. The Rand investment returns were the main contributing factor to the increase observed in 2016. Increased utilisation of overnight REPO facilities by commercial banks also led to increase in interest income.	Net Interest Income	261 006	235 652
→ Total operating expenses increased by N$65.2 million from N$342.7 million in 2015 to N$407.9 million in 2016.	Operating expenses	407 925	342 736
→ Amount available for distribution improved slightly from N$159.9 million in 2015 to N$167.8 million in 2016.	Amount available for distribution	167 839	159 952
→ A dividend of N$68.1 million will be paid to the Government for the 2016 financial year compared N$76.5 million paid in 2015.	Dividend Paid	68 119	76 476
→ The Bank's assets increased slightly from N$32.8 billion in 2015 to N$34.2 billion in 2016 due to increases in the IMF Quota subscription for Namibia, the amount owing by the Banco Nacional De Angola, arising from the Currency conversion agreement and due to the Asset Swap arrangements with GIPF and Nampower entered into to enhance Namibia's foreign reserve stocks.	Total Assets	34 214 136	32 795 090
→ Currency in circulation marginally decreased from N$4.5 billion in 2015 to N$4.4 billion due to the decline in demand for cash.	Currency in Circulation	4 394 547	4 510 774

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.

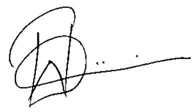
2. The Board has overall responsibility for the system of internal financial control in the Bank, which is designed to safeguard the assets of the Bank, prevent and detect fraud and other irregularities. To discharge this responsibility, an appropriate organisational structure has been established. In 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 68 to 109 were approved by the Board and are signed on its behalf by:



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Chairman

23 March 2017

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Board Member

23 March 2017

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

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Opinion

We have audited the annual financial statements of Bank of Namibia set out on pages 68 to 109, which comprise the statements of financial position as at 31 December 2016 and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Bank of Namibia as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Bank of Namibia Act, 1997.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit Financial Statements* section of our report. We are independent of Bank of Namibia in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and Part B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board members are responsible for the other information. The other information comprises the Message from the Governor, Part A (Operations and Affairs of the Bank), Part C (Economic and Financial Developments in 2016 and Theme Chapter), Part D (Banking Supervision) and Part E (Statistical Appendix) which we obtained prior to the date of this auditor's report. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board members' Financial Statements

The Board members are responsible for the preparation and fair presentation of the annual 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 board members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the board members are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect

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

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte + Touche

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Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
PO Box 47, Windhoek

Per: Erwin Tjipuka (Partner)
Partners:
E Tjipuka (Managing Partner), RH McDonald, H de Bruin, J Cronjé, A Akayombokwa, AT Matenda
G Brand (Director)
Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited.

Grand Namibia

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Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
PO Box 24304, Windhoek

Per: Richard Theron (Partner)
Resident Partners:
R Theron (Managing Partner), RN Beukes

23 March 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

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	Notes	2016 N$'000	2015 N$'000
Net interest income		**261 006**	**235 652**
Interest income	2	435 251	324 608
Interest expense	2	(174 245)	(88 956)
		330 061	**302 679**
Rand compensation income	2	296 463	260 288
Other income	2	33 598	42 391
Total income		**591 067**	**538 331**
		(395 141)	**(376 650)**
Operating expenses	2	(407 925)	(342 736)
Net gain/(loss) on investment portfolio		12 784	(33 914)
Profit for the Year		**195 926**	**161 681**
Other Comprehensive (Loss)/Income		**(722 475)**	**3 263 472**
Net foreign exchange translation(loss)/gain	16	(722 475)	3 263 472
Total Comprehensive (Loss)/Profit for the Year		**(526 549)**	**3 425 153**
(Loss)/Profits attributable to:			
Revaluation reserve	16	(722 475)	3 263 472
Unrealised gain reserve		28 087	1 729
Amount available for distribution	3	167 839	159 952
		(526 549)	**3 425 153**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

B

	Notes	2016 N$'000	2015 N$'000
ASSETS			
Non-current Assets		**1 868 010**	**491 689**
Property and equipment	4	312 109	308 534
Intangible assets – computer software	5	6 093	7 551
Currency inventory	6	106 759	123 450
Loans and advances	7	1 443 049	52 154
Current Assets		**32 346 126**	**32 303 401**
Investments	8	24 599 948	23 557 196
Loans and advances	9	716 038	784 338
Rand deposits	10	59 212	37 779
Other inventory – stationery and spares	11	1 947	1 926
Special Drawing Rights and Other receivables	12	6 968 981	7 000 334
Kwanza deposits	15	-	921 828
TOTAL ASSETS		**34 214 136**	**32 795 090**
EQUITY AND LIABILITIES			
Capital and Reserves		**7 279 815**	**7 874 483**
Share capital	13	40 000	40 000
General reserve	14	1 277 053	1 197 333
Foreign currency revaluation reserve	16	5 851 617	6 574 092
Training fund reserve	23	15 000	15 000
Development fund reserve	17	43 789	43 789
Building Fund reserve	18	20 000	-
Unrealised gain reserve		32 356	4 269
Non-Current Liabilities		**55 175**	**68 535**
Provision for post - employment benefits	19	55 175	68 535
Current Liabilities		**26 879 146**	**24 852 072**
Notes and coins in circulation	20	4 394 547	4 510 774
Deposits	21	22 452 711	20 294 533
Provision for post employment benefits	19	1 453	1 470
Trade and other payables	22	30 435	45 295
TOTAL EQUITY AND LIABILITIES		**34 214 136**	**32 795 090**

IPUMBU W. SHIIMI
GOVERNOR
23 March 2017

KURUVILLA MATHEW
CHIEF FINANCIAL OFFICER
23 March 2017

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital N$'000	Accumulated Profit & loss account N$'000	Training Fund Reserve 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 2015	**40 000**	**-**	**10 000**	**1 127 638**	**3 310 620**	**2 540**	**-**	**35 000**	**-**	**4 525 798**
Profit for the year	-	3 425 153	-	1 219	-	-	-	(1 219)	-	3 425 153
Transfer to Revaluation reserve	-	(3 263 472)	-	-	3 263 472	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	8	-	8
Transfers to Unrealised Gain reserve	-	(1 729)	-	-	-	1 729	-	-	-	-
Appropriation of net profit for the year	-	(159 952)	5 000	68 476	-	-	76 476	10 000	-	-
Dividend distribution(current year)	-	-	-	-	-	-	(76 476)	-	-	(76 476)
Balance at 31 December 2015	**40 000**	**-**	**15 000**	**1 197 333**	**6 574 092**	**4 269**	**-**	**43 789**	**-**	**7 874 483**
Profit for the year	-	(526 549)	-	-	-	-	-	-	-	(526 549)
Transfer to Revaluation reserve	-	722 475	-	-	(722 475)	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Transfers to Unrealised Gain reserve	-	(28 087)	-	-	-	28 087	-	-	-	-
Appropriation of net profit for the year	-	(167 839)	-	79 720	-	-	68 119	-	20 000	-
Dividend distribution (current year)	-	-	-	-	-	-	(68 119)	-	-	(68 119)
Balance at 31 December 2016	**40 000**	**0**	**15 000**	**1 277 053**	**5 851 617**	**32 356**	**0**	**43 789**	**20 000**	**7 279 815**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

B

	Notes	2016 N$'000	2015 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised by operations	A	**1 648 203**	**(102 656)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(1 455 500)**	**(103 505)**
Proceeds on disposals of property & equipment and intangible assets		-	136
Purchase of property & equipment		(25 060)	(5 580)
Purchase of currency inventory		(37 894)	(88 950)
Purchase of other inventory		(440)	(408)
Purchase of intangible asset – computer software		(1 211)	(4 496)
Decrease/(Increase) in loans and advances		(1 390 895)	(4 207)
CASH FLOWS FROM FINANCING ACTIVITIES		**(192 703)**	**206 161**
Distribution to the State Revenue Fund	B	(76 476)	(158 055)
Notes and coins issued		(116 227)	364 216
		-	-

NOTES:

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

	2016 N$'000	2015 N$'000
Profit/(Loss) for the year	195 926	161 681
Adjusted for:		
Depreciation	19 898	(2 040)
BNA fair value adjustment	83 533	-
Currency inventory amortisation cost	54 585	74 331
Other inventory issuance cost	419	694
Provision post employment benefits	(13 377)	7 216
Amortisation of computer software	2 668	(369)
Loss/(Profit) on disposal of property & equipment	1 007	(106)
Operating cash flows before movements in working capital	**344 659**	**241 407**
Decrease/(Increase) in loans and advances	68 300	(425 923)
Decrease/(Increase) in Rand cash	(21 433)	42 866
Decrease/(Increase) Kwanza Cash	921 828	(921 828)
Decrease/(Increase) in other receivables	19 959	(2 543 210)
Decrease/(Increase) in deposits	2 166 535	12 241 188
Decrease/(Increase) in trade and other payables	(14 860)	17 849
Decrease/(Increase) in investments	(1 836 785)	(8 755 005)
	1 648 203	**(102 656)**

B. DISTRIBUTION TO STATE REVENUE FUND

	2016 N$'000	2015 N$'000
Opening balance included in deposits	(76 476)	(158 055)
Appropriations of net profit for the year	68 119	76 476
Closing balance included in deposits	(68 119)	(76 476)
Paid for the year	**(76 476)**	**(158 055)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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 1.2. The annual financial statements have been prepared to comply with the requirements of the Bank of Namibia Act, 1997 and with the requirements of International Financial Reporting Standards (IFRS).

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards and amendments issued *but not effective* *for 31st December 2016 year-end:*

Number	**Effective date**	*Executive summary*
IFRS 9 *Financial Instruments*	1 January 2018 IFRS 9 (2014) Supersedes any previous versions of IFRS 9 remain available for application if the relevant date of application is before 1st February 2015	*A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:* *IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.* *The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.* *IFRS carries forward the derecognition requirements of financial assets and liabilities from IAS 39.*
IFRS12 *Disclosure of Interests in Other Entities*	1 January 2017	*Annual Improvements 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Number	Effective date	*Executive summary*
IAS 28 *Investments in Associates and Joint Ventures*	1 January 2018	*Annual Improvements 2014-2016 Cycle: Clarification that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.*
IAS 40 *Investment Property*	1 January 2018	*transfers of Investment Property: Clarification of the requirements on transfers to, or from, investment property*
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*	Annual period beginning or after 1 January 2018	*This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.*
IFRS 15 *Revenue from Contracts from Customers*	1 January 2018	*New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.* *The new standard supersedes:* *(a) IAS 11 Construction Contracts;* *(b) IAS 18 Revenue;* *(c) IFRIC 13 Customer Loyalty Programmes;* *(d) IFRIC 15 Agreement for the Construction of Real Estate;* *(e) IFRIC 18 Transfers of Assets from Customers; and* *(f) SIC-31 Revenue-Barter Transactions Involving Advertising Services.*
IFRS 1	1 January 2018	*IFRS 1— Annual Improvements 2014-2016 Cycle: Deletion of short-term exemptions that are no longer applicable. First-time Adoption of International Financial Reporting Standards*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Number	Effective date	*Executive summary*
IFRS 2	1 January 2018	*Classification and Measurement of Sharebased Payment Transactions: A collection of three distinct narrow-scope amendments dealing with classification and measurement of share-based payments.* *The amendments address:* • *the effects of vesting conditions on the measurement of a cash-settled sharebased payment;* • *the accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and* • *classification of share-based payment transactions with net settlement features.*
IFRS 4, Insurance Contracts	1 January 2018	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts: Two amendments to IFRS 4 to address the interaction between IFRS 4 and IFRS 9:* • *A temporary exemption from IFRS 9 has been granted to insurers that meet specified criteria; and* • *An optional accounting policy choice has been introduced to allow an insurer to apply the overlay approach to designated financial assets when it first applies IFRS 9*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

B

Improvements to IFRSs was issued by the IASB as part of the 'annual improvements process' resulting in the following amendments to standards issued, and effective for the first time for 31 December 2016 year-end:

IFRS	Effective Date	Subject of amendment
IFRS 5	1 January 2016	***IFRS 5*** — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
IFRS 7	1 January 2016	***IFRS 7*** — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
IAS 9	1 January 2016	***IAS 9*** — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
IAS 34	1 January 2016	***IAS 34*** — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

The Bank has reviewed the above detailed statements and do not expect them to have a significant impact on the Bank's financial statements with the exception of IFRS 9.

1.2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

1. Provision for post-employment benefits disclosed under note19.

   An Actuarial valuation is performed once every two 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. Evaluation of useful lives and residual values as disclosed under note 4.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

B

1. ACCOUNTING POLICIES (CONTINUED)

1.2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

3. Accounting for off-market loans as disclosed under note 7.

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

4. Currency Conversion Agreement with Angola

   The Bank of Namibia and Banco Nacional De Angola implemented the currency conversion agreement during 2015 to promote trade between the two countries. In terms of the agreement final settlement of the outstanding trade obligations would be in US Dollars. As at 31st December 2016 the NAD equivalent of the amount due from the Banco Nacional De Angola(BNA) amounted to approximately N$ 4.2 billion, excluding fair value adjustment. The amount due is reflected in Other receivables balances under Note 12 (current portion) and Note 7 (non-current portion) on our Statement of Financial Position. Repayment have been agreed with BNA and final settlement is expected during 2018. The Bank is confident that the BNA would honour their commitments and as such we assume recoverability of the debt in its totality.

1.3. REVENUE RECOGNITION

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

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

1.4. FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

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.

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 Statement of financial position items.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

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 on initial recognition
- 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 or impaired.

Classification - Financial Liabilities

At fair value through profit or loss

- Government Debts - Euro Bond Issue

At amortised cost

- Other liabilities
- Bank of Namibia Bills
- Notes and coins issued
- Amounts due to the Government
- Commercial bank deposits
- Accounts payable

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

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 Statement of Comprehensive income 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

B

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

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 Statement of financial position 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 derecognised 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.

Statement of comprehensive income net gains or losses

	2016 N$'000	2015 N$'000
Financial assets – at fair value through profit or loss		
Designated on initial recognition		
External portfolio investments – net profit/(loss)	12 784	(33 914)
	12 784	**(33 914)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

Impairment

The Bank reviewed its financial assets and determined that there were some investments that were impaired and adjustments were processed to the statement of comprehensive income to reflect the impairment.

1.5. 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 25% of the net profits of the Bank for a financial year be transferred to the General Reserve Account.

1.6 FOREIGN CURRENCY ACTIVITIES AND REVALUATION RESERVE

The Revaluation reserve has been created in accordance with Section 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.

1.7 BUILDING FUND RESERVE

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

B

1. ACCOUNTING POLICIES (CONTINUED)

1.8 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 every third year, 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 every third year 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 Statement of Comprehensive income during the financial period in which they are incurred.

1.9 INTANGIBLE ASSETS – COMPUTER SOFTWARE

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

1.10 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.11 PENSION FUND

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

1.12 IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

1.13 POST- EMPLOYMENT MEDICAL BENEFITS

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

1.14 CASH FLOW STATEMENT

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

1.15 PROVISIONS

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

1.16 TRANSACTIONS ON BEHALF OF GOVERNMENT

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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1. ACCOUNTING POLICIES (CONTINUED)

1.17 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.

1.18 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 transaction entered into with the International Monetary Fund 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.

1.19 NOTES AND COINS IN CIRCULATION

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

1.20 LENT OUT SECURITIES

The Bank derives income from securities lending activity. The counter parties involved in these transactions are highly 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.

1.21 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 Statement of Comprehensive Income as they arise. Unrealised gains when realised become available for distribution.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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2. RESULTS FOR THE YEAR

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

	2016 N$'000	2015 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**287 477**	**183 875**
Money market instruments – fair value through profit or loss	254 006	183 125
Money market instruments – held to maturity	33 471	750
Other Currency	**145 392**	**138 405**
Debt securities – fair value through profit or loss	144 049	138 144
Money market instruments – held to maturity	1 343	261
Unwinding of present value adjustments	2 382	2 328
	435 251	**324 608**
Interest Paid		
Government	155 215	3 650
Commercial Banks	17 900	84 978
Other	1 130	328
	174 245	**88 956**
Other Income		
Rand compensation income	296 463	260 288
Sundry income	33 598	42 391
	330 061	**302 679**
Operating Expenses		
Depreciation	19 899	(2 040)
Amortisation of computer software	2 668	(369)
Currency inventory amortisation costs	54 585	74 331
Other inventory expensed	419	685
Salaries and related personnel costs	166 023	192 810
Staff training and development	2 770	3 866
Social responsibility	170	1 132
Board members' fees - for services as board members	589	472
Auditors' remuneration - audit fees	972	924
Membership fees	2 913	1 741
Building and other maintenance costs	14 419	13 151
Loss on disposal of property, equipment and intangible assets	1 007	23
Amortisation of prepaid long-term employee benefit	2 382	2 328
Other expenditure	139 109	53 682
Total operational expenditure	**407 925**	**342 736**
Number of employees	**300**	**302**

Interest income relates to interest earned on our foreign investments which are invested in the Rand, EURO and USD money and capital markets. Interest expense mainly relates to interest paid to the Government of the Republic of Namibia, BON Bills issued, Commercial Banks settlement accounts and Special Drawing Rights allocations by the IMF.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

B

3. APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 1997

	Notes	2016 N$'000	2015 N$'000
Total Comprehensive(Loss)/Profit for the Year		**(526 549)**	**3 425 153**
Unrealised Gains release from Reserve		(28 087)	(1 729)
Exchange Rate Gains/Losses transferred to the Revaluation Reserve		722 475	(3 263 472)
Net Profit for the Year		**167 839**	**159 952**
Appropriation of Profits		**167 839**	**159 952**
General Reserve	14	79 720	68 476
Building Fund Reserve	18	20 000	-
Development Fund Reserve	17	-	10 000
Training Fund Reserve		-	5 000
Distribution to State Revenue Fund	22	68 119	76 476
Distribution to State Revenue Fund(Retained)		-	-

The IFRS (loss)/gain reflected on the Statement of Comprehensive Income includes translation (loss)/gains for the year that has been charged to the Statement of comprehensive income 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$167.839 million. Appropriations of profits are based on this Net Profit figure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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4. PROPERTY AND EQUIPMENT

2016 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 2016	320 087	26 271	93 493	7 714	447 565
Additions	5 919	1 145	17 404	592	25 060
Disposals	-	(8 096)	(6 113)	-	(14 209)
Transfers	-	(414)	(488)	-	(902)
Adjustments	-	(2)	-	-	(2)
At 31 December 2016	**326 006**	**18 904**	**104 296**	**8 306**	**457 512**
Accumulated depreciation					
At 1 January 2016	52 187	20 123	61 979	4 741	139 030
Current year charge	6 310	2 878	9 245	1 466	19 899
Disposals	-	(7 189)	(6 016)	-	(13 205)
Transfers	-	(205)	(116)	-	(321)
At 31 December 2016	**58 497**	**15 607**	**65 092**	**6 207**	**145 403**
Carrying value					
At 1 January 2016	**267 885**	**6 146**	**31 528**	**2 976**	**308 534**
At 31 December 2016	**267 509**	**3 297**	**39 204**	**2 099**	**312 109**
2015					
Cost					
At 1 January 2015	316 352	25 332	93 072	7 714	442 470
Additions	3 722	965	917	-	5 604
Disposals	(1)	(27)	(460)	-	(488)
Adjustments	-	-	(24)	-	(24)
At 31 December 2015	**320 073**	**26 270**	**93 505**	**7 714**	**447 562**
Accumulated depreciation					
At 1 January 2015	46 190	21 245	71 191	2 907	141 533
Current year charge	5 998	(1 094)	(8 775)	1 831	(2 040)
Disposals/write-offs	-	(27)	(438)	-	(465)
At 31 December 2015	**52 188**	**20 124**	**61 978**	**4 738**	**139 028**
Carrying value					
At 1 January 2015	**270 162**	**4 087**	**21 881**	**4 807**	**300 937**
At 31 December 2015	**267 885**	**6 146**	**31 528**	**2 976**	**308 534**

In line with the requirements of IAS 16: Property, Plant & Equipment the Bank performed a brief overview of the residual value and useful life of all classes of Assets in the last financial year. Residual value adjustments were processed and charged to last year's Statement of Comprehensive income. However, no such review was performed during the current year.

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

Transfers relate to assets that were transferred from the Bank to the FIC which has been treated as separate company.

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5. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2016	
Cost	
At 1 January 2016	51 078
Additions	1210
Disposals	-
Transfers	(1 385)
At 31 December 2016	**50 903**
Amortisation	
At 1 January 2016	43 527
Current year charge	2 668
Disposals	-
Transfers	(1 385)
At 31 December 2016	**44 810**
Carrying value	
At 1 January 2016	**7 551**
At 31 December 2016	**6 093**
2015	
Cost	
At 1 January 2015	46 582
Additions	4 496
At 31 December 2015	**51 078**
Amortisation	
At 1 January 2015	43 896
Current year charge	(369)
At 31 December 2015	**43 527**
Carrying value	
At 1 January 2015	**2 686**
At 31 December 2015	**7 551**

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6. CURRENCY INVENTORY

	2016 N$'000	2015 N$'000
Opening Balance	123 450	108 831
Purchases current year	38 015	90 054
Adjustments	(121)	(1 104)
Amortisation current year	(54 585)	(74 331)
Closing Balance	**106 759**	**123 450**

7. LOANS AND ADVANCES

	2016 N$'000	2015 N$'000
Staff loans	43 430	41 842
Less: Present value adjustment for off-market loans	**(8 565)**	**(3 386)**
Opening balance – 1 January	(3 386)	(3 244)
Current year fair value adjustment of new loans	(2 797)	(2 470)
Amortised to Statement of comprehensive income	(2 382)	2 328
Add: Staff Long term benefit	**8 565**	**3 386**
Opening balance – 1 January	3 386	3 244
Current year Fair value adjustment of new loans	2 797	2 470
Amortised to Statement of comprehensive income	2 382	(2 328)
Net staff loans	**43 430**	**41 842**
Other loans	8 477	10 312
BNA receivables - non-current	1 391 142	-
Closing Balance	**1 443 049**	**52 154**

8. INVESTMENTS

	2016 N$'000	2015 N$'000
Rand currency		
Fair value through profit or loss		
Designated		
Debt securities & Money Market Investments	11 802 544	6 335 058
	11 802 544	**6 335 058**
Other currencies		
Fair value through profit or loss		
Designated		
Debt Securities & Money Market Investments	5 663 673	13 840 027
Held to maturity		
Money market instruments	7 138 831	3 387 211
	12 802 504	**17 227 238**
Less : Impairment provision	(5 100)	(5 100)
Total Investments	**24 599 948**	**23 557 196**

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8. INVESTMENTS (CONTINUED)

8.1 LENT OUT SECURITIES

As at 31st December 2016, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to US Dollar 11.66 million; NAD equivalent 158.83 million (2015: US Dollar 31.96 million; NAD equivalent 497.1 million). The counter parties involved in these transactions are rated institutions and cash collateral has been deposited with the custodians as guarantee for the lent out securities. The income generated from the lent out securities activity, has been recorded in the books of the Bank accordingly.

8.2 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 2016, the fair value of financial instruments that was classified under the various hierarchies is detailed in the tables below:

As at 31st December 2016

Financial Assets	**Level 1**	**Level 2**	**Total**
At Fair value through Profit or Loss	**N$'000**	**N$'000**	**N$'000**
Designated Debt Securities & Money Market Investments	1 995 421	15 470 795	17 466 216
	1 995 421	**15 470 795**	**17 466 216**

Financial Liabilities	**Level 1**	**Level 2**	**Total**
At Fair value through Profit or Loss	**N$'000**	**N$'000**	**N$'000**
Government-Euro Bond Issue	-	-	-
	-	**-**	**-**

As at 31st December 2015

	Level 1	**Level 2**	**Total**
At Fair value through Profit or Loss	**N$'000**	**N$'000**	**N$'000**
Designated Debt Securities & Money Market Investments	2 231 830	17 943 245	20 175 075
	2 231 830	**17 943 245**	**20 175 075**

Financial Liabilities	**Level 1**	**Level 2**	**Total**
At Fair value through Profit or Loss	**N$'000**	**N$'000**	**N$'000**
Government-Euro Bond Issue	-	7 638 004	7 638 004
	-	**7 638 004**	**7 638 004**

Having considered the requirements of IFRS 13, the above Assets and Liabilities have been valued at fair value based on quoted prices in an active market. Other Statement of financial position Assets and Liabilities have been valued based on prescriptions of other relevant IFRS Statements.

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	2016 N$'000	2015 N$'000
9. LOANS AND ADVANCES		
Repurchase agreements – local banks	716 038	784 338
Add: Short-term portion of long-term loans	-	-
	716 038	**784 338**

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.

10. RAND DEPOSITS

	2016 N$'000	2015 N$'000
Closing Balance	59 212	37 779
	59 212	**37 779**

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

11. OTHER INVENTORY - STATIONERY AND SPARES

	2016 N$'000	2015 N$'000
Opening Balance	1 926	2 211
Purchases current year	440	409
Issues current year	(365)	(685)
Adjustments	(54)	(9)
Closing Balance	**1 947**	**1 926**

12. OTHER RECEIVABLES

	2016 N$'000	2015 N$'000
Rand compensation receivable – Government	296 406	260 400
BNA receivable - current	2 782 285	4 331 914
BNA fair value adjustment	(83 533)	-
Accounts receivable	23 844	14 311
IMF Quota	3 837 661	2 260 972
IMF – Special Drawing Rights	112 318	132 737
	6 968 981	**7 000 334**

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	2016 N$'000	2015 N$'000

13. SHARE CAPITAL & CAPITAL MANAGEMENT

	2016 N$'000	2015 N$'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.

14. GENERAL RESERVE

	2016 N$'000	2015 N$'000
Opening Balance	1 197 333	1 127 638
Transfers	-	1 219
Appropriation of net profit for the year	79 720	68 476
Closing Balance	**1 277 053**	**1 197 333**

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.

15. KWANZA DEPOSITS

	2016 N$'000	2015 N$'000
Opening Balance	921 828	-
Transfers (Repatriations)	(921 828)	921 828
Closing Balance	**-**	**921 828**

Kwanza deposits are the Namibian Dollar equivalent value of Kwanza banknotes held by the Bank of Namibia. The currency conversion agreement entered into with Angola resulted in the acceptance of the Angolan Kwanza and Namibia Dollar for bilateral trade settlement purposes. All Kwanza deposits were repatriated during 2016.

16. FOREIGN CURRENCY REVALUATION RESERVE

	2016 N$'000	2015 N$'000
Opening Balance	6 574 092	3 310 620
Net foreign exchange (losses)	(722 475)	3 263 472
Closing Balance	**5 851 617**	**6 574 092**

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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	2016 N$'000	2015 N$'000

17. DEVELOPMENT FUND RESERVE

	2016 N$'000	2015 N$'000
Opening Balance	43 789	35 000
Transfer	-	(1 211)
Appropriation of net profit for the year	-	10 000
Closing Balance	**43 789**	**43 789**

18. BUILDING FUND RESERVE

	2016 N$'000	2015 N$'000
Opening Balance	-	-
Transfer	-	-
Appropriation of net profit for the year	20 000	-
Closing Balance	**20 000**	**-**

This reserve was established under section 53(1)(a) of the Bank of Namibia Act, 1997 for the purpose of accumulating funds for building projects that the Bank intends to embark on into the future.

19. PROVISION FOR POST EMPLOYMENT BENEFITS

The Bank provides post employment medical benefits to retired staff members. A provision for the Liability has been determined based on the Projected Unit Credit Method. The valuation was performed for the year ended 31 December 2016 and estimated for 2017 and 2018.

	2016 N$'000	2015 N$'000
Opening Liability	70 005	62 789
Interest costs	6 421	2 754
Current service costs	3 010	5 757
Benefit payments	(1 398)	(1 295)
Actuarial loss/(gain)	(21 410)	-
Closing Liability	56 628	70 005
Current portion of post employment benefits obligation	(1 453)	(1 470)
Non-current portion of post employment benefits obligation	**55 175**	**68 535**

Key assumptions	**2016**	**2015**
Discount rate	9.35 % p.a.	10.125 % p.a.
Medical inflation	8.06 % p.a.	7.97 % p.a.
Valuation date	31 December 2016	31 December 2015

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19. PROVISION FOR POST EMPLOYMENT BENEFITS (CONTINUED)

The effect of a 1% movement in the assumed medical cost trend rate is as follows:	Increase N$'000	Decrease N$'000
Effect on the aggregate of the current service cost and interest cost	1 995	1 803
Effect on the defined benefit obligation	**58 623**	**71 808**

At 31 December	2016 N$'000	2015 N$'000	2014 N$'000	2013 N$'000	2012 N$'000
Present value of post retirement benefit obligation	56 628	70 005	62 789	56 306	44 736

The Banks post retirement plan is unfunded.

20. NOTES AND COINS IN CIRCULATION

	2016 N$'000	2015 N$'000
Notes	4 163 659	4 289 673
Coins	230 888	221 101
	4 394 547	**4 510 774**

Currency in Circulation represents Namibia banknotes and coins in the hands of the commercial banks and the public at large. The commercial banks are the conduit by which the public have access to currency.

21. DEPOSITS

Government of the Republic of Namibia	4 605 850	10 371 094
Domestic bankers' reserve account	978 679	920 097
Domestic bankers' settlement account	2 479 211	956 735
SDR Allocation account	2 403 483	2 840 174
IMF Securities account	3 837 661	2 260 972
GIPF BoN Asset Swap Investment	6 813 812	2 910 762
NAMPOWER BoN Asset Swap Investment	665 977	-
Other Deposits	639 144	-
Other – Pre-funded donor funds at cost	28 894	34 699
	22 452 711	**20 294 533**

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 (2013: N$250 million) at the 91-day Treasury Bill rate less a discount of 4.5%.

The GIPF and NAMPOWER BoN Asset Swap arrangements were entered into to enhance Namibia's foreign reserve stocks.

Other Deposits is mainly made up of foreign currency denominated call deposit facilities provided to Commercial Banks and also call account facilities extended to specific local institutions.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

22. TRADE AND OTHER PAYABLES

	2016 N$'000	2015 N$'000
Sundry Creditors	**30 435**	**45 295**

23. TRAINING FUND RESERVE

	2016 N$'000	2015 N$'000
Opening Balance	15 000	10 000
Transfer	-	5 000
Closing Balance	**15 000**	**15 000**

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

24. 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$17,575,174.53 (31 December 2015: N$16,591,411.52).

25. 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.

26. FINANCIAL INTELLIGENCE CENTRE (FIC)

The Bank continues to render operational and administrative support to the Financial Intelligence Centre (FIC). The FIC was established in terms of the Financial Intelligence Act, 2007(No 3 of 2007). This Act was repealed in 2012 and replaced by the Financial Intelligence Act of 2012 which came into effect in December 2012. The Act prescribes that the Bank of Namibia shall host the FIC and will be responsible and accountable for all its operational and administrative activities. During 2016, the FIC financials were separated from those of the Bank. The intercompany balances are used to determine and settle transactions between the FIC and the Bank.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The investment of foreign currency (FX) 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. International reserves are managed in a three-tier governance structure consisting of the Board of Directors, the Investment Committee and the Financial Markets Department (FMD). The Board defines the investment policy of the Bank, which guides the management and investment of the foreign exchange reserves. The Board authority is delegated to the Investment Committee to ensure compliance with the investment mandate. The FMD is responsible for managing the reserves and has a Risk & Analytics section that monitors compliance to assigned risk parameters 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:

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27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

27.1 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 of passive portfolio management techniques (which aims to construct a portfolio whose risk and return follows those of a defined benchmark) and an active management strategy.

27.1.1 INTEREST RATE RISK

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2016

Instrument	Amount invested €000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio €000	Effect on Statement of comprehensive income N$"000
Working Capital	37	100%	0.000%	-	1.00000%	0.000%	-	-
Liquidity Tranche	-	0%	0.000%	-	1.00000%	0.000%	-	-
Investment Tranche	-	0%	0.000%	-	1.00000%	0.000%	-	-
	37	**100%**	**0.000%**	**-**	**-**	**-**	**-**	**-**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2016

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio US$'000	Effect on Statement of comprehensive income N$"000
Working Capital	3 290	4%	0.459%	-	1.45873%	0.000%	-	-
Liquidity Tranche	50 151	53%	0.606%	-	1.60632%	0.000%	-	-
Investment Tranche	40 556	43%	1.643%	2. 626	2.64344%	(2.626%)	(1 065)	(14 511)
	93 997	**100%**	**1.049%**	**1.133**	**-**	**-1.133%**	**(1 065)**	**(14 511)**

IMPACT OF 100 BASIS POINTS SHOCK ON ZAR PORTFOLIO - 2016

Instrument	Amount invested R'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio R'000	Effect on Statement of comprehensive income N$"000
Working Capital	1 686 221	46%	7.680%	-	8.67989%	0.000%	-	-
Liquidity Tranche	1 646 492	45%	7.680%	-	8.67989%	0.000%	-	-
Investment Tranche	350 254	9%	7.680%	-	8.67989%	0.000%	-	-
	3 682 967	**100%**	**7.680%**	**-**	**-**	**-**	**-**	**-**

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27.1.1 INTEREST RATE RISK (CONTINUED)

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2015

Instrument	Amount invested €000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio €000	Effect on Statement of comprehensive income N$"000
Working Capital	3 487	100%	0.000%	-	1.00000%	0.000%	-	-
Liquidity Tranche	-	0%	0.000%	-	1.00000%	0.000%	-	-
Investment Tranche	-	0%	0.000%	-	1.00000%	0.000%	-	-
	3 487	**100%**	**0.000%**	**-**	**-**	**-**	**-**	**-**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2015

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio US$'000	Effect on Statement of comprehensive income N$"000
Working Capital	21 086	13%	0.000%	-	1.00000%	0.000%	-	-
Liquidity Tranche	99 839	62%	0.360%	-	1.35984%	0.000%	-	-
Investment Tranche	39 894	25%	1.250%	2.630	2.25000%	(2.630%)	(1 049)	(16,321)
	160 819	**100%**	**0.533%**	**0.652**	**-**	**(0.652%)**	**(1 049)**	**(16,321)**

IMPACT OF 100 BASIS POINTS SHOCK ON ZAR PORTFOLIO - 2015

Instrument	Amount invested R'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio R'000	Effect on Statement of comprehensive income N$"000
Working Capital	1 429 840	65%	6.910%	-	7.91000%	0.000%	-	
Liquidity Tranche	648 581	30%	5.750%	0.103	6.75040%	(0.103%)	(671)	(671)
Investment Tranche	99 839	5%	7.590%	0.138	8.59000%	(0.138%)	(137)	(137)
	2 178 260	**100%**	**6.596%**	**0.037**	**-**	**(0.037%)**	**(808)**	**(808)**

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27.1.1 INTEREST RATE RISK (CONTINUED)

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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 2016

N$'000	0 – 3 Months	3 – 12 Months	1 – 10 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	318 202	318 202
Inventory	-	-	-	108 706	108 706
Loans and advances - non-current	-	-	1 443 049	-	1 443 049
Investment	11 301 736	1 350 841	11 947 371	-	24 599 948
Loans and advances - current	716 038	-	-	-	716 038
Rand deposits	-	-	-	59 212	59 212
Kwanza deposits	-	-	-	-	-
Other receivables	4 270 229	2 698 752	-	-	6 968 981
Total Assets	**16 288 003**	**4 049 593**	**13 390 420**	**486 120**	**34 214 136**
Equity and Liabilities					
Shareholders' equity	-	-	-	7 279 815	7 279 815
Post employment benefits	-	-	-	56 628	56 628
Note and coins in circulation	-	-	-	4 394 547	4 394 547
Deposits	21 445 138	-	-	1 007 573	22 452 711
Trade and other payables	30 435	-	-	-	30 435
Total Equity and Liabilities	**21 475 573**	**-**	**-**	**12 738 563**	**34 214 136**
Interest rate reprising gap	**(5 187 570)**	**4 049 593**	**13 390 420**	**(12 252 443)**	**-**

AS AT YEAR ENDED 31 DECEMBER 2015

N$'000	0 – 3 Months	3 – 12 Months	1 - 10 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	316 085	316 085
Inventory	-	-	-	125 376	125 376
Loans and advances - non current	-	-	52 154	-	52 154
Investment	16 087 325	1 745 306	5 724 565	-	23 557 196
Loans and advances - current	784 338	-	-	-	784 338
Rand deposits	-	-	-	37 779	37 779
Kwanza deposits	-	-	-	921 828	921 828
Other receivables	2 668 420	-	-	4 331 914	7 000 334
Total Assets	**19 540 083**	**1 745 306**	**5 776 719**	**5 732 982**	**32 795 090**
Equity and Liabilities					
Shareholders' equity	-	-	-	7 874 483	7 874 483
Post employment benefits	-	-	-	70 005	70 005
Note and coins in circulation	-	-	-	4 510 774	4 510 774
Deposits	19 339 737	-	-	954 796	20 294 533
Trade and other payables	45 295	-	-	-	45 295
Total Equity and Liabilities	**19 385 032**	**-**	**-**	**13 410 058**	**32 795 090**
Interest rate reprising gap	**155 051**	**1 745 306**	**5 776 719**	**(7 677 076)**	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

27.1.2 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 an 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 2016, the following was 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	Other Portfolio
Working Capital	250mil – 2.5bn	0mil – 10mil	0mil – 5mil	
Liquidity Tranche (%)	500mil ≤	0mil – 125mil	0mil – 50mil	
Investment Tranche (%)	24	70	4	2

Risk-return preferences per tranche

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

The effect of Namibia dollar exchange rates against the foreign currencies can have an impact on the level of foreign currency reserves in terms of the reporting currency. For instance, with the foreign reserves at N$25.00 billion, with a total exposure weight of 43.22 percent to USD assets which appreciated by 12.42 percent year-on-year, resulted in a decrease of reserves by NAD780 million. Contrary, a depreciation of 12.42 percent would have resulted in an increase of reserves by NAD780 million. The Namibia Dollar is pegged to the South African Rand at one is to one parity and hence there is no currency risk on the portion of foreign reserves invested that particular currency.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

27.1.2 CURRENCY RISK (CONTINUED)

B

AT 31 DECEMBER 2016 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	318 202	-	-	-	-	318 202
Currency inventory – notes and coins	106 759	-	-	-	-	106 759
Loans and advances - non current	-	-	-	1 443 049	-	1 443 049
Investment	-	11 797 444	750 598	11 495 051	556 855	24 599 948
Loans and advances - current	716 038	-	-	-	-	716 038
Rand deposits	-	59 212	-	-	-	59 212
Other inventory – stationery & spares	1 947	-	-	-	-	1 947
Other receivables	23 844	296 406	-	2 698 752	3 949 979	6 968 981
Total Assets	**1 166 790**	**12 153 062**	**750 598**	**15 636 852**	**4 506 834**	**34 214 136**
Liabilities						
Post employment benefits	56 628	-	-	-	-	56 628
Note and coins in circulation	4 394 547	-	-	-	-	4 394 547
Deposits	11 901 401	-	-	-	10 551 310	22 452 711
Trade and other payables	30 435	-	-	-	-	30 435
Total Liabilities	**16 383 011**	**-**	**-**	**-**	**10 551 310**	**26 934 321**
Net Statement of financial position Position	**(15 216 221)**	**12 153 062**	**750 598**	**15 636 852**	**(6 044 476)**	**7 279 815**

AT 31 DECEMBER 2015 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	316 085	-	-	-	-	316 085
Currency inventory – notes and coins	123 450	-	-	-	-	123 450
Loans and advances - non current	52 154	-	-	-	-	52 154
Investment	-	6 329 958	1 044 987	15 463 352	718 899	23 557 196
Loans and advances - current	784 338	-	-	-	-	784 338
Rand deposits	-	37 779	-	-	-	37 779
Kwanza deposits	-	-	-	-	921 828	921 828
Other inventory – stationery & spares	1 926	-	-	-	-	1 926
Other receivables	14 311	260 400	-	4 331 914	2 393 709	7 000 334
Total Assets	**1 292 264**	**6 628 137**	**1 044 987**	**19 795 266**	**4 034 436**	**32 795 090**
Liabilities						
Post employment benefits	70 005	-	-	-	-	70 005
Note and coins in circulation	4 510 774	-	-	-	-	4 510 774
Deposits	14 508 898	-	-	-	5 785 635	20 294 533
Trade and other payables	45 295	-	-	-	-	45 295
Total Liabilities	**19 134 972**	**-**	**-**	**-**	**5 785 635**	**24 920 607**
Net Statement of financial position Position	**(17 842 708)**	**6 628 137**	**1 044 987**	**19 795 266**	**(1 751 199)**	**7 874 483**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

27.2 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 2016, 80 percent of investments could be liquidated within two working days, reflecting the highly liquid nature of the portfolio.

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LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2016

N$'000	0 – 3 Months	4 – 12 Months	1–10 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	318 202	318 202
Inventory	-	-	-	108 706	108 706
Loans and advances - non current	-	-	1 443 049	-	1 443 049
Investment	11 301 736	1 350 841	11 947 371	-	24 599 948
Loans and advances - current	716 038	-	-	-	716 038
Rand deposits	-	-	-	59 212	59 212
SDR Holdings -IMF	-	-	-	112 318	112 318
SDR Quota	-	-	-	3 837 661	3 837 661
Other receivables	320 250	2 698 752	-	-	3 019 002
Total Assets	**12 338 024**	**4 049 593**	**13 390 420**	**4 436 099**	**34 214 136**
Equity and Liabilities					
Shareholders' equity	-	-	-	7 279 815	7 279 815
Post employment benefits	-	-	-	56 628	56 628
Note and coins in circulation	-	-	-	4 394 547	4 394 547
Deposits	7 085 061	-	-	9 126 506	16 211 567
SDR Allocation - IMF	-	-	-	2 403 483	2 403 483
IMF Securities Account	-	-	-	3 837 661	3 837 661
Trade and other payables	30 435	-	-	-	30 435
Total Equity and Liabilities	**7 115 496**	**-**	**-**	**27 098 640**	**34 214 136**
Liquidity sensitivity gap	**5 222 528**	**4 049 593**	**13 390 420**	**(22 662 541)**	**-**
Cumulative liquidity sensitivity gap	**5 222 528**	**9 272 121**	**22 662 541**	**-**	**-**

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2015

N$'000	0 – 3 Months	4 – 12 Months	1–10 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	316 085	316 085
Inventory	-	-	-	125 376	125 376
Loans and advances - non current	-	-	52 154	-	52 154
Investment	16 087 325	1 745 306	5 724 565	-	23 557 196
Loans and advances - current	784 338	-	-	-	784 338
Rand deposits	-	-	-	37 779	37 779
Kwanza deposits	-	-	-	921 828	921 828
SDR Holdings -IMF	-	-	-	132 737	132 737
SDR Quota	-	-	-	2 260 972	2 260 972
Other receivables	274 711	1 299 574	3 032 340	-	4 606 625
Total Assets	**17 146 374**	**3 044 880**	**8 809 059**	**3 794 777**	**32 795 090**
Equity and Liabilities					
Shareholders' equity	-	-	-	7 874 483	7 874 483
Post employment benefits	-	-	-	70 005	70 005
Note and coins in circulation	-	-	-	4 510 774	4 510 774
Deposits	11 327 829	-	-	3 865 558	15 193 387
SDR Allocation - IMF	-	-	-	2 840 174	2 840 174
IMF Securities Account	-	-	-	2 260 972	2 260 972
Trade and other payables	45 295	-	-	-	45 295
Total Equity and Liabilities	**11 373 124**	**-**	**-**	**21 421 966**	**32 795 090**
Liquidity sensitivity gap	**5 773 250**	**3 044 880**	**8 809 059**	**(17 627 189)**	**-**
Cumulative liquidity sensitivity gap	**5 773 250**	**8 818 130**	**17 627 189**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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27.3 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), the Republic of South Africa and the People's Republic of China with a minimum credit rating of BBB- by Fitch Rating Agency or equivalent by Standard & Poor (BBB-) and Moody's (Baa3).

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

NAME OF ISSUER	LT FITCH RATING
AFRICAN BANK	Caa2
AFRICAN DEVELOPMENT BANK	AAA
ALLIANZ GLOBAL INVESTORS	Aa3
BANK OF CHINA	A
BANK OF ENGLAND	AA
BANK OF TOYKO MITSUBISHI	A
BK BANK NEDERLANDSE GEMEENTEN	AA+
BLACKROCK INVESTMENT MANAGEMENT LTD	AA-
BNP PARIBUS SA	A
CREDIT AGRICOLE SA	A
CREDIT SUISSE	Baa2
CLEARSTREAM BANKING	AA
CROWN AGENTS	BB
EUROPEAN INVESTMENT BANK (EIB)	AAA
FEDERAL RESERVE BANK	AA+
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED	A
ITALIAN GOVERNMENT	BBB-
INVESTEC ASSET MANAGEMENT LTD	BBB-
JP MORGAN CHASE EUROP LIMITED	A+
LANDESBANK BADEN-WURTTERMBERG	AAA
MOMENTUM	AA+(zaf)
NEDBANK LIMITED SA	BBB-
PRUDENTIAL INVESTMENT MANAGERS	A
SANLAM INVESTMENT MANAGEMENT	AAA(zaf)
SIRESS (CPL)	N/R
SIRESS (RTL)	N/R
SOCIÉTÉ GÉNÉRALE BANK	Baa3
SOUTH AFRICAN RESERVE BANK	BBB-
STANDARD BANK SOUTH AFRICA	BBB-
STANDARD CHARTERED BANK	BBB+
STANLIB	AA+(zaf)
SWIFT SHARES	NR
SUMITOMO MITSUI BANKING CORPORATION	A
TRI-ALPHA	NR
US GOVERNMENT	AA+
WORLD BANK RESERVES MANAGEMENT (RAMP)	AAA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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27.3 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

RAND INVESTMENTS	CREDIT RATING	2016 N$'000	2015 N$'000
AFRICAN BANK LIMITED	Caa2	36 147	59 206
BLUE TITANIUM CONDUIT (PTY) LTD	AA (zaf)	-	-
CLEARSTREAM BANKING	AA	1	925
CROWN AGENTS	BBB	-	-
CORPORATE FOR PUBLIC DEPOSITS (CPD)	BBB-	3 899 427	1 545 035
DEVELOPMENT BANK OF SOUTHERN AFRICA	Baa2	-	7 474
EUROPEAN INVESTMENT BANK (EIB)	AAA	-	-
FIRSTRAND BANK LTD	BB+	-	17 855
INVESTEC BANK LTD	BBB-	-	861 475
LAND & AGRIC BANK SOUTH AFRICA	Baa2	-	47 781
NEDBANK LIMITED SA	BBB-	-	332 615
SOUTH AFRICAN RESERVE BANK	BBB-	-	-10
SIRESS(RTL)	NR	-11	117
AIRPORT COMPANY OF SOUTH AFRICA	BBB	-	-
SOUTH AFRICAN GOVERNMENT	BBB	-	-
STANDARD CHARTERED BANK	BBB+	65	-410
SOUTH AFRICAN NATIONAL ROADS AGENCY	BBB	-	-
TRANSNET LIMITED	BBB	-	-
STANDARD BANK SOUTH AFRICA	BBB-	791	-
CADIZ ASSET MANAGEMENT LTD	NR	-	208 143
INVESTEC ASSET MANAGEMENT LTD	BBB-	370 239	344 072
SIRESS (CPL)	NR	325	18
MOMENTUM	AA+(zaf)	2 882 258	2 910 762
PRUDENTIAL INVESTMENT MANAGERS	A	1 764 768	-
SANLAM INVESTMENT MANAGEMENT	AAA(zaf)	1 161 520	-
STANLIB	AA+(zaf)	665 977	-
TRI-ALPHA	NR	1 021 037	-
		11 802 544	**6 335 058**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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27.3 CREDIT RISK (CONTINUED)

NON-RAND INVESTMENTS	CREDIT RATING	2016 N$'000	2015 N$'000
ABBEY NATIONAL TREASURY SERVICES PLC	A	-	-
AUSTRALIA & NEW ZEALAND BANKING GROUP	AA-	-	160 980
GOVERNMENT OF AUSTRIA	AA+	-	-
BARCLAYS CAPITAL	A	-	-
GOVERNMENT OF KINGDOM BELGIUM	AA	-	-
BANK FOR INTERNATIONAL SETTLEMENT	AAA	-	32 668
BANK OF NAMIBIA	BBB-	-	-
BK BANK NEDERLANDSE GEMEENTEN	AA+	13 596	-
CLEARSTREAM BANKING	AA	-	1 776
SOUTH AFRICAN RESERVE BANK	BB-	-	-
CITI BANK	A+	4	-
CLYDESDALE BANK PLC	A	-	-
COMMERZBANK AG	BBB+	-	60 173
CREDIT SUISSE AG	Baa2	368 866	371 904
DANSKE BANK	A	-	-
EUROPEAN INVESTMENT BANK (EIB)	AAA	82 304	-
FEDERAL RESERVE BANK	AA+	2 409 770	8 752 249
GOVERNMENT REPUBLIC OF FRANCE	AAA	-	-
CRÉDIT AGRICOLE CORPORATE	A	408 925	-
CITI BANK	A	-	-
HSBC BANK PLC	A	-	93 284
JP MORGAN CHASE EUROP LIMITED	A+	37 881	124 467
KINGDOM OF DENMARK GOVERNMENT	AAA	-	-
THE KINGDOM OF SWEDEN	AAA	-	-
GOVERNMENT OF NETHERLANDS	AAA	-	-
NEDBANK LIMITED SA	BBB-	192 031	-
NORDEA BANK AB	AA-	-	34 276
RABOBANK INTERNATIONAL LONDON	AA-	-	61 561
THE TORONTO-DOMINIOIN BANK	AA-	-	160 113
US GOVERNMENT	AA+	359 158	575 787
WESTPAC	AA-	83	33
NORDBANKEN	BBB-	19	34
BANK OF TOKYO MITSUBISHI	A	595 916	6
UBS AG ZURICH	A1	10	132
US AGENCIES	AAA	-	1 006
BANK OF ENGLAND	AA	13 790	1 036
STANDARD CHARTERED BANK	BBB+	64 531	331 588
SOCIETY GENERALE BANK	Baa3	545 184	0
ROYAL BANK OF SCOTLAND	BBB+	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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27.3 CREDIT RISK (CONTINUED)

NON-RAND INVESTMENTS	CREDIT RATING	2016 N$'000	2015 N$'000
GERMANY GOVERNMENT	AAA	-	-
ALLIANZ GLOBAL INVESTORS	Aa3	1 522 443	1 701 088
BLACKROCK INVESTMENT MANAGEMENT LTD	AA-	1 511 609	1 683 909
SBSA - BANK OF NAMIBIA - USD CASH ACCO	-	-	-
WORLD BANK RESERVES MANAGEMENT (RAMP)	AAA	1 466 923	1 659 585
SWIFT SHARES	-	-	-
BANK OF CHINA (AUSTRALIA)Ltd	A	340 423	636 822
BANK OF CHINA (UK)	NR	-	-
BANQUE POPULAIRE CAISSE D' EPARGNE (BPCE SA)	A	-	-
CROWN AGENTS	BB	654 427	-
GOVERNMENT REPUBLIC OF FINLAND	AAA	-	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA (ASIA)Ltd	A	592 450	474 310
ING BANK INV (AMSTERDAM)	A	-	-
INTER-AMERICAN DEVELOPMENT BANK	AAA	-	-
KOMMUNALBANKEN AS	AAA	-	-
LANDESBANK BADEN-WURTTERMBERG	AAA	376 070	-
NRW BANK	AAA	-	20 711
FEDERAL HOME LOAN BANK	AAA	-	-
KOMMUNINVEST I SVERIGE	AAA	-	-
IMF	NR	-	-
NATIONAL AUSTRALIA BANK	AA-	-	117 520
UK GOVERNMENT	AA	-	1 627
INVESTEC BANK LTD	BBB-	-	168 593
BNP PARIBUS SA	A	681 435	-
ITALIAN GOVERNMENT	BBB-	6 939	-
Sumitomo Mitsui Banking Corporation	A	557 717	-
		12 802 504	**17 227 238**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

27.4 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.

27.5 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.

27.6 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 31 DECEMBER 2016

27.7 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 2015 the Repo's to Commercial Banks were to the tune of N$784 million.

27.8 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.

27.9 DEFAULTS AND BREACHES

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

28. CAPITAL COMMITMENTS

	2016 N$' 000	2015 N$' 000
Contracted	-	-

29. RELATED PARTY INFORMATION

During the year 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 1.16 of this report. Note 26 provides more information on the Financial Intelligence Centre.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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29. RELATED PARTY INFORMATION (CONTINUED)

Gross Emoluments	**Salaries**	**Retirement Benefit**	**Medical Aid Benefit**	**Total 2016**	**Total 2015**
	N$'000	**N$'000**	**N$'000**	**N$' 000**	**N$'000**
Executive Management					
Governors'	4 959	667	139	5 765	4 057
Senior Management	13 580	1 654	615	15 849	16 064
Non-Executive Board					
Ms S T Haipinge				105	97
Ms A S I Angula				118	89
Mr V Malango				112	84
Dr O Kakujaha- Matundu				129	97
Ms E B Shafudah				-	-
Ms C v/d Westhuizen				125	104

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

30. APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements have been approved by the Board of Directors at the Board meeting held on 24 February 2017.

31. GOING CONCERN

The Board of Directors 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.

32. SUBSEQUENT EVENTS

There are no material events subsequent to the reporting date to report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2016

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016 (IN COMPLIANCE WITH THE BANK OF NAMIBIA ACT, 1997)

	Notes	2016 N$'000	2015 N$'000
Net interest income		**261 006**	**235 652**
Interest income	2	435 251	324 608
Interest expense	2	(174 245)	(88 956)
		330 061	**302 679**
Rand Compensation Income	2	296 463	260 288
Other income	2	33 598	40 536
Total income		**591 067**	**538 331**
		(395 141)	**(376 650)**
Operating expenses	2	(407 925)	(342 736)
Net gain/(loss) on investment portfolio		12 784	(33 914)
Profit for the Year		195 926	161 681
Other Comprehensive Income			
Total Comprehensive Profit for the Year		**195 926**	**161 681**
(Transfer) to Unrealised Gain Reserve		(28 087)	(1 729)
Net Profit for the Year		**167 839**	**159 952**
Profits available for Distribution		**167 839**	**159 952**
State revenue fund		68 119	76 476
General reserve	14	79 720	68 476
Training fund reserve	23	-	5 000
Building fund reserve	18	20 000	-
Development fund reserve	17	-	10 000

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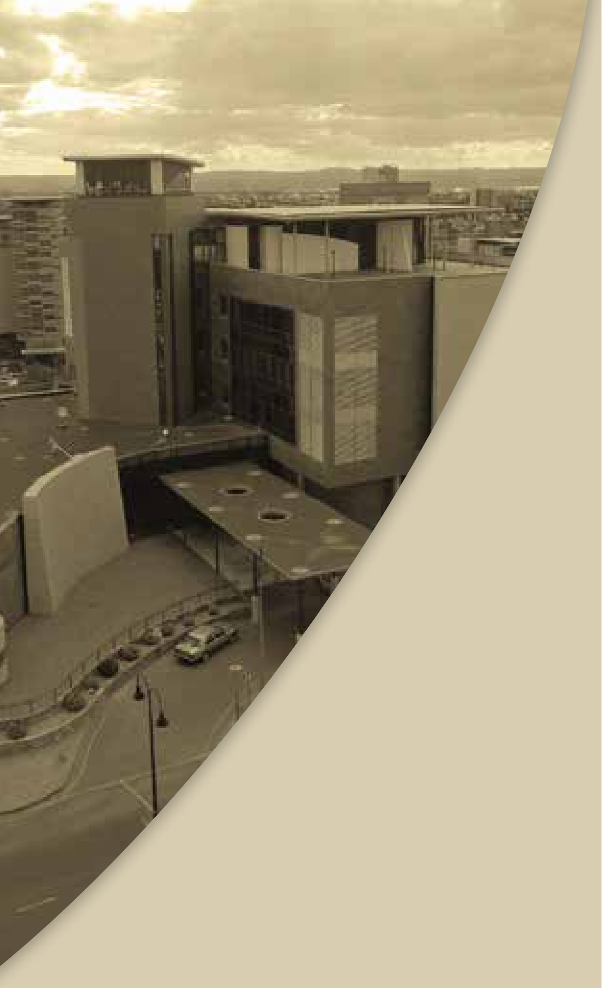

Part C

Economic and financial developments

C

Content

SELECTED FINANCIAL AND ECONOMIC INDICATORS

Indicator	2012	2013	2014	2015	2016
	Actual				Estimate
(Annual percentage change)					
Real GDP growth	5.1	5.7	6.5	5.3	1.0*
GDP deflator	12.9	8.7	6.8	-0.2	6.3*
Consumer price inflation (period average)	6.7	5.6	5.4	3.3	6.7
Consumer price inflation (end-of-period)	6.4	4.9	4.6	3.7	7.2
Exports	12.7	24.6	11.4	3.9	15.1
Imports	33.5	19.4	21.7	14.4	0.3
Real effective exchange rate[1]	-3.8	-4.5	-8.2	-4.7	-1.5
Private sector credit	17.0	14.3	16.4	13.5	8.9
Broad money supply	4.1	12.8	7.8	10.2	4.9
(In percent of GDP, unless otherwise stated)					
Investment	26.7	25.1	34.2	35.3	32.0
Public	7.0	6.5	7.6	8.6	7.3
Private	19.7	18.6	26.6	26.7	24.7
Savings	26.7	25.1	34.2	35.3	32.0
External	5.6	3.3	8.7	9.6	11.7
Domestic	21.1	21.8	25.5	25.7	20.3
Public	4.9	3.6	3.5	-0.3	-2.0
Private	16.2	18.2	22	26.1	22.3
Public Finance					
Overall government deficit[2]	-0.1	-3.8	-6.2	-8.3	-6.3
Public debt outstanding	24.6	24.3	23.2	37.8	40.7
Public guaranteed debt outstanding	2.0	3.6	3.4	4.9	5.5
External Sector					
Current account balance	-5.5	-4.0	-7.5	-13.5	-11.8
excluding official transfers	-17.6	-16.4	-21.1	-26.6	-22.5
Gross official reserves					
In N$ million	14 729.2	15 709.5	13 526.9	23 577.2	24 720.1
In US$ million	1 738.5	1 503.3	1 170.0	1 515.7	1 814.5
in months of imports	3.0	2.6	1.8	2.8	2.9
External debt[3]	32.8	38.2	32.8	57.7	54.8
Exchange rate to US$ (end-of period)	8.5	10.4	11.6	15.6	13.6
Exchange rate to US$ (period average)	8.2	9.7	10.8	12.6	14.7
GDP at current market prices (N$ million)	**106 864**	**122 749**	**139 500**	**146 619**	**156 111***
Fiscal year GDP (N$ million)	**110 835**	**126 937**	**141 280**	**148 992**	**158 615***

* The Bank estimates and projections contained in this table and in the Real Sector Developments section (Page 122-130) should be viewed as preliminary and is subject to some revisions as more data become available. For historical data on economic growth the Namibia Statistics Agency provides the official record in its annual and quarterly national accounts publications.

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

[2] These are fiscal year data, starting from the 2012/13-2016/17 financial year.

[3] Includes government, parastatals and private sector debt

SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

Global economic growth was slightly weaker in 2016, compared with 2015. Following the global financial crisis in 2008, the world economy is still struggling to regain momentum. The economic growth rate in the advanced economies is estimated to have moderated, while that of emerging market and developing economies (EMDEs) remained weak in 2016. The lower estimated growth in advanced economies was due to weak investment and slow productivity growth. EMDEs were adversely affected by the sluggish growth in advanced economies, tighter financial conditions, and low commodity prices. Exporters of oil and other key commodities were hit particularly hard.

In 2016, global financial market was volatile, following the UK's vote to leave the European Union and the outcome of the US presidential elections. While the British Pound and the currencies of commodity-exporting countries depreciated, the US bond yields rose and the US Dollar appreciated. In addition, there were significant portfolio outflows from EMDEs and weak foreign debt issuance in some of those economies.

Monetary policy stances were generally accommodative in both advanced economies and EMDEs in 2016, while inflation increased in the former, but varied in the latter. It is worth noting that the central banks of the US and South Africa increased their interest rates during the year under review. Inflation increased in most of the monitored advanced economies, albeit still remaining below targeted levels. On the other hand, inflation rates in some monitored EMDEs such as Brazil, Russia and India declined, while such rates increased in China, South Africa and Angola.

Domestic economic growth is estimated to have slowed in 2016, compared with 2015. Growth in the domestic economy is estimated to have slowed to 1.0 percent in 2016, lower than the 5.3 percent recorded in the previous year. The slower performance was mainly attributed to the decline in construction and in mining of diamonds and metal ores, but also due to fiscal consolidation measures in the public sector. Furthermore, the severe drought also impacted negatively on the agricultural sector and the overall performance of the economy.

Namibia's average inflation rate increased significantly during 2016 compared with 2015, as reflected in all major inflation categories. The inflation rate averaged 6.7 percent in 2016, higher than the 3.4 percent average registered for 2015. The increase in the overall inflation was reflected in inflation rates for *Housing, water, electricity, gas and other fuels*, which is the largest contributor in the Consumer Price Index. Furthermore, categories such as *Food and non-alcoholic beverages* as well as *Transport* added to high inflationary pressures in 2016, while this was not the case in 2015.

The Bank of Namibia raised its policy rate twice during 2016. The Repo rate was increased by 25 basis points at two MPC meetings to 6.75 percent in February, and to 7.00 percent in April 2016, respectively. In line with the changed monetary policy stance, commercial banks subsequently increased their prime lending rates to 10.50 percent in February and to 10.75 percent in April. Meanwhile, growth in broad money supply slowed to 4.9 percent in 2016, compared with 10.2 percent in 2015, mainly due to the decline in net foreign assets (NFA) of other depository corporations, coupled with slower growth in credit extended to the private sector. Thus, growth in NFA contracted by 4.0 percent at the end of 2016 from a positive growth of 13.6 percent at the end of 2015. Growth in private sector credit extended (PSCE) slowed to 8.9 percent at the end of 2016, having dropped from 13.5 percent in 2015. This slowdown was mainly due to lower demand for credit by both the corporate and household sectors.

The overall liquidity position of the Namibian banking industry moderated during 2016 when compared with the preceding year. The liquidity balances of the banking industry averaged N$2.6 billion during 2016, which is slightly lower than the average of N$2.8 billion during 2015. This moderation was reflected in a decline in NFA of other depository corporations.

On the fiscal front, Government's overall deficit is estimated to improve both in nominal terms and as a ratio to GDP during the 2016/17 fiscal year, mainly on account of Government fiscal consolidation efforts. Government's overall budget deficit as a percentage of GDP is estimated to improve to 6.3 percent, which is lower than the 8.3 percent recorded for the 2015/16 fiscal year. This positive step was mainly attributed to the Government's consolidation efforts. Total Government debt, however, increased to 40.7 percent of GDP during the reporting period, which is higher than the Government debt ceiling of 35.0 percent. Nonetheless, this ratio is expected to decline to 37.7 percent over the period of the current Medium-term Expenditure Framework spanning from 2015/16 to 2017/18. Government loan guarantees as a ratio to GDP rose slightly from 4.9 in 2015 to 5.5 percent at the end of 2016, thus remaining within the set ceiling of 10.0 percent.

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Namibia's external balance recorded a reduced surplus of N$0.9 billion during 2016, from a surplus of N$10.0 billion registered in 2015. This lower surplus was mainly due to decreased capital inflows in the capital and financial account. Meanwhile, the current account deficit improved during the year under review, mainly owing to a significant increase in export earnings relative to import payments. The level of international reserves increased by 4.8 percent to N$24.7 billion at the end of 2016, from N$23.6 billion one year earlier. The reserve levels led to a rise in import cover of 2.9 months from 2.8 months in 2015. Namibia's International Investment Position (IIP) recorded liability position in 2016 compared with the previous year, owing to a decline in foreign assets compared to a marginal growth in foreign liabilities. In addition, both the nominal effective exchange rate (NEER) and the real effective exchange rate (REER) indices for Namibia depreciated on average during 2016, contributing to Namibia's improved external competitiveness in the international market.

Going forward, notable recovery in commodity prices - such as for copper and zinc - since the latter part of 2016 will help improve economic growth in commodity-exporting countries in 2017. This will have spillover effects on Namibia through trade. The recovery in commodity prices will improve Namibia's export receipts, given that Namibia is a small, open economy. Nonetheless, downside risks that could negatively affect global growth remain, and include uncertainty regarding the Brexit vote as well as China's ongoing economic rebalancing and associated spillovers, which will negatively affect Namibia's real GDP growth.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

Global economic growth is estimated to have moderated slightly during 2016, as a result of weak economic activity in key advanced economies. The advanced economies are estimated to have recorded a lower growth rate in 2016, compared with 2015, on the back of weak investment and slow productivity growth. The US and Europe were characterised by low investment levels and weak productivity growth. Similarly, GDP growth in Japan was estimated to be lower in 2016 on the back of weak exports and investment. A key factor that is likely to shape Europe's political and economic future is the impact of Brexit. Economic growth in EMDEs was weak during 2016, compared to 2015. Brazil and Russia remained in recession in 2016. Growth in China was the weakest since 1990 as consumption and investment slowed. Economic growth in India and South Africa slowed in 2016, compared with 2015. In respect of India, the slowdown in the economy can be explained partly by the temporary negative consumption shock caused by cash shortages and payment disruptions prompted by the currency note withdrawal and exchange rate initiatives implemented during the latter part of the reporting year. In South Africa, weak growth emanated not only from drought and weak export prices but also from political factors and delays in passing key reforms, which deterred investors and put the country's credit rating at risk.

Global financial market conditions tightened in 2016, particularly in the EMDEs, following the US elections. As the election events unfolded, US bond yields rose significantly and the US Dollar appreciated, resulting in the depreciation of some other currencies, portfolio outflows, and weak foreign debt issuance in some EMDEs.

Advanced economies and EMDEs recorded varied inflation rates in 2016. Inflation rates increased in the advanced economies, though still falling below official target rates, while they varied among the EMDEs. The inflation rate declined in Brazil, India and Russia, while it increased in Angola, China and South Africa. Monetary policy stances in both advanced economies and EMDEs remained generally accommodative, although in South Africa and the US, monetary authorities raised the benchmark rates.

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OUTPUT GROWTH AND OUTLOOK BY MAIN REGIONS AND ECONOMIC BLOCS

The global economy is estimated to have moderated in 2016, compared with 2015, but economic activity in both advanced economies and EMDEs is forecasted to improve in 2017. Growth in the global economy is estimated to have slowed slightly to 3.1 percent in 2016, from 3.2 percent in 2015 (Table C.1). Factors that led to this slowdown in growth are stagnant global trade, subdued investment, and increased policy uncertainty. Global growth is, however, expected to improve to 3.4 percent in 2017 on account of an upswing in economic activities in both advanced economies and EMDEs.

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

Economic region	2012	2013	2014	2015	2016 (estimate)	2017 (projected)
World output	**3.4**	**3.3**	**3.4**	**3.2**	**3.1**	**3.4**
Advanced economies	**1.2**	**1.3**	**1.8**	**2.1**	**1.6**	**1.9**
Eurozone	-0.7	-0.5	0.9	2.0	1.7	1.6
Germany	0.9	0.2	1.6	1.5	1.7	1.5
Japan	1.5	1.6	0.0	1.2	0.9	0.8
Spain	0.3	-1.2	1.4	3.2	3.2	2.3
UK	0.3	1.7	2.9	2.2	2.0	15
USA	2.3	2.2	2.4	2.6	1.6	2.3
Other advanced economies	1.6	2.2	2.8	2.0	1.9	2.2
Emerging markets and Developing Economies (EMDEs)	**5.1**	**4.7**	**4.6**	**4.1**	**4.1**	**4.5**
Emerging and Developing Asia	6.7	6.6	6.8	6.7	6.3	6.5
Latin America and the Caribbean	2.9	2.8	1.3	0.1	-0.7	1.2
Middle East, North Africa, Afghanistan and Pakistan	4.8	2.2	2.8	2.5	3.8	3.1
Sub-Saharan Africa	4.4	5.2	5.0	3.4	1.6	2.8
Angola	5.2	6.8	4.8	3.0	0.0	1.5
Botswana	4.8	9.3	3.2	-0.3	3.1	4.0
Brazil	1.0	2.5	0.1	-3.8	-3.5	0.2
China	7.7	7.8	7.3	6.9	6.7	6.5
India	4.7	5.0	7.3	7.6	6.6	7.2
Russia	3.4	1.3	0.6	-3.7	-0.6	1.1
South Africa	2.5	2.2	1.5	1.3	0.3	0.8
Zambia	6.8	6.7	4.9	3.2	3.4	4.0
Zimbabwe	10.6	4.5	3.5	1.1	1.2	1.6

Source: IMF World Economic Outlook, October 2016 and January 2017, Central Banks of respective countries

Economic activity in the advanced economies is estimated to have slowed in 2016, compared with 2015. Developed economies are estimated to have recorded a lower growth rate of 1.6 percent in 2016, from the 2.1 percent recorded in 2015, due to weak investment and sluggish productivity growth. The US GDP is estimated to have recorded lower growth of 1.6 percent in 2016, compared with 2.6 percent in 2015, mainly attributed to weak exports, continued drawdown in inventories, and a deceleration in private investment. The UK's GDP is estimated to have grown by only 2.0 percent, compared with its 2.2 percent growth in the previous year. GDP growth for the Eurozone is estimated to have slowed to 1.7 percent in 2016 in relation to its 2015 pace of 2.0 percent, as both domestic demand and exports lost momentum. Japan's economy is similarly estimated to have registered growth at a lower rate, namely 0.9 percent in 2016 versus 1.2 percent in 2015, which can be attributed to weak investment and exports. In general, the downside risks to the growth outlook for advanced economies remain: persistent low inflation (or deflation, in some cases), weak private demand, and inadequate progress on reforms.

Overall economic growth in EMDEs remained weak in both 2015 and 2016. According to preliminary calculations, the rate of GDP growth in EMDEs will remain weak at 4.1 percent both these years. For those economies that were experiencing recessions, such as Brazil and Russia, their economic situation improved slightly from their 2015 levels. Thus, Russia's GDP should contract more mildly by 0.6 percent in 2016, compared with its decline of 3.7 percent in 2015 (Table C.1). This could be attributed to the higher levels of output in the manufacturing industry and a notable recovery in exports as well as firmer oil prices observed during the latter half of 2016. Similarly, the rate of contraction of Brazil's GDP growth is likely to lessen slightly to 3.5 percent in 2016, compared with its 3.8 percent decline in the previous year. The Indian economy, on the other hand, will expand by 6.6 percent in 2016, according to provisional figures, although this is a slower growth rate than the 7.6 percent seen in 2015. As noted previously in this section, the relative retardation can be partly explained by the temporary negative consumption shock as a result of cash shortages and payment disruptions due to the withdrawal of certain bank denominations note and exchange rate initiatives implemented during the latter part of 2016. China's economy kept up its strength in 2016, advancing at a rate of 6.7 percent. Nonetheless, this is a slowdown from the 2015 rate of 6.9 percent, as the Chinese economy shifted futher from being driven by investment to one focusing on consumption instead.

In respect of Namibia's neighbours, economic growth in South Africa and Angola are forecasted to slow in 2016. In South Africa, the economy is expected to have performed poorly in 2016, with an estimated growth rate of 0.3 percent, compared with 1.3 percent in 2015. The economy faced drought, sluggish export prices and a number of threats emanating from political factors and delays in passing key reforms, which deterred investors and put the country's credit rating at risk. As a remedial measure, in its Medium Term Budget Policy Statement in October 2016 and February 2016 Budget, the South African Government announced further fiscal consolidation despite the economy facing slow growth.

Similarly, Angola continued to suffer as it had in 2015, from the negative impact of low oil prices in 2016. Angola's economy faced fiscal challenges and a deterioration in its external position, which affected government investment and the currency. For 2016, therefore, the Angolan economy is expected to remain stagnant, compared with its growth of 3.0 percent in 2015.

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ECONOMIC OUTLOOK FOR 2017

In its World Economic Outlook update for January 2017, the IMF projected that the global GDP growth rate would pick up in 2017, compared with 2016. World GDP growth is expected to be 3.4 percent in 2017, which is stronger than the 3.1 percent in 2016. Growth in both the advanced economies and EMDEs, is projected to gain some momentum. This positive outlook is reflected in the gradual normalisation of macroeconomic conditions in countries that are currently experiencing recessions, namely Brazil and Russia. The advanced economies are projected to expand by 1.9 percent in 2017, up from an estimated 1.6 percent in 2016. The IMF expects the US economy to lead this positive momentum, based on an assumption of fiscal stimulus that could result in a 2.3 percent GDP growth rate for the US in 2017. Similarly, growth in EMDEs is projected to strengthen to 4.5 percent in 2017, from an estimated 4.1 percent in 2016. Risks to the global growth outlook include uncertainty regarding the new US administrations policies and their implications for the global economy as well as underlying vulnerabilities in some large EMDEs. In addition, civil wars and domestic conflicts in parts of the Middle East and parts of Africa as well as protracted effects of the droughts in eastern and southern Africa are some of the factors that could further dampen the global economy.

MONETARY POLICY STANCE AND INTEREST RATE DEVELOPMENTS

Advanced economies' inflation rates edged higher, while monetary policy stances remained accommodative in 2016. As was widely expected, the Federal Reserve hiked the federal funds trarget rate by 25 basis points in December 2016 to 0.75 percent, hinting at expected improvement in the US economy (Table C.2). In the UK, the Bank of England cut its policy rate by 25 basis points to 0.25 percent; and undertook a number of other initiatives to support the economy, following the EU referendum. The European Central Bank similarly lowered its refinancing rate by 0.05 basis points to 0.00 percent at the beginning of 2016, and increased its asset purchase programme by €20 billion to €80 billion a month. In addition, its deposit facility rate was cut by 10 basis points to -0.4 percent, the lending facility was lowered by 5 basis points to 0.25 percent, and a new series of long-term loans to banks was announced. The Bank of Japan increased the monetary base at an annual pace of ¥80 trillion in January 2016 and adopted a benchmark rate of -0.1 percent, with the aim of achieving its inflation target rate of 2.00 percent.

Table C.2: Latest policy rates in selected economies

Countries	Policy rate	Rates at the end of 2016 (%)	Policy rate change for 2016 (%)	Last central bank meeting	December 2016 inflation (%)	Real interest rate (%)
Advanced economies						
USA	Federal funds rate	0.50–0.75	0.25	December	1.7	-0.2
Canada	Overnight rate	0.50	0.00	December	1.2	-0.7
Australia	Cash rate	1.50	-0.50	December	1.3	0.2
Eurozone	Refinancing rate	0.00	-0.05	December	1.1	-1.1
UK	Bank rate	0.25	-0.25	December	1.2	-1.0
Japan	Call rate	-0.10	-0.20	December	0.5	-0.6
BRICS economies						
Brazil	Short-term interest rate	13.75	-0.50	December	6.3	7.5
Russia	Refinancing rate	10.00	-1.00	December	5.4	4.6
India	Repo rate	6.25	-0.50	December	3.6	2.6
China	Lending rate	4.35	0.00	December	2.1	2.3
South Africa	Repo rate	7.00	0.75	December	6.6	0.4

Generally, EMDEs experienced a period of accommodative monetary policy stances in 2016, while inflation rates were divergent in 2016. External financial conditions improved after the start of 2016, and by December there were signs that macroeconomic distress in some key countries may be easing. The Central Bank of Brazil lowered its benchmark Selic (short-term interest) rate by a total of 50 basis points to 13.75 percent in 2016 on the back of signs of slowing inflation and a severe contraction. In the same vein, the Central Bank of Russia cut its benchmark interest rates by a total of 100 basis points to 11.00 percent to support economic growth, as inflation subsided. Following suit was the Reserve Bank of India, which lowered its repurchase rate by a total of 50 basis points to 6.75 percent in 2016, in order to support economic growth. In addition, India's inflation declined to below the central bank's target rate of 4 percent (Table C.2). On the other hand, the People's Bank of China's MPC left the benchmark interest rates unchanged throughout 2016. Inflation rates in China followed an upward trend in 2016, ending the year at 2.1 percent on account of high food prices. Bucking this trend was the South African Reserve Bank, which in 2016 increased its repo rate by a total of 75 basis points to 7.00 percent to counteract risks of inflation pressures, despite a worsening economic growth outlook.

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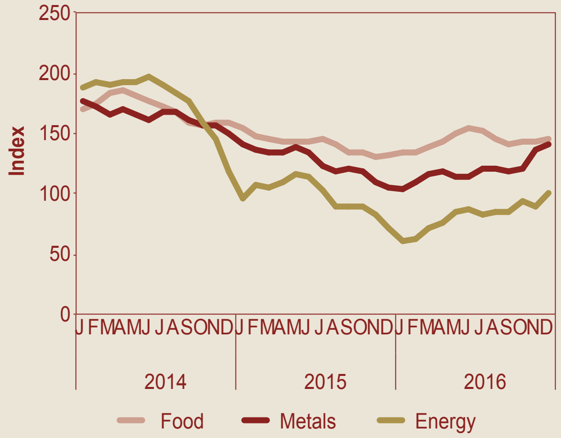
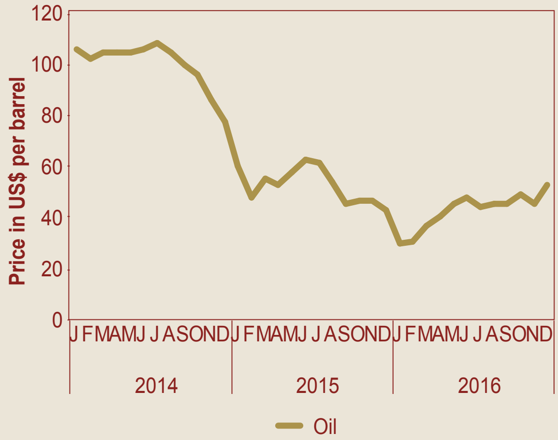
COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

Figure C.1: Selected commodity prices and price indices in US dollar

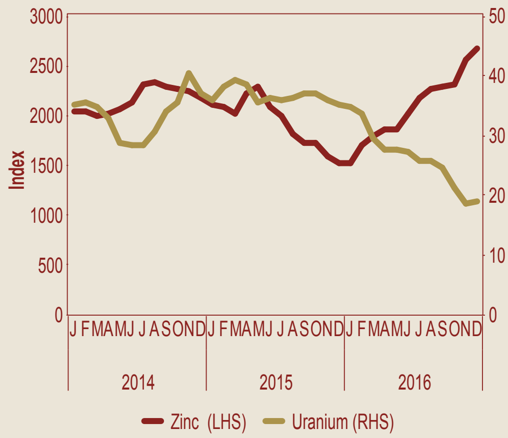
On average, prices of commodities were lower in 2016 compared with 2015 due to oversupply as well as fragile demand from major commodity consumers, however, prices picked up slightly in the latter half of the year.



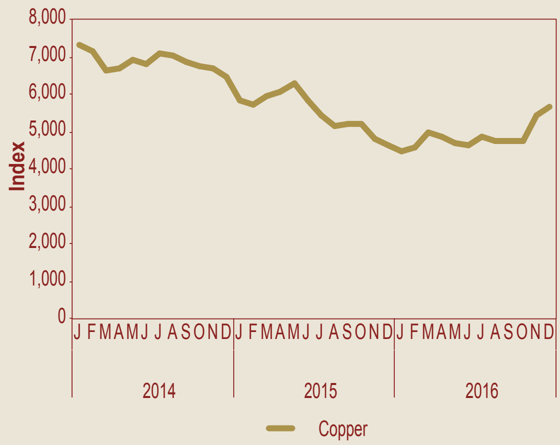
Crude oil prices declined on average in 2016 compared with 2015, due to global oversupply. There was a notable recovery from February 2016 onwards.



By the end of 2016, zinc prices had increased due to a significant reduction in global production coupled with higher demand from China, while uranium prices declined due to global oversupply.



On average, copper prices declined in 2016, mainly due to concerns over low demand from China, although the level picked up slightly towards the end of the year.



Source: IMF

The average price indices for metals and energy trended upwards towards the end of 2016, although the prices were on average lower during the reporting period. Price indices for metals and energy declined by 5.4 percent and 16.5 percent to 119.35 and 81.76 points, respectively, in 2016 in comparison with the 2015 levels. This decline was mainly due to oversupply of these commodities and fragile demand from major commodity consumers, especially China. The appreciation of the US Dollar contributed to weaker commodity prices as well. With regards to energy prices, the slower recovery could be explained by high stocks in Organisation for Economic Co-operation and Development (OECD) economies, ample global supply, and the continued expectation of slower global demand from big EMDEs. It is, however, worth mentioning that most commodity prices, with the exception of uranium, showed notable recovery during the second half of 2016, and this trend is expected to continue in 2017. The slight decline of 1.9 percent in the food price index to 143.76 points in 2016, relative to 2015, could be ascribed to the falling prices of cereal, meat and dairy products.

Crude oil prices rose in 2016, but the average price was still lower than it was in 2015, due to global oversupply. The average oil price for 2016 was US$44.05 a barrel, compared to U$52.40 a barrel in 2015 (Figure C1). Oil prices averaged US$54.07 a barrel in December 2016, which contrasts sharply with the average of US$30.80 a barrel in the first half of the reporting period. When excluding any other market surprises, a further recovery of oil prices is expected on account of a reduced oil production by Organization of the Petroleum Exporting Countries (OPEC) member states from the fourth quarter of 2016.

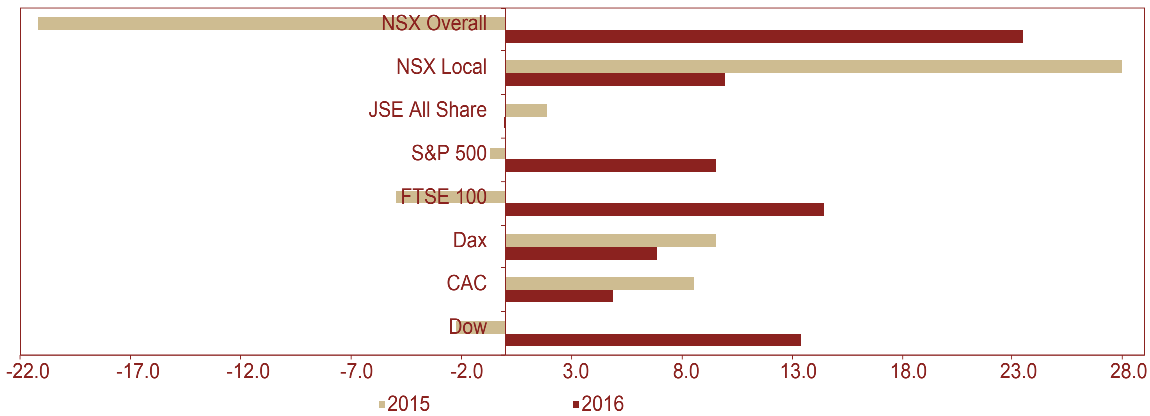
Prices of copper and uranium declined between 2015 and 2016 while that of zinc increased. The average price for copper levelled out at US$4 868 in 2016, compared to US$5 510 in 2015. The 11.7 percent decline coincided with the ongoing excess supply in the copper market. Similarly, the average price of uranium was US$26.31 per ounce in 2016, having dropped from the US$36.74 recorded for the previous reporting year. Uranium prices continued to be depressed mainly due to global oversupply and high inventories. Contrary to this, zinc prices increased by 8.2 percent at the end of 2016 to US$2 090 per metric tonne, due to a significant reduction in global production and a rise in demand from China.

C

DEVELOPMENTS IN FINANCIAL MARKETS

Most of the stock market indices recorded gains in 2016 in comparison with 2015 figures. The key factors underpinning these gains were a combination of an improving US economy and interest rates remaining low, which supported global financial markets during the reporting period. Furthermore, the quantitative easing programmes adopted by major central banks, particularly in advanced economies, supported investment in financial markets (Figure C.2).

Figure C.2: Annual growth rates in stock markets (% change in indices in USD terms)



Source: Bloomberg

WORLD TRADE DEVELOPMENTS

Global trade volumes have slowed significantly in recent years, and continued in 2016. The volume of goods and services traded recorded the weakest growth since the financial crisis in 2008. Growth in the world trade volumes declined slightly to 2.3 percent in 2016 from 2.6 percent in 2015 reflecting soft demand from advanced economies, contracting imports from major commodity exporters and weak investment growth (Table C.3). Growth in imports by advanced economies, slowed from 4.2 percent in 2015 to 2.4 percent in 2016. Likewise growth in exports by advanced economies slowed from 3.6 percent in 2015 to 1.8 percent in the current reporting period. In contrast, the growth of imports by EMDEs improved to 2.3 percent, recovering from the decline of 0.6 percent recorded for 2015. Also showing positive developments were exports by EMDEs, which rose by 2.9 percent in 2016 compared with the 2015 increaded of 1.3 percent.

Table C.3: Growth in the volume of world trade (goods and services) 2012–2016 (annual % change)

				Actual		Projections
	2012	2013	2014	2015	2016	2017
World trade volume (goods and services)	2.8	3.5	3.8	2.6	2.3	3.8
Imports						
Advanced economies	1.2	2.3	3.8	4.2	2.4	3.9
EMDEs	5.5	5.3	4.5	-0.6	2.3	4.1
Exports						
Advanced economies	2.3	3.2	3.8	3.6	1.8	3.5
EMDEs	3.8	4.5	3.5	1.3	2.9	3.6

Source: IMF

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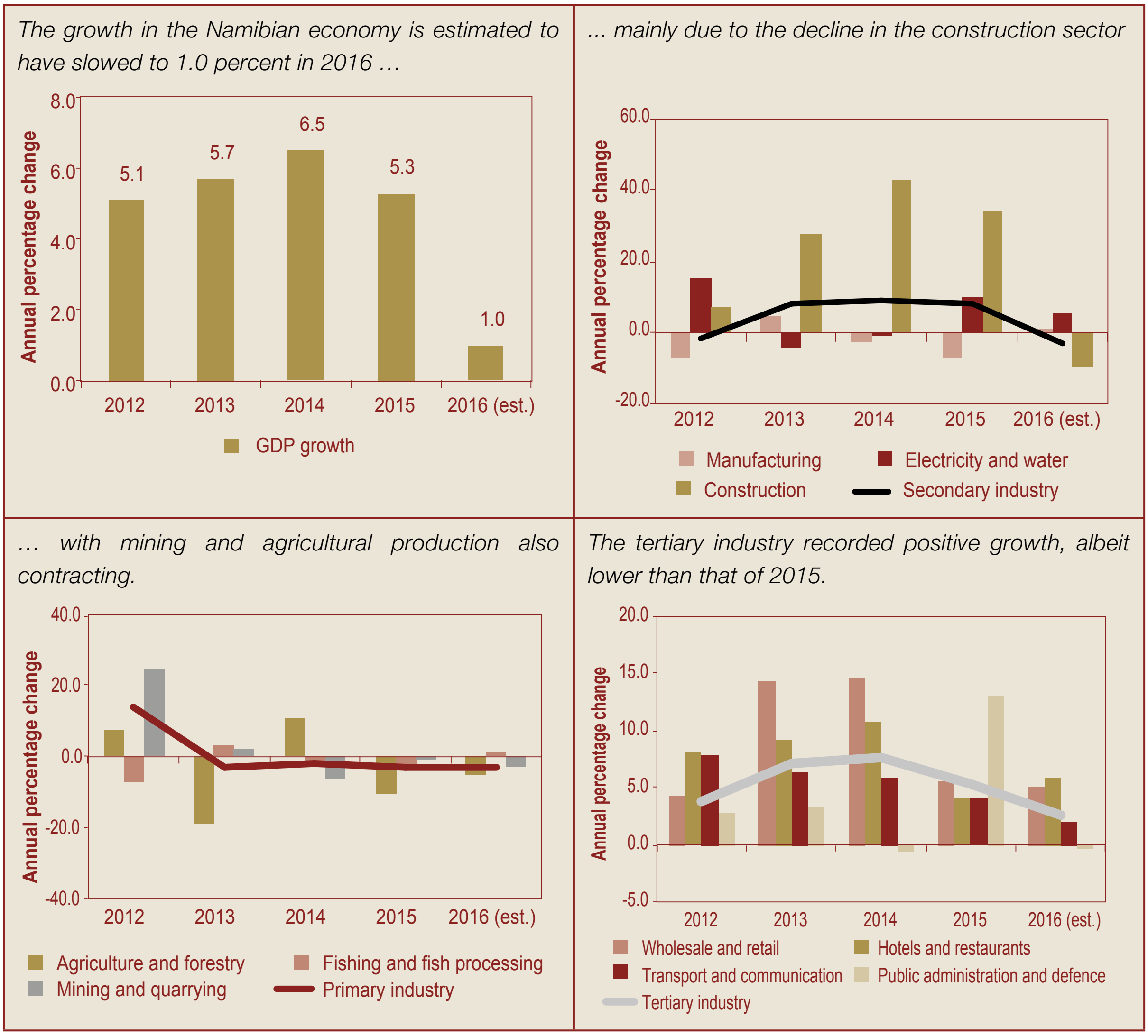
IMPLICATIONS OF GLOBAL DEVELOPMENTS

The moderate performance of the global economy in 2016 affected the Namibian economy negatively. The low prices of commodity exports resulted in a weak rate of exchange between the South African Rand/Namibia Dollar and the US Dollar. The negative sentiments regarding EMDEs in general – and growth in China in particular – are dissipating, as those economies that were experiencing economic recessions showed encouraging recovery in 2016. Going forward, the notable recovery in commodity prices experienced since the second half of 2016, will lift growth in Namibia in 2017 and expected acceleration in global growth and trade volumes. Nonetheless, risks that could negatively affect growth in the domestic economy remain, such as a continued deceleration of growth in China's economy and dumpened price prospects for metal commodities such as copper and uranium. In addition, uncertainty regarding the new US administration's policies, their impact on global trade and economic integration, and the underlying vulnerabilities in some large EMDEs could affect Namibia's exports and overall economic performance.

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

REAL SECTOR DEVELOPMENTS

Figure C.3: Real sector developments



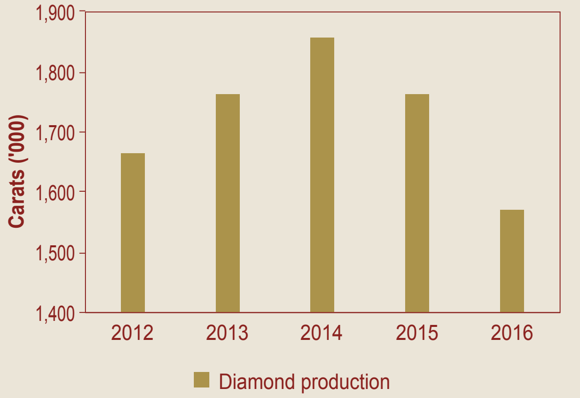
Source: Namibia Statistics Agency for 2011–2015 figures; Bank of Namibia for 2016 estimates

Domestic economic growth is estimated to have slowed in 2016, compared to 2015. The economic growth rate is estimated to have slowed to 1.0 percent in 2016, dropping from the 5.3 percent recorded during the previous year (Figure C.3). The diminished performance was mainly attributable to a decline in construction and mining activities as well as the fiscal consolidation measures in the public sector. The drought also impacted negatively on the agricultural sector and the overall performance of the economy.

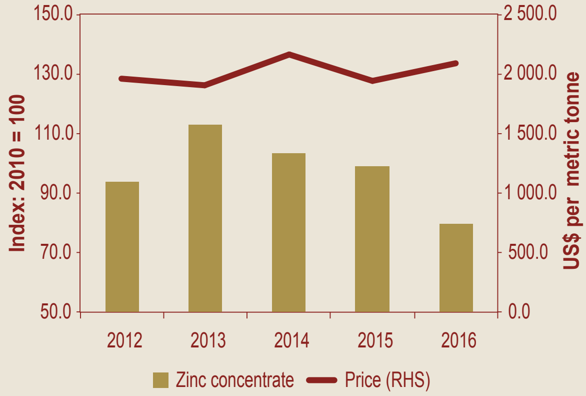
PRIMARY INDUSTRY DEVELOPMENTS

Figure C.4: Primary industry

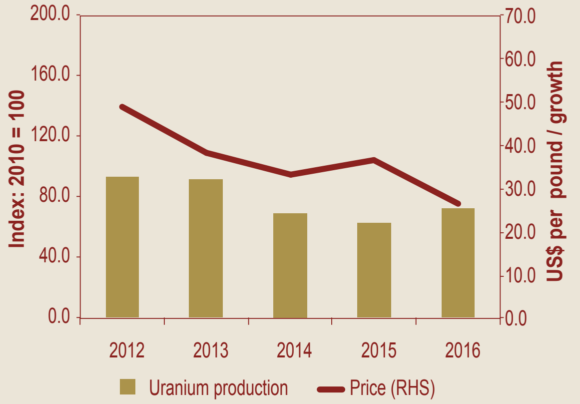
The primary industry is estimated to have contracted in 2016, driven mainly by a decline in the production of diamonds during the period under review.



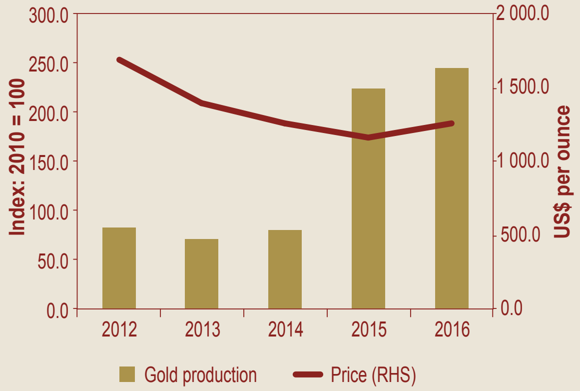
Additionally, zinc production declined during 2016, mainly due to industrial actions during the year.



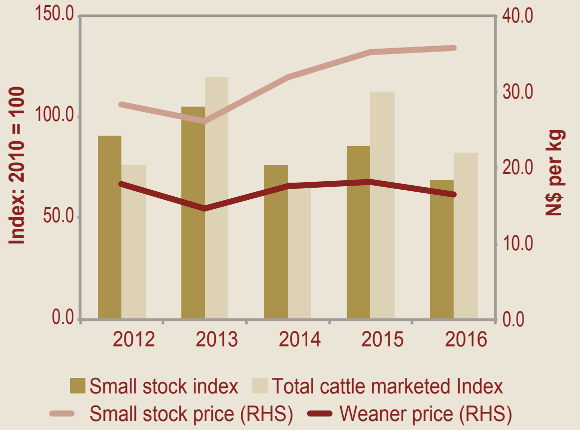
Meanwhile, uranium production increased during 2016 on account of low base effects from the previous year.



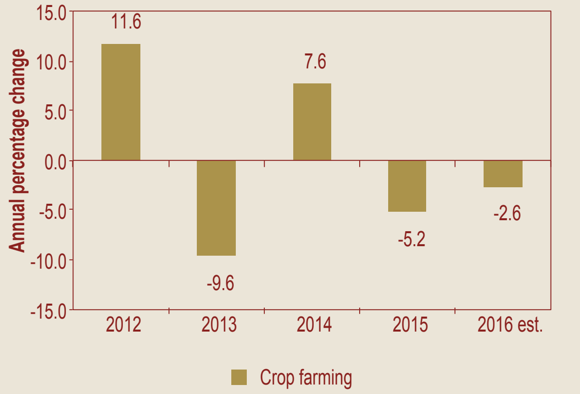
Gold production also increased during the year, owing to better grade ores mined.



As reflected in the number of livestock marketed, farmers decreased their marketing activities, primarily due not only the drought, but also the veterinary restrictions imposed by South Africa.



Crop farming declined in 2016 as well, due to low rainfall received during the year.



Source: Mining companies, Meat board of Namibia and Namibia Statistics Agency.

Mining

Activities in the mining sector contracted during 2016, relative to the previous year, mainly as a result of lower production of diamonds and zinc concentrate. Production levels for these two commodities decreased as a result of low-quality carats and ore mined, respectively, during the year under review. The production of diamond and zinc concentrate constitute a combined weight of 63.1 percent of the mining and quarrying sector, in the National Accounts, which explains the slowdown of activities in the mining sector as a whole. In contrast, production of uranium and gold increased during the period under review. Major events in the four principal mining subsectors were as follows for the reporting year:

- **Diamond mining output** declined in 2016, stemming mainly from low-quality carats mined offshore, but also from the time-intensive maintenance of a vessel during the year under review. Thus, diamond production declined by 10.9 percent to 1 571 972 carats during the year under review, compared with the 4.9 percent decline registered in 2015 (Figure C.4).
- **The production of zinc concentrate** fell significantly in 2016, mainly due to lower-grade ore mined and a strike that took place during the early months of the period under review. Production of zinc concentrate showed a sharp 19.2 percent drop to 80 560 metric tonnes compared with 2015's production levels. Meanwhile, international zinc prices rose during 2016 to an average of US$2 090 per metric tonne, compared to its 2015 equivalent of US$1 932. The principal contributor to the rise was a supply deficit in the global market.
- **Uranium production** increased by 15.5 percent to 4 287 metric tonnes during the year under review, compared with the levels produced in 2015. The increase was mainly due to low base effects resulting from operational challenges experienced during 2015. Conversely, compared with 2015, international uranium prices declined significantly by 28.4 percent to US$26.31 a pound in 2016. This decrease could mainly be attributed to an oversupply of uranium in the global market. Going forward, there are positive prospects of a growing demand for nuclear energy, which is expected to impact favourably on uranium prices.
- **Gold production** increased by 9.9 percent during 2016, compared with production levels in 2015. The rise in production could largely be ascribed to better ore grades mined. Furthermore, international gold prices rose to an average of US$1 248 per ounce in 2016, up from the average price of US$1 160 per ounce in 2015. The increase, which was based principally on investors seeking less risky assets, stemmed from negative interest rates in advanced economies and uncertainty in the global market.

Agriculture

The agricultural sector is estimated to have continued contracting in 2016, albeit at a slower rate than in 2015, mainly due to the persistent drought situation in the country. Value addition in the agricultural sector is estimated to have contracted by 4.7 percent in 2016, compared with a higher contraction of 10.3 percent in 2015. Low and erratic rainfall experienced during the 2014/15 and 2015/16 rainy seasons continued to negatively impact the sector. This was reflected in the contraction of both livestock farming and crop production during 2016. Crop farming declined by 2.6 percent, while 2015 showed a steeper contraction of 5.2 percent. Similarly, livestock farming contracted by 6.4 percent in 2016 from an even worste contraction of 14.0 percent in 2015. Meanwhile, the total number of cattle marketed declined by 26.8 percent to 290 667 head during 2016, compared with those recorded in 2015. This was mainly due to the ongoing drought, but also to new import requirements introduced by South Africa during the period under review. Consequent shortages in the market also impacted on the average price for beef, which rose by 4.3 percent to N$28.80 per kilogram during 2016.

Declines in total small stock marketed prevailed during 2016, while average prices rose during the year under review. Small stock marketed, which includes sheep and goats, declined by 20.0 percent to 880 075 head during 2016, when compared with 2015. The falling numbers were reflected both in small stock exported on the hoof to South Africa and in small stock slaughtered locally. These depressed figures were as a result of new import requirements by South Africa in respect of live animals. Meanwhile, the average price of small stock rose slightly by 3.2 percent in 2016, to N$35.94 per kilogram. This increase was driven by competitive prices offered by local abattoirs relative to those in South Africa.

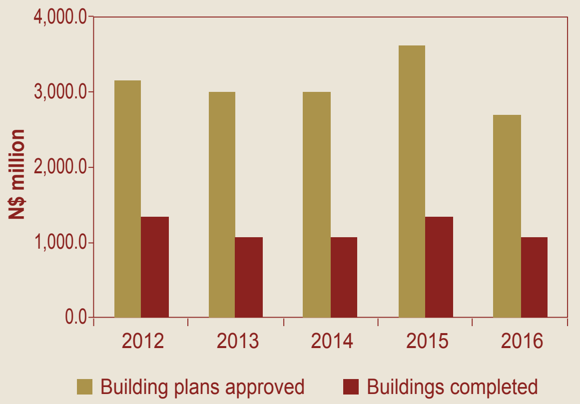
Milk production dropped slightly during 2016 compared with the preceding year, mainly due to the prevailing drought. The slight decline of 0.5 percent to 24.2 million litres was principally ascribed to the drought and higher input costs.

Estimates are that the fishing sector performed better in 2016 in comparison with the previous reporting year. Value addition in the fishing sector increased slightly, namely by 0.8 percent during the period under review, compared with the decline of 2.8 percent in 2015. The rise was attributed mainly to good horse mackerel landings and the moratorium on the total allowable catch (TAC) for pilchard being lifted during the reporting year.

SECONDARY INDUSTRY DEVELOPMENTS

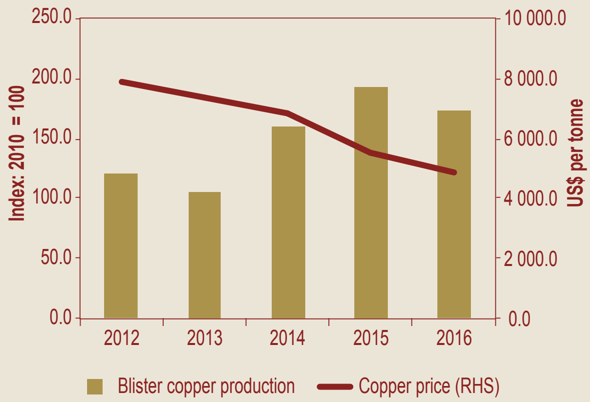
Figure C.5: Secondary industry

Annual growth in the secondary industry turned negatively in 2016, mainly on account of reduced private construction activities …

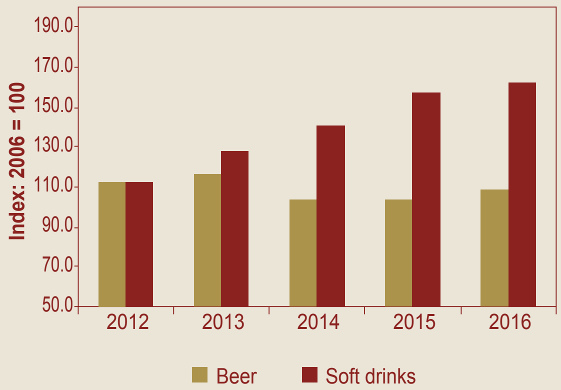


… as well as Government construction activities.

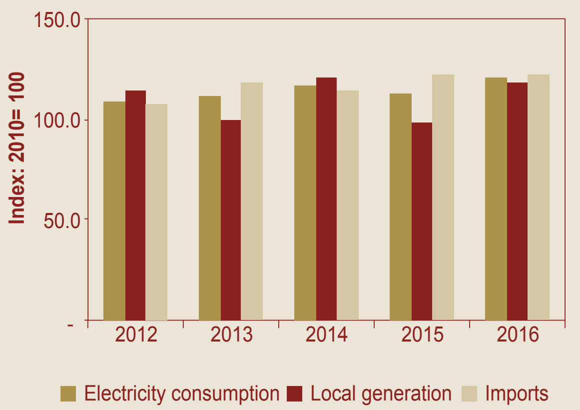
Similarly, blister copper production declined during 2016, chiefly because of operational challenges.



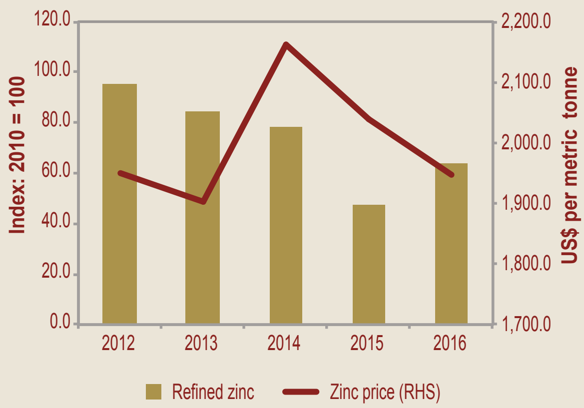
Production of both beer and soft drinks, however, increased during the review period.



More electricity was generaged locally, which could partly be attributed to the increased capacity of major local power plants.



Refined zinc production also increased during 2016.



Source: Municipalities, Ministry of Finance and various companies operating in Namibia

C

Construction

Output in the construction sector contracted during 2016, which can principally be ascribed to some major construction projects in the private sector which were completed and fiscal consolidation measures being implemented. The sector is estimated to have contracted sharply in 2016, when compared to substantial growth in the preceding three years. The steep decline came after some major construction projects were completed in 2015, especially in the mining sector, coupled with certain consolidation measures taken by Government to restore fiscal buffers. As a result, the real value of building plans approved and buildings completed declined, while Government construction activities slowed. During 2016, the real value[7] of building plans approved declined by 20.0 percent to N$3.2 billion from 2015 levels, while buildings completed fell in real value by 15.7 percent to N$1.3 billion in relation to the previous reporting year's levels (Figure C.5). In addition, the real value of Government construction works decreased by 13.1 percent to N$5.0 billion over the same period.

C

Electricity and water

The growth in output of the electricity and water sector slowed in 2016, whereas 2015 had robust expansion. The sector is estimated to have grown by 5.9 percent in 2016, compared with an expansion of 9.7 percent in 2015. The slower growth in 2016 was caused by the water subsector, which is estimated to have contracted due to the limited supply of water in the central regions of the country. In contrast, electricity generation improved during 2016, largely reflecting the increased generation capacity of some of the major local power generation plants, particularly Ruacana and Van Eck. The increase was boosted by the commissioning of some local solar-power-generation initiatives, such as HopSol and Innosun Osona. Compared with 2015, local electricity generation increased by 20.4 percent in 2016, while imports of electricity increased by only 0.2 percent over the same period.

Manufacturing

Real output in the manufacturing sector is estimated to have expanded marginally in 2016, largely due to the increased processing of diamonds. Overall manufacturing expanded by 0.8 percent in 2016, compared with a contraction of 6.6 percent in 2015. The diamond processing subsector grew particularly strongly during the reporting period, albeit from a low base, following a sharp contraction in 2015. Diamond processing recovered due to increased supply of rough diamonds to processors.

During 2016, refined zinc production increased substantially, in line with the rise in international zinc prices, while production of blister copper declined in comparison with 2015 levels. Production of refined zinc leapt by 34.3 percent to 90,739 metric tonnes during 2016, compared with the 71,961 metric tonnes recorded during 2015. This was mainly ascribed to the low base factor established in 2015. On the other hand, blister copper production declined by 9.7 percent in 2016 to 40,181 metric tonnes, compared with the preceding year, which could principally be ascribed to operational challenges.

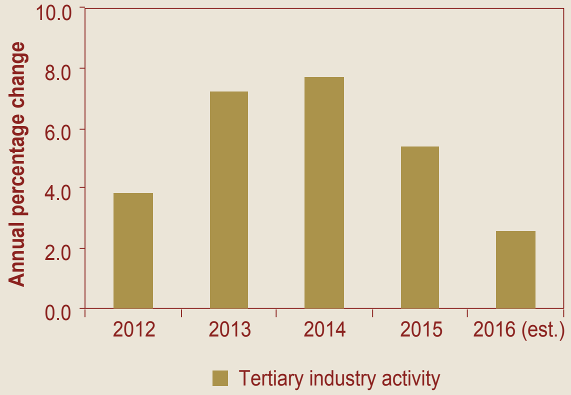
In 2016, production of both beer and soft drinks increased, owing to sustained demand. The production of beer increased by 4.4 percent in 2016, from a decline of 0.6 percent in 2015. The chief contributor to increased beer production was sustained demand, coupled with a low base effect after commercial production began at a new company, which increased its uptake in 2016. The production of soft drinks rose by 3.7 percent over the same period also due to ongoing demand.

7 The data are deflated by the Consumer Price Index (CPI) (December 2012 = 100).

TERTIARY SECTOR DEVELOPMENTS

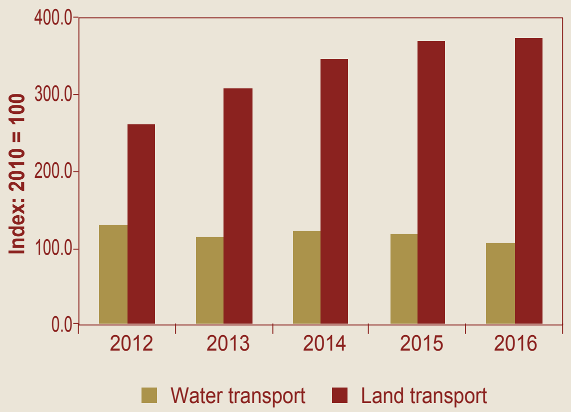
Figure C.6: Tertiary industry

The tertiary industry is estimated to have expanded by 2.6 percent in 2016, which is nonetheless lower than the growth of 5.4 percent recorded during 2015.

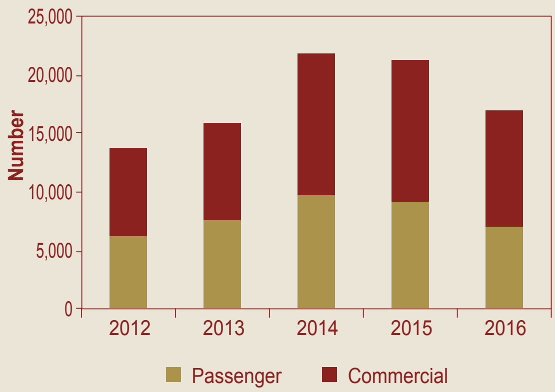


This growth was supported by activities in the wholesale and retail trade sector, albeit such activities were lower than that of 2015...

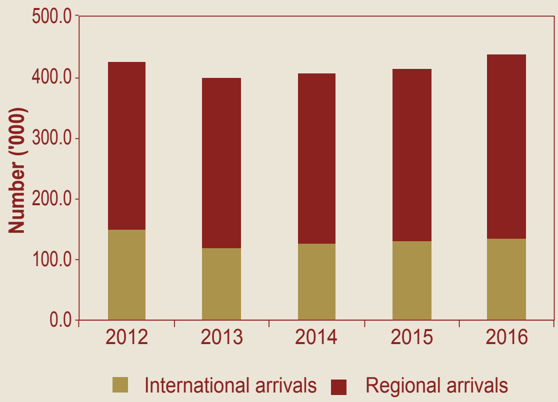
... supported by the increased activities in the transport and communication sector.



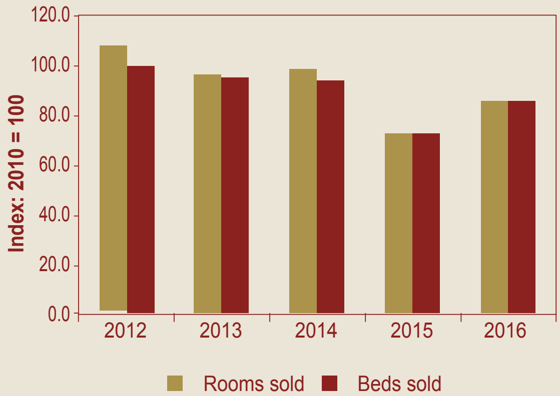
However, new vehicle sales declined over the same period.



Tourism sector activities are estimated to have expanded between 2015 and 2016, as reflected in the rise in the number of visitor arrivals in the reporting year.



Rooms and bed nights sold also rose over the same period.



Source: Namibia Statistics Agency, National Association of Automobile Manufacturers of South Africa, Namport, TransNamib and other transport operators, Namibia Airports Company, and Hospitality Association of Namibia

Wholesale and retail trade

Wholesale and retail trade is estimated to have slowed during 2016, compared with the previous year. The sector's growth slowed by 5.1 percent for 2016, but lower than the 5.7 percent growth recorded for 2015 (Figure C.6). In real terms, however, positive momentum was retained in respect of wholesale and retail trade turnover, chiefly because of a sizeable supply of equipment to the mining sector and improved sales for wholesale trade. On the other hand, sales of new vehicles dropped substantially between 2015 and 2016, by 19.7 percent. Commercial vehicles alone showed a decrease in sales of 17.7 percent, while passenger vehicle sales fell by 22.5 percent. The decline in vehicle sales was partly influenced by the rise in interest rates and lower Government spending on vehicles. Demand, was also dampened as the Credit Agreements Amendment Act[8] took effect during the review period resulting in more restrictive initial deposits and shorter maximum repayment periods on instalments sale agreements. The carbon emission tax was also implemented in July 2016.

Transport and communication

The transport and communication sector recorded positive growth, mainly due to the rise in the value added for post and telecommunication services. The transport and communication sector expanded slightly in 2016 by 2.0 percent, which was around half of the 4.0 percent growth recorded for 2015. Nonetheless, the growth was sustained by a substantial rise in the value added for the post and telecommunications subsector as cellular and internet traffic continued to soar. The rise in value added for the communication subsector was attributed to improved operational efficiency. However, in respect of the transport subsector, total cargo volumes decreased by 2.9 percent to 15.2 million metric tonnes in comparison with 2015 levels. Sea transport cargo volumes alone decreased by 9.6 percent since the previous reporting period, while their rail counterparts fell by 4.5 percent. The decline in sea cargo volumes was partly attributed to low export volumes of certain minerals such as zinc concentrate and blister copper during the year under review. Conversely, road cargo volumes rose by 2.5 percent in 2016, whereas 2015 had seen a 7.8 percent increase.

Tourism

The performance of the tourism sector, which is measured by activities under *Hotels and restaurants*, expanded in 2016, as reflected by the rise in the number of visitor arrivals and rooms sold. The sector is estimated to have increased by 5.9 percent in 2016, compared with the growth rate of 4.1 percent in 2015. This was also reflected in the higher number of total visitor arrivals, which increased by 11.2 percent from 2015 to 2016. In addition, both the number of rooms and bed nights sold, which are robust indicators of tourism activities, rose by 18.4 percent and 18.5 percent, respectively, during 2016, after recording a substantial decline in 2015.

Public administration and defence

Value added by public administration and defence contracted marginally during the reporting year. The slight contraction of 0.3 percent stands in sharp contrast to the substantial growth of 13.1 percent during the previous year. The contraction was largely due to fiscal consolidation measures instituted by Government.

GROSS NATIONAL INCOME AND GROSS NATIONAL DISPOSABLE INCOME

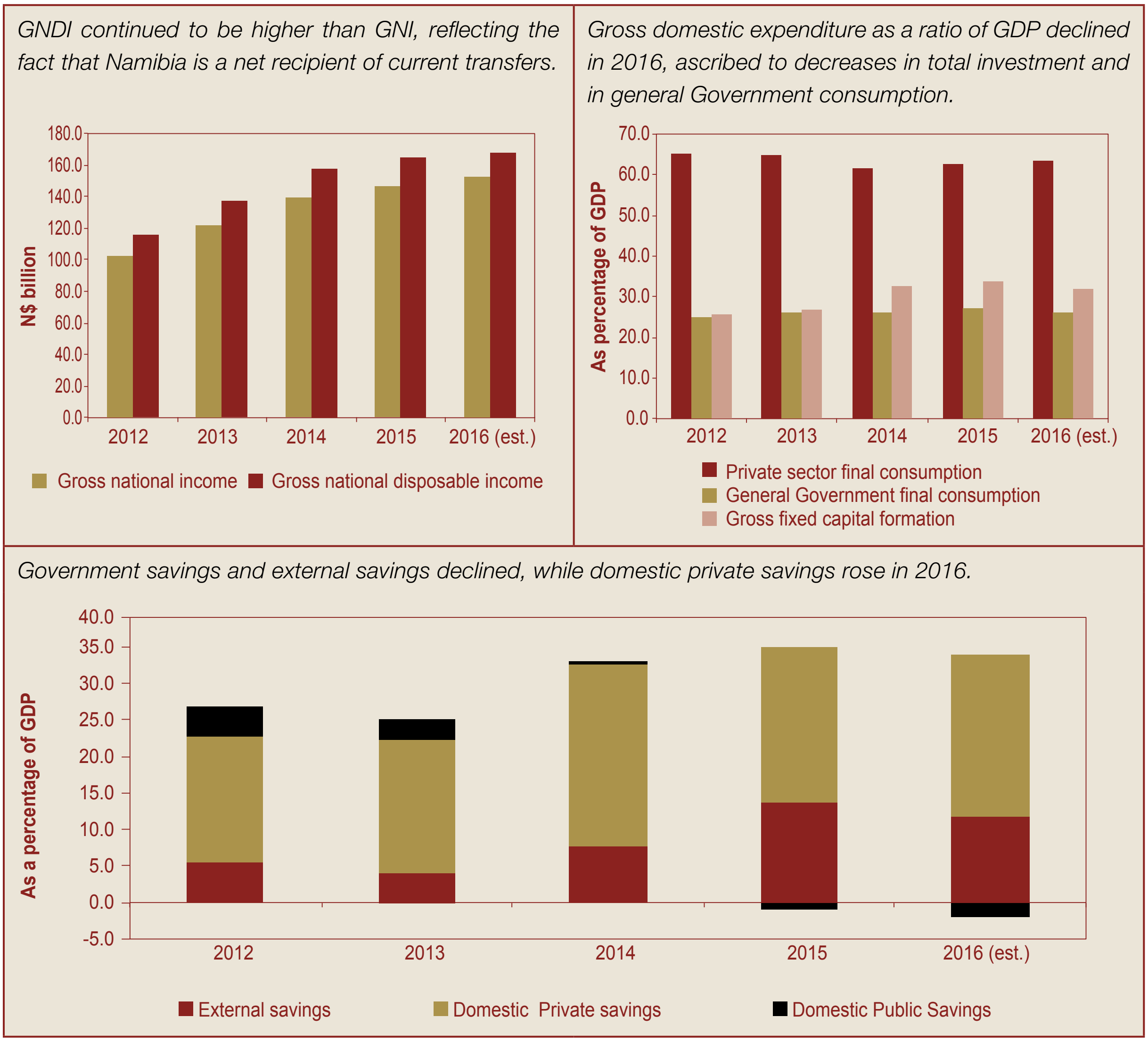
Namibia's gross national income (GNI)[9] and gross national disposable income (GNDI) are estimated to have increased during 2016. The country's GNI at current prices is estimated to have risen to N$153.9

8 The Credit Agreements Amendment Act, 2016 (No. 3 of 2016) is an amendment to the Credit Agreements Amendment Act No.75 of 1980, which serves (among other things) to strengthen the power of the enforcing authority and reinforcing penalties on credit transactions.

9 In contrast to GDP, which measures domestic output, GNI and GNDI measure total income received by residents. GNI measures total income earned by the factors of production owned by residents irrespective of the location of the activity from which the income is derived (domestically or abroad), while GNDI measures disposable income of residents, after transfers and taxes have been factored in.

billion in 2016, from N$146.2 billion in 2015, representing a 5.3 percent increase (Figure C.7). Similarly, GNDI is estimated to have increased by 2.8 percent to N$169.7 billion in 2016, from N$165.1 billion in the previous year. GNI and GNDI grew by 5.0% and 4.5% in 2015, respectively. Moreover, GNDI continued to be higher than GNI, indicating that Namibians received more transfers from the rest of the world compared with what they sent abroad.

Figure C.7: Gross national income (GNI), gross national disposable income (GNDI) and savings at current prices



Source: Namibia Statistics Agency for the 2012–2015 figures and Bank of Namibia for the 2016 estimates

GROSS DOMESTIC EXPENDITURE

Gross domestic expenditure as a ratio of GDP is estimated to have declined in 2016, due to decreases in investment as well as in the final consumption of general government. Gross domestic expenditure (GDE) at current prices is estimated to have risen to N$184.0 billion in 2016 from N$181.5 billion in the preceding year, representing an increase of 1.4 percent (Figure C.7). As a percentage of GDP, GDE declined to 121.6 percent in 2016, from 123.8 percent in 2015, which is a reduction by 2.2 percentage points. Over the same period, investment as percentage of GDP declined by 1.6 percentage points, while the general government final consumption expenditure fell by 1.1 percentage points. The household sector's final consumption expenditure as percentage of GDP is, however, estimated to have risen by 1.0 percentage point in 2016.

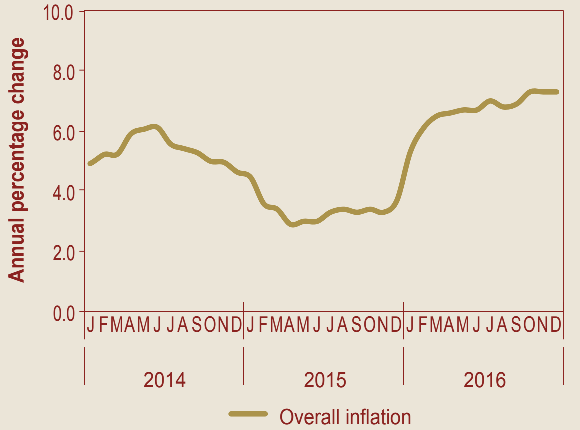
SAVINGS AND INVESTMENT BALANCE

Namibia's total domestic savings as percentage of GDP is estimated to have moderated in 2016. Total domestic savings as a ratio of GDP is estimated to have decreased slightly to 20.3 percent in 2016, from 20.5 percent in 2015. National savings play a significant role in driving investment, which can in turn stimulate economic growth. Overall domestic savings benefited from higher private savings, which increased to 22.3 percent of GDP in 2016, from 21.4 percent of GDP in the previous year (Figure C.7). On the contrary, domestic public savings as a ratio of GDP is estimated to have declined to -2.0 percent in 2016, from -0.9 percent in 2015, indicating that the government is dissaving. Given the above developments in savings, total investment as a percentage of GDP is estimated to have moderated to 32.0 percent in 2016, from 34.2 percent in the previous year.

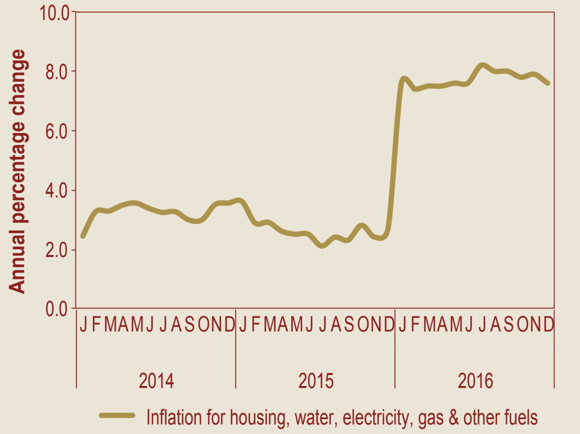
PRICE DEVELOPMENTS[10]

Figure C.8: Price developments

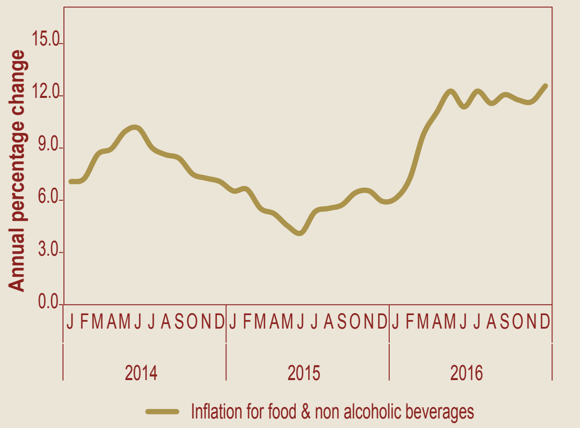
Namibia's average annual inflation rate accelerated in 2016, compared with 2015 …



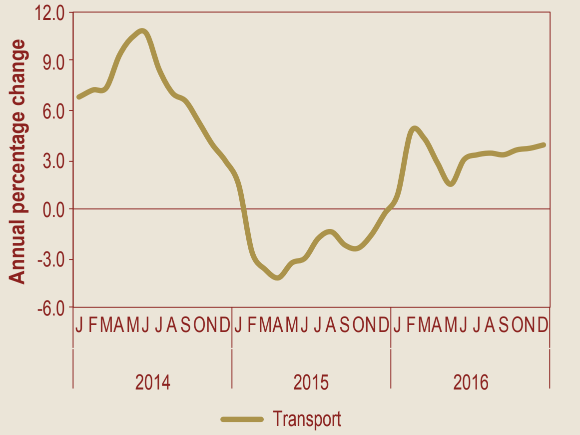
… on account of the increases in the inflation rates for housing, water, electricity, gas and other fuels, as reflected particularly in Rental payments for dwelling ...



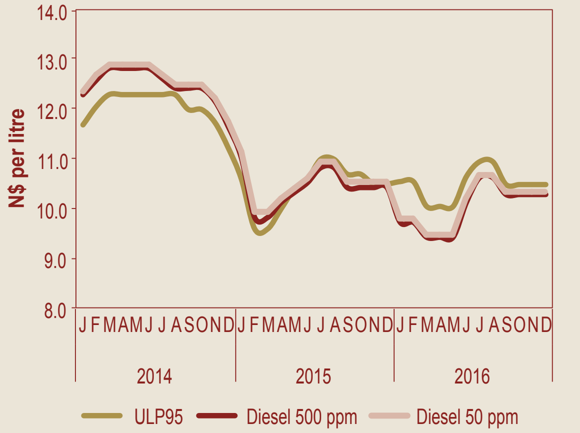
… and Food. The rate of inflation with respect to food rose during 2016, as mirrored in all subcategories, in particular oil and fat.



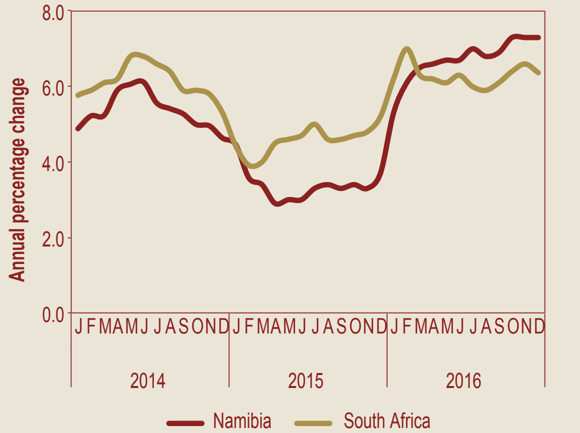
The inflation rate for transport also rose, on average, during 2016, on the back of a significant increase in spare parts and accessories as well as service and prices of repair charges.



Average pump prices for diesel 500 ppm and diesel 50 ppm declined in 2016, while that of petrol increased during the same period.



The inflation rates for both Namibia and South Africa rose during 2016, with Namibia's exceeded South Africa's.



Source: Namibia Statistics Agency

10 The analyses in this section are derived from the National Consumer Price Index (NCPI) series, which are in turn based on the 2009/10 Namibia Household Income and Expenditure Survey, as released by the Namibia Statistics Agency in November 2014.

C

Namibia's headline inflation rate accelerated during 2016, as reflected in all major inflation categories. On average, the inflation rate rose by 3.3 percentage points to 6.7 percent during 2016 (Figure C.8). The rise was mainly reflected in the categories *Housing, water, electricity, gas and other fuels, Transport* and *Food* during the period under review.

The inflation for the *Housing* category rose in 2016, as reflected in all subcategories of housing. While increases were recorded in all the subcategories of housing, inflation was especially driven by the high-weight items; Rental payments for dwellings, which jumped by 5.4 percentage points to 7.0 percent during 2016.

The inflation rate for Transport rose during 2016, which was driven mainly by the subcategory *Operation of personal transport equipment.* Inflation in Transport registered a rate of 5.3 percent during 2016, compared with the deflation rate of 2.1 percent for the year before. The main subcategory involved was *Operation of personal transport equipment,* which climbed by 8.5 percentage points, up from -6.3 percent in 2015. But *Spare parts and accessories*, as well as *service and repair charges* registed hefty price increases during the year under review.

Pump prices for diesel 500 ppm and diesel 50 ppm declined on average during 2016, while that of petrol rose during the period under review. Diesel 500 ppm and diesel 50 ppm averaged at N$10.02 and N$10.07 per litre, respectively, during 2016, from their respective prices of N$10.41 and N$10.51 per litre in 2015. Meanwhile, pump prices for petrol averaged N$10.47 per litre during the period under review, slightly higher than the average price of N$10.42 per litre recorded for the previous year.

The annual inflation rate for *Food and non-alcoholic beverages* accelerated markedly during 2016. The rate of inflation for Food accelerated to 10.7 percent during 2016, which is almost double the level of 5.6 percent recorded for 2015 (Table C.4). The rise was evident in all subcategories except *Meat*, which declined by 2.1 percentage points to 4.8 percent during the period under review, mainly due to the high base effects from 2015.

Table C.4: Inflation relating to food and non-alcoholic beverages

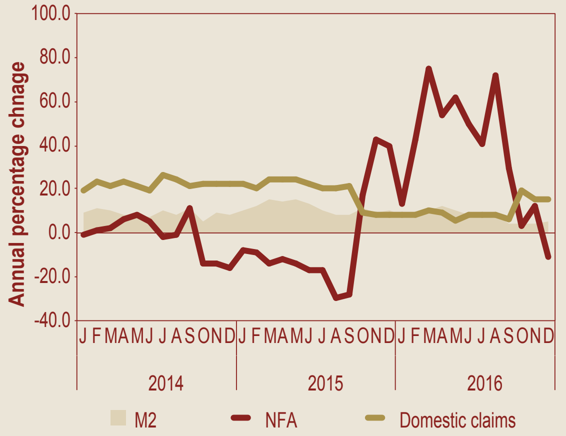
Category	Weight	2012	2013	2014	2015	2016
Food and non-alcoholic beverages	**16.4**	**9.1**	**6.5**	**8.3**	**5.6**	**10.7**
Food	**14.8**	**9.1**	**6.6**	**8.8**	**5.8**	**11.0**
Bread and cereals	4.8	9.5	4.6	8.2	3.9	13.3
Meat	3.5	13.9	6.5	12.4	7.0	4.8
Fish	0.8	8.0	8.6	3.3	7.2	13.8
Milk, cheese and eggs	1.2	4.0	5.3	11.4	7.6	7.8
Oils and fats	0.8	9.7	7.5	4.5	3.2	15.2
Fruit	0.3	3.0	13.1	7.4	8.5	15.7
Vegetables	1.2	5.8	11.7	11.5	6.3	15.8
Sugar, jam, honey, syrups, etc.	1.4	11.5	7.9	5.3	7.2	13.9
Food products	0.6	5.7	5.1	5.4	5.6	10.3
Non-alcoholic beverages	**1.7**	**8.3**	**5.3**	**3.2**	**4.2**	**7.3**
Coffee, tea and cocoa	0.3	7.4	4.6	6.3	8.1	15.3
Mineral waters, soft drinks and juices	1.4	8.6	5.6	2.5	3.3	5.4

A comparison between Namibia and South Africa reveals that both countries, inflation rates rose during 2016, although Namibia's was higher than that of South Africa. South Africa recorded an average inflation rate of 6.2 percent, which is 0.5 percentage point lower than for Namibia. This was partly due to the fact that three categories that experienced particularly high inflation in 2016 - Housing, transport and food and non-alcoholic beverages - have higher weight in Namibia's Consumer Price Index (CPI) basket than in South Africa.

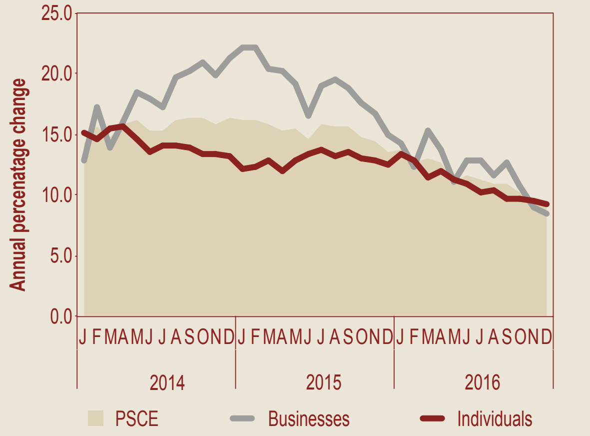
MONETARY AND FINANCIAL MARKET DEVELOPMENTS

Figure C.9: Monetary and financial market developments

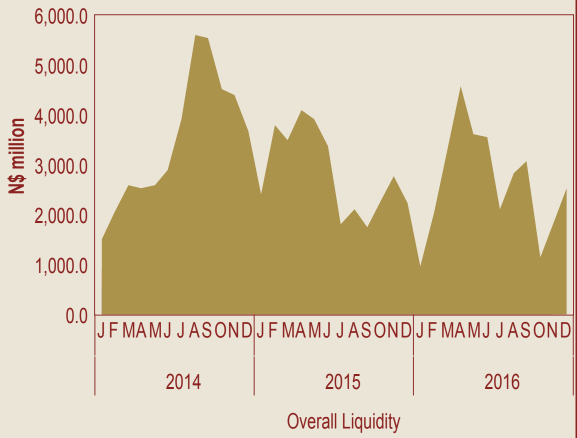
The annual growth in broad money supply (M2) slowed at the end of 2016, driven mainly by the decline in Net Foreign Assets (NFA) ...



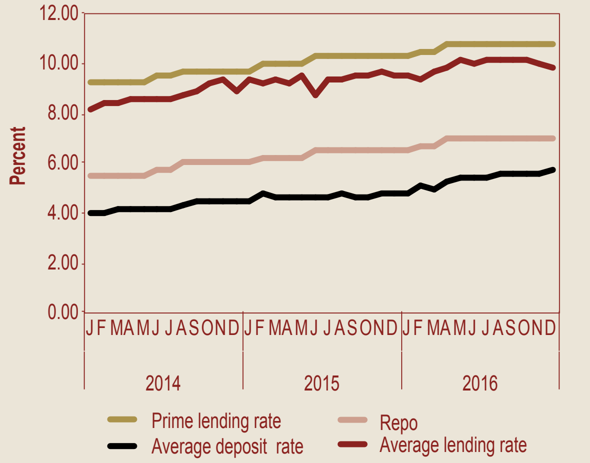
... supported by lower growth in private sector credit extended (PSCE), mainly due to low demand for credit by both the corporate and household sectors.



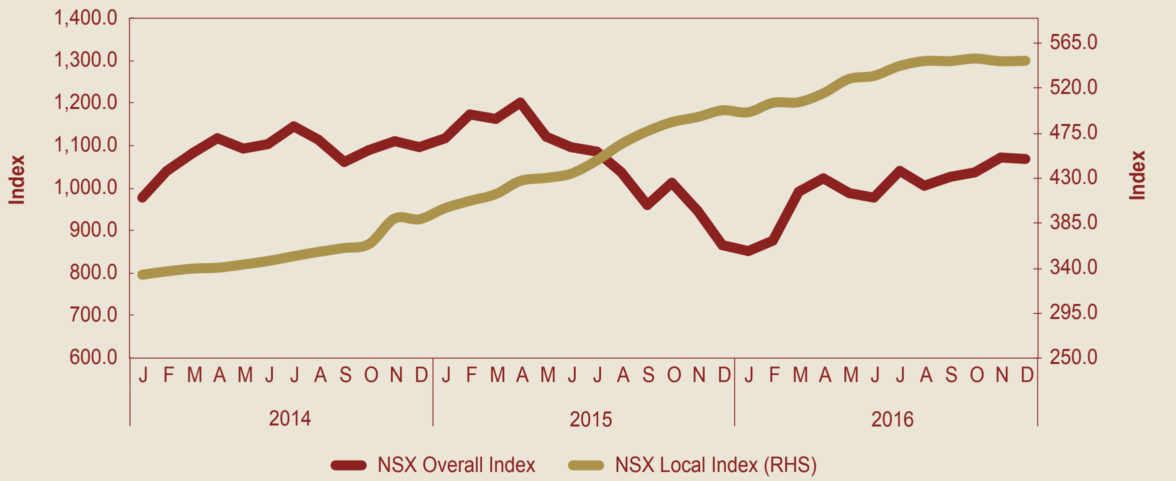
The overall liquidity position of the Namibian banking industry declined during 2016, in contrast to the preceding year.



Money market rates[1] rose during 2016, after the Bank of Namibia increased its Repo rate in February and April 2016.



The Overall and Local Indices of the NSX rose in 2016.



MONETARY AGGREGATES

During 2016, developments in monetary and credit aggregates in Namibia were characterised by subdued growth both in credit extended to the private sector and in money supply. These developments were partly influenced by liquidity constraints in the banking system, coupled with a slowdown in domestic economic activity.

C

Table C.5: Monetary and credit aggregates

(N$ million)	2012	2013	2014	2015	2016
Net foreign assets	20,742.0	23,151.7	19,422.4	29,515.9	26,225.4
Net domestic assets	53,160.0	62,866.8	77,065.6	83,315.6	95,879.2
of which: claims on individuals	31,310.2	36,020.9	40,793.2	45,968.1	50,116.3
Claims on businesses	20,660.1	23,465.9	28,489.2	32,894.8	35,489.9
Net claims on Central Govt	(1,305.6)	269.4	4,002.3	(1,608.4)	3,905.0
Other items, net*	(12,764.6)	(14,932.4)	(13,928.9)	(15,638.0)	(14,925.0)
Broad money	61,141.7	68,957.8	74,366.0	81,933.8	85,949.5
(Contribution to growth in M2)					
Net foreign assets	(1.9)	3.9	(5.4)	13.6	(4.0)
Net domestic assets	17.3	15.9	20.6	8.4	15.3
of which: claims on individuals	10.1	7.7	6.9	7.0	5.1
Claims on businesses	7.9	4.6	7.3	5.9	3.2
Net claims on Central Govt	(0.1)	2.6	5.4	(7.5)	6.7
Other items, net*	(6.8)	(3.5)	1.5	(2.3)	0.9
Broad money	13.4	12.8	7.8	10.2	4.9
(Annual percentage growth rates)					
Net foreign assets	(4.6)	11.6	(16.1)	52.0	(11.1)
Net domestic assets	21.3	18.3	22.6	8.1	15.1
of which: claims on individuals	21.0	15.0	13.2	12.7	9.0
Claims on businesses	25.9	13.6	21.4	15.5	7.9
Other items, net*	40.1	17.0	(6.7)	12.3	(4.6)
Broad money	13.4	12.8	7.8	10.2	4.9

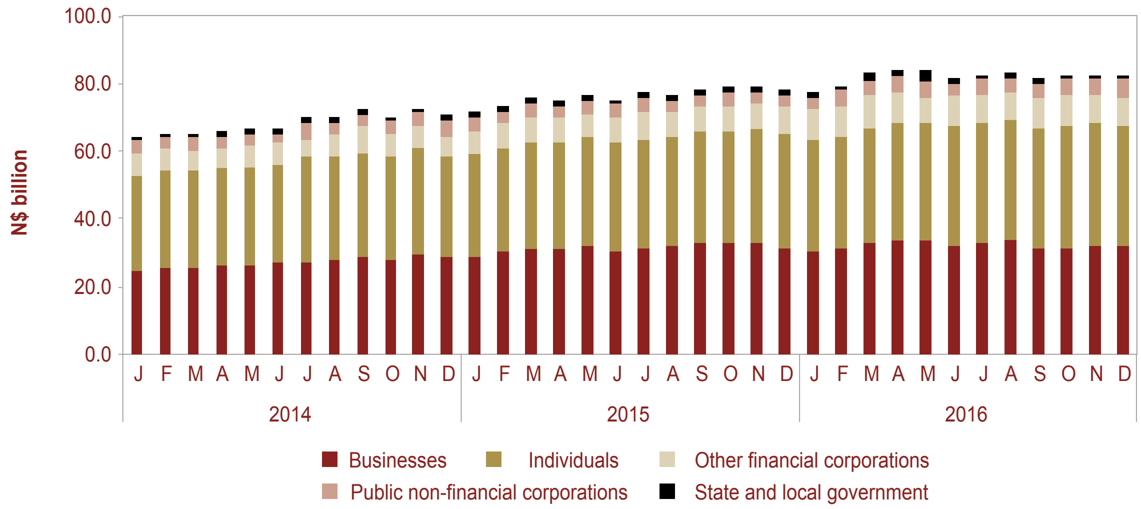
MONEY SUPPLY

The annual growth in broad money supply (M2) slowed at the end of 2016, in comparison with 2015. Thus, M2 growth slowed from 10.2 percent in 2015 to 4.9 percent in 2016 (Figure C.9). The subdued growth in M2 during the reporting period was mainly due to the decline in Net foreign assets, coupled with slower growth in claims on individuals and businesses on account of slower growth in loans and advances to the private sector. Growth in NFA contracted remarkably to 11.1 percent at the end of 2016, when compared to a 52.0 percent increase at the end of 2015. The decline in the NFA of other depository corporations was due to commercial banks' withdrawal on their foreign accounts for foreign currency payment purposes. The growth in claims on individuals slowed significantly, to 9.0 percent, at the end of 2016; from 12.7 percent. Growth in claims on businesses also decelerated, levelling out at 7.9 percent by the end of 2016, which was almost half of the 15.5 percent growth rate registered at the end of 2015. Annual growth in the narrower monetary aggregates (M1) was also lower, and generally resembled that of M2. Similarly, growth in currency in circulation – the most liquid form of money – decelarated remarkably to 5.2 percent in 2016, down from 19.6 percent in 2015. Growth in other or longer-term deposits, which comprise the largest component of M2, declined from 11.0 percent in 2015 to 10.8 percent in 2016. Contributing to the decline was a reduction in deposit holdings, particularly in respect of *Other financial corporations*, i.e. pension fund and insurance corporations. Similarly, growth in transferable (demand) deposits decelarated to 0.9 percent to reach N$36.7 billion at the end of the 2016.

SOURCES OF FUNDS OF OTHER DEPOSITORY CORPORATIONS[12]

Total deposits with other depository corporations rose in 2016, driven by increased deposits from the corporate sector. At the end of 2016, deposits from individuals and businesses accounted for 43.6 percent and 38.6 percent of total deposits respectively, while the remaining 17.8 percent stemmed from other financial corporations, the State and Local Government, and public non-financial corporations. In the prior year, deposits from individuals and businesses accounted for 42.8 percent and 40.3 percent, respectively (Figure C.10).

Figure C.10: Sources of funds of other depository corporations



12 Total deposits for other depository corporations include all seven commercial banks, Money Market Unit trust funds and other deposit-takers, i.e. Nampost Savings Bank, Agribank, and the National Housing Enterprise. Hence, deposits described herein, in Part C of the Annual Report, differ from total deposits reported on in Part D – Banking supervision, as the latter only reports on deposits with the commercial banks and not on unit trust funds or other deposit-takers.

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ADVANCE NOTE: INCLUSION OF DATA ON OTHER FINANCIAL CORPORATIONS IN THE PRESENTATION OF NAMIBIA'S MONETARY AND FINANCIAL STATISTICS

This note serves to inform all data users that the Bank of Namibia has expanded its Monetary and Financial Statistics (MFS) coverage to also include *Other Financial Corporations* (OFCs), i.e. Non-bank Financial Institutions. The primary objective for inclusion of the OFCs is to expand the coverage of the financial sector, which currently covers only the banking sector through the Depository Corporations Survey. The banking sector, in turn, is composed of the central bank, which is covered in the Central Bank Survey (CBS), and of the other banks, which are covered in the Other Depository Corporations Survey (ODCS).

In 2008, the Bank of Namibia commissioned a project aimed at enhancing Namibia's monetary and financial statistics to the point where they are fully aligned with the current best international practices for compiling MFS, as set out in the International Monetary Fund's Monetary and Financial Statistics Manual and Compilation Guide. To that effect, Bank of Namibia has made major strides in bringing the accounts of the central bank and of the rest of the banking sector up to the current best practices in data compilation, such as the inclusion of Money Market Unit Trust funds (MMU) in 2013 to form part of the ODCS amongst others. The next stage of the project was to do the same for the accounts on OFCs in a two-step approach. The first step of the OFCs was to include:

- Insurance companies
- Pension funds and
- Development finance institutions

The second step of the project is to further include

- Non-money market investment funds[13] and
- Medical aid funds over a two-year period.

Although OFCs[14] are not deposit taking institutions and thus by definition cannot issue broad money liabilities, they have, however, gained considerable importance in recent years, not only as a factor affecting monetary developments, but also for the functioning of the financial system. The OFCs make a large contribution to the Financial Corporations Survey (FCS), which then provides the most comprehensive measures of liquidity and credit extended by the entire financial system.

The building blocks of the entire MFS framework are three subsectors that are respectively captured in the CBS, ODCS and OFCS. The focus at the CBS level is the components of the monetary base, central bank credit and the central bank's net foreign assets. In the ODCS, much attention is usually directed to the credit aggregates. The Depository Corporations Survey (DCS) consolidates the CBS and ODCS, which are significant for the derivation of broad money liabilities i.e. M2 and credit to other sectors of the domestic economy. The Financial Corporations Survey (FCS), on the other hand, consolidates data from the DCS and OFCS to provide data regarding claims on and liabilities to all other sectors of the domestic economy and non-residents for the entire financial system.

At this stage, the coverage of OFCs reported herein comprises only of aggregated quarterly data for pension funds, insurance companies and development finance institution, backdated from 2015 onwards. More OFC sub-sectors may be included gradually over time, depending on such data becoming available and standing up to careful monitoring in terms of significance, quality and periodicity.

The impact of the inclusion of OFCs on the main statistical aggregates tracked in Monetary and Financial Statistics is presented in Table C.9 below. The balance sheet readings relate to the end of 2015 and 2016.

13 For example equity funds, property funds etc

14 Herein, OFCs and non-bank financial institutions excludes money market unit trust funds and is used interchangeably.

Table 1: Key Monetary Aggregates

Central Bank Survey (N$ million) existing analysis	2015	2016
Net Foreign Assets	23,999.1	24,052.7
Net Domestic Assets	(17,626.8)	(16,107.7)
Monetary Base	6,372.3	7,945.0
Other Depository Corporations (N$ million) existing analysis		
Net Foreign Assets	5,516.9	2,172.7
Net Domestic Assets	76,650.6	84,728.8
of which: Claims on individuals	45,926.4	50,072.9
Claims on businesses	32,894.8	35,489.9
Depository Corporations Survey (N$ million) existing analysis		
Net Foreign Assets	29,515.9	26,225.4
Net Domestic Assets	83,315.6	95,879.2
of which: claims on individuals	45,968.1	50,116.3
Claims on businesses	32,894.8	35,489.9
Net claims on Central Govt	(1,608.4)	3,905.0
Broad Money	81,933.8	85,949.5
Other Financial Corporations Survey (N$ million) new analysis		
Net Foreign Assets	75,886.0	77,336.0
Claims on ODCs	21,852.5	22,742.0
Claims on Other Sectors	19,553.3	22,997.4
Insurance and Technical Reserves	124,712.3	124,452.7
Financial Corporations Survey (N$ million) new analysis		
Net Foreign Assets	105,401.9	103,561.4
Net Domestic Assets	107,532.5	127,459.7
of which: Claims on individuals	101,129.4	111,392.6
Claims on businesses	97,902.1	108,048.0
Insurance and Technical Reserves	124,712.3	124,452.7
Net Equity of Households in Life Insurance	23,186.1	19,711.5
Net Equity of Households in Pension Funds	89,150.8	94,818.8

Net foreign assets of OFCs stood at N$77.3 billion at the end of December 2016, far higher than N$24.1 billion and N$2.2 billion of CBS and ODCS, respectively. This has brought the total net foreign assets for the FCS to N$103.6 billion at the end of December 2016, an indication of the significance of the non-banking institutions in Namibia.

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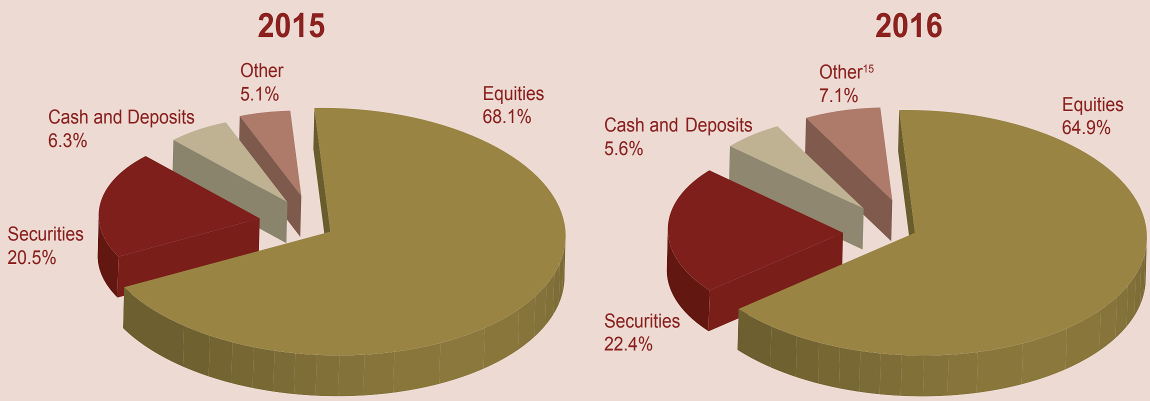
Figure 1 Asset holdings of non-bank financial institutions as at December 2015 and 2016



Total assets of OFCs stood at N$149.7 billion at the end of December 2016, which represents an increase of 6.8 percent from the level at the end of December 2015. In terms of asset allocation, a majority of OFCs' funds are channelled into equities, followed by interest bearing securities and thereafter cash and deposits.

NOTE: The Bank of Namibia will continue surveying OFCs on a quarterly basis and will include the data in Namibia's Monetary and Financial Statistics going forward. From the June 2017 Quarterly Bulletin, a complete FCS will be disseminated every quarter, thus providing the public with a richer dataset for analysis of the broad financial sector. The narrower analyses of the central bank (CBS), other banks (ODCS) and banking sector as a whole (DCS) will continue to be published.

15 The category Other, is comprised of non-financial assets, loans, receivables and financial derivatives

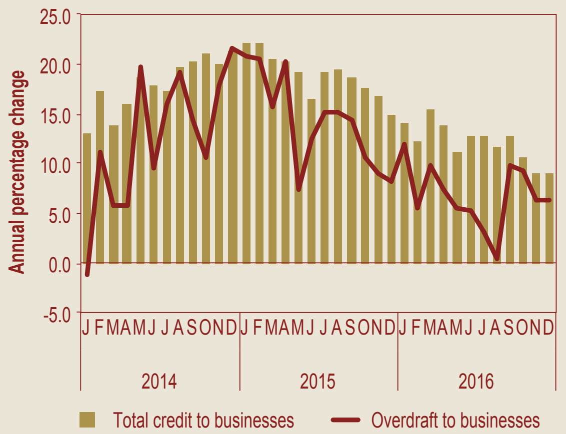
EXTENSION OF BANK CREDIT TO THE PRIVATE SECTOR

Annual growth in private sector credit extended (PSCE) slowed to 8.9 percent at the end of 2016, compared with 13.5 percent in 2015. This subdued growth appeared against the backdrop of a general deceleration in economic activity in Namibia. Most credit categories contributed to the subdued growth in private sector credit in 2016, with the exception of *Other loans and advances*, which rose significantly.

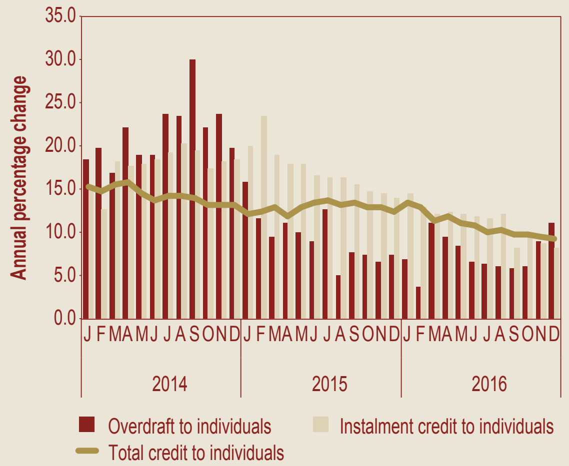
Total credit extended to various economic sectors in 2016 continued to be dominated by credit granted to the private sector, i.e. credit to private corporations and households, which amounted to N$85.3 billion at the end of 2016 or 55.28 percent of GDP. In real terms, growth in PSCE hovered around 4.4 percent on average during 2016, compared with 11.5 percent over the preceeding year.

Figure C.11: Credit developments

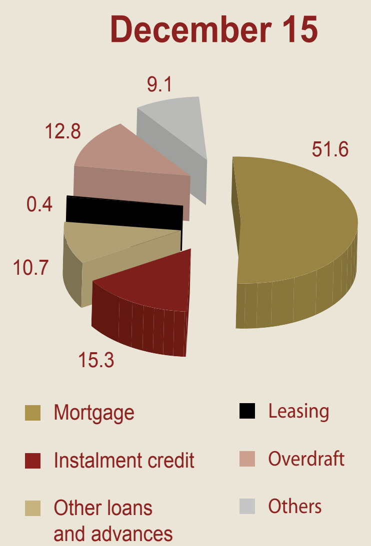
Growth in credit advanced to corporations trended downwards in 2016, when compared with trends in the preceding year.

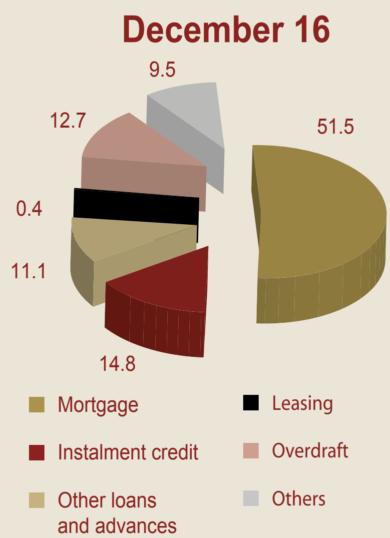


Similarly, the growth in credit extended to individuals slowed in 2016.



Mortgage loans continued to be the main contributor to total PSCE in 2016, followed by instalment credit and overdraft.





Annual growth in credit extended to the household sector (individuals) declined during 2016 in comparison with the preceding year. Credit extended to individuals was the main driver of the slowdown in PSCE growth in 2016. Annual growth in credit extended to individuals slowed to 9.3 percent at the end of 2016, dropping from 12.5 percent at the end of 2015 (Figure C.9). The subdued growth in credit extended to individuals was more pronounced in the categories *Mortgage lending*, *Overdrafts* and *Instalment credit*.

The *Mortgage lending* category, which represents the largest portion of total loans advanced to individuals, slowed to 9.5 percent at the end of 2016 from 12.5 in 2015. Persistently high property prices, high interest rates and weak economic conditions were the principal contributors to the retracted growth in mortgage advances. The slower growth in mortgage lending to the household sector was also in line with the decline in the total number of building plans approved, which fell sharply by 20.6 percent to a total of 3,742 building plans approved during the year 2016.

Annual growth in total credit extended to the business sector trended downwards during 2016. The growth in overall credit extended to businesses slowed to 8.5 percent, compared with 14.9 percent in 2015. The slackening pace in credit extended to businesses was mostly recorded in categories such as *Overdraft*, *Instalment credit* and *Mortgage lending*. The slower pace primarily stemmed from corporations' diminished appetite for credit during the year under review, especially in the *Overdraft* and *Instalment credit* categories, which respectively grew by 7.5 percent and 4.9 percent in 2016, compared with 8.0 and 13.7 percent in 2015. The reduced demand by corporations for short-term overdraft facilities was partly attributable to slow economic activities domestically.

In 2016, mortgage credit continued to account for more than half of the total credit extended to the private sector. Mortgage credit remains the largest contributor to total PSCE, namely 51.5 percent. Instalment credit and Overdraft credit follow in size, making up 14.8 percent and 12.7 percent, respectively of PSCE. Other loans and advances contributed 11.1 percent of the total PSCE in 2016 (Figure C.11).

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BANKING SYSTEM LIQUIDITY[16]

The overall liquidity position of the Namibian banking industry moderated during 2016 in contrast to the preceding year. In this regard, average liquidity balances of N$2.6 billion were recorded for the reporting period, which is slightly lower than the average of N$2.8 billion during 2015 (Figure C.9). The moderation in the liquidity position was evident in the decline in NFA of other depository corporations. During 2016, the highest monthly average liquidity position was N$4.5 billion in April, while the lowest was N$948 million in January. The liquidity position was at a particularly low level during the second half of the year, in line with the slowdown in Government expenditure during that period.

MONEY MARKET DEVELOPMENTS

The Bank of Namibia raised its policy rate twice during 2016. The Repo rate was increased by 25 basis points at each of the first two MPC meetings held during the reporting year, 6.75 percent in February, and to 7.00 percent in April 2016. In line with the changed monetary policy stance, commercial banks subsequently increased their prime lending rates to 10.50 percent in February and to 10.75 percent in April (Figure C.9). As a result of the increase in the Repo rate as well as market conditions in general, the average lending and deposit rates increased to 9.87 percent and 5.69 percent, respectively, during 2016, from 9.32 percent and 4.71 percent during 2015 (Figure C.9).

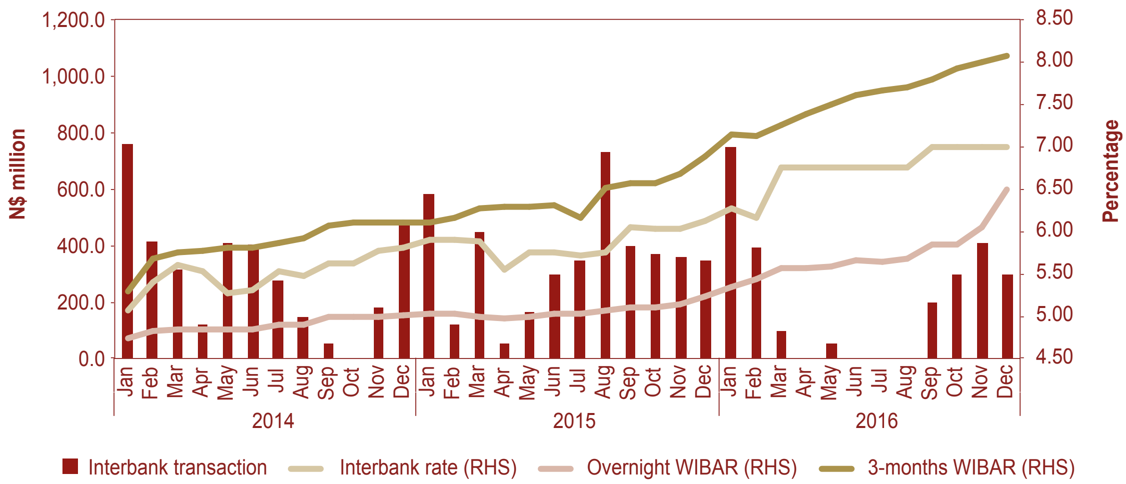
INTERBANK MARKET ACTIVITIES

The value of transactions in the interbank market showed a reduction when compared with the levels in 2015. Alongside lower liquidity in the market during 2016, interbank market activities declined. Consequently, the banking industry opted to utilise funding facilities with the central bank to meet their funding shortages. As indicated in Figure C.12, the local interbank market traded funds amounting to N$2.5 billion during 2016, significantly lower than the N$4.2 billion registered during the preceding year. The highest monthly value of transactions was N$750 million, recorded in January 2016, when the liquidity position was at its lowest for the year. No interbank transactions were recorded during the months of April, June, July and August 2016.

16 The liquidity position of the Namibian banking system is influenced mainly by Government spending, the level of required reserves, currency in circulation, corporate tax payments, inflows and outflows to South Africa, and mineral sale proceeds.

Money market rates increased markedly during 2016 in contrast to 2015. Corresponding to the interest-rate-tightening cycle and weak market conditions, both in Namibia and South Africa, the domestic interbank rate increased significantly during 2016. In this regard, the average interbank market rate increased from an average of 5.87 percent in 2015 to an average of 6.75 percent during 2016. Similarly, the average overnight Windhoek Interbank Agreed Rate (WIBAR) increased to 5.73 percent from 5.06 percent in 2015, while the three-month WIBAR increased by 120 basis points from its 2015 level to reach 7.60 percent during 2016. The rise in Namibia's money market rates was consistent with the increase in the Repo rate and benchmark rates in South Africa.

Figure C.12: Interbank trading activities and the WIBAR



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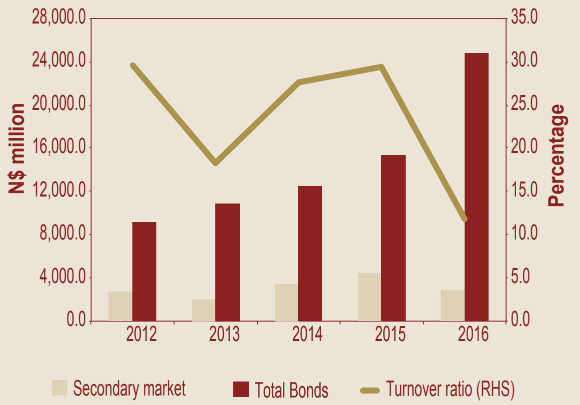
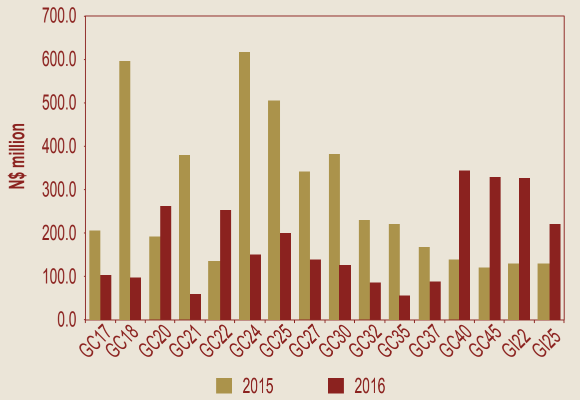
BOND MARKET DEVELOPMENTS

Figure C.13: Bond market developments

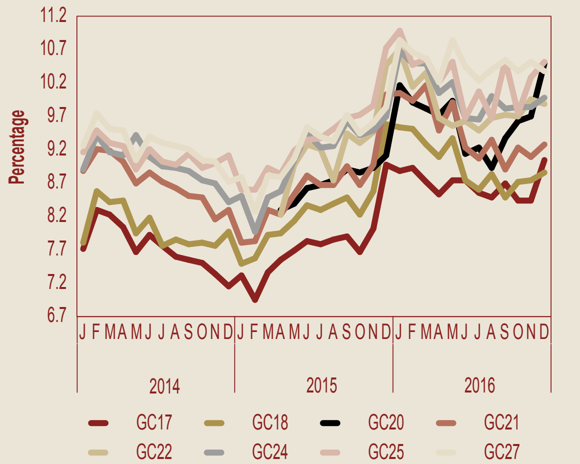
The trading of Government bonds in the secondary market reduced during 2016 compared with the preceding year.



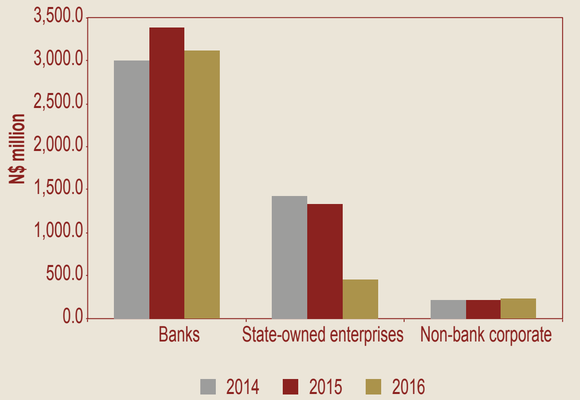
Despite low trading activity in 2016, some bonds saw a notable increase in trading activity.



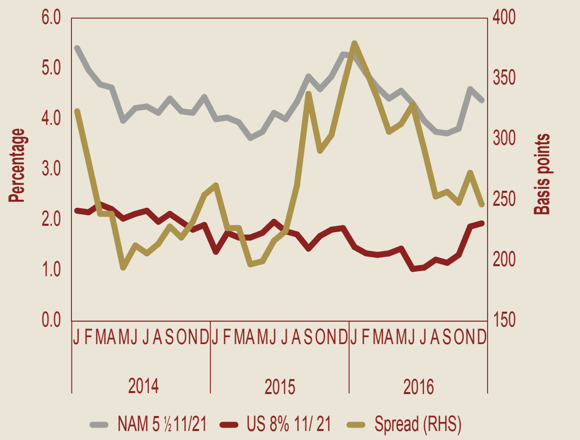
The yields on all Namibian Government debt instruments increased during 2016 in comparison with the previous reporting year.



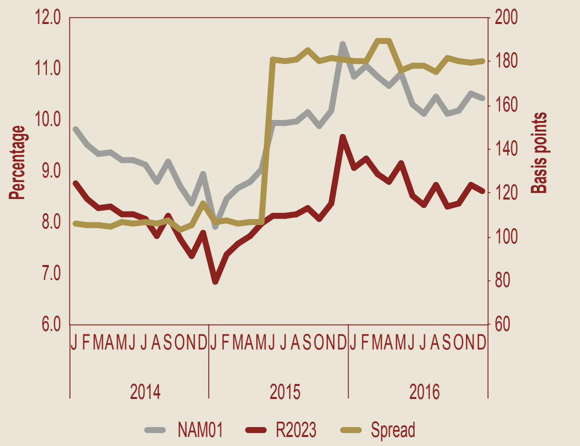
The value of corporate bonds outstanding decreased during 2016. This change was largely attributable to the maturity of bonds, but also to unfavourable issuing conditions.



The spread between the Namibian 2021 Eurobond and the US benchmark widened during 2016.



The yield on the NAM01 recorded varied slightly during 2016 in line with those of the benchmark bond.



Source: NSX, Bloomberg and JSE

Government bonds

The value of outstanding Government bonds increased during 2016. The outstanding amount on domestic Government bonds climbed from N$15.3 billion at the end of 2015 to N$24.8 billion by the end of December 2016. Of the 2016 value, N$2.3 billion are inflation-linked bonds. The increase in the stock of domestic bonds outstanding was in line with increased Government borrowing and efforts to extend the duration of bonds during the reporting year. No new Government bonds were introduced during 2016. Issuance was undertaken on the existing 16 bonds, of which only 12 were actively offered at primary auctions.

Secondary market activities

The trading of Government bonds in the secondary market fell during 2016 in comparison with similar trading in 2015. As depicted in Figure C.13, Government bonds worth N$2.9 billion were traded on the secondary market during the year under review, a decrease from the corresponding amount of N$4.5 billion registered in 2015. The decline was mainly due to imbalances between the seller and buyers. As a result, the turnover ratio of Government bonds decelerated from the 29.4 percent recorded in 2015 to a rate of 11.8 percent observed in 2016.

Although secondary market trading activity declined during 2016, some of the bonds saw a notable increase in trading activity. The GC40, GC45 and GI22 were the most popularly traded: their turnover of over N$300 million each accounted for over 35 percent of secondary market trading during the year (Figure C.13). The GC20, GC22, GI25 and GC25 followed closely, trading over N$200 million each in this market, and constituting over 30.0 percent of total turnover for the reporting year. All off-the-run bonds, namely the GC17, GC18, GC21 and GC24, experienced the least trading during 2016. The GC17 and GC18 recorded low trading activity as they are close to their maturity dates. While trade in the GC24 is lowest in any event as it has the highest coupon rate of 10.50 percent, prompting investors to buy and hold this bond.

Switch auctions

During 2016, N$1.0 billion of the GC17 was successfully switched at three different auctions. The Government commenced with a bond switch auction programme to induce holders of the GC17 to switch their holdings to longer-dated bonds. This programme is part of Government's efforts to practise a prudent debt management strategy and minimise rollover risk at redemption. In this regard, three switch auctions were conducted for the GC17 during 2016. At the first auction in June, an amount of N$311 million was switched, while another N$491 million was switched in September. At the last auction for the year, namely in November, a total of $227 million was switched. These switches brought about a reduction in the total outstanding balance for the GC17 from N$2.1 billion to N$1.1 billion. These amounts were switched into longer-dated instruments, namely the GC20, GC22, GC27, GC32, GC37 and GC40. More auctions are scheduled to be conducted during the first half of 2017 to further reduce the outstanding amount prior to its redemption on 15 October 2017.

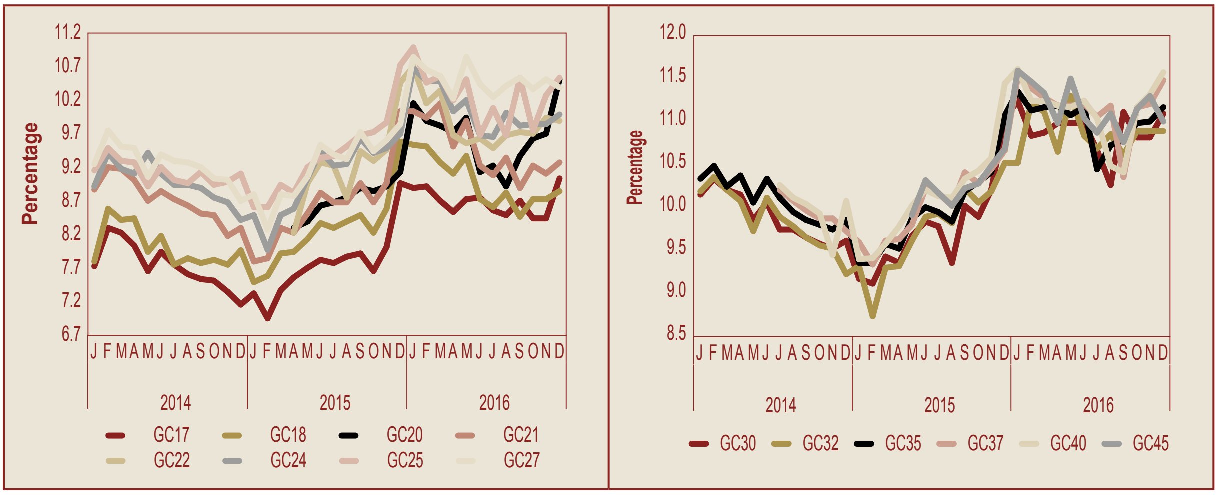
Government bond yields

The yields on all Government debt instruments increased during 2016. On short-dated bonds, the rate on the GC17 increased by 100 basis points, while the GC18 yield increased by 73 basis points (Figure C.14). The rates on the GC20, GC21 and GC22 recorded increases of 94 basis points, 85 basis points and 64 basis points, respectively. Similarly, on medium-dated tenors, the yields on the GC24, GC25 and GC27 rose by 100 basis points, 91 basis points and 129 basis points, respectively. The increase in yields mirrors similar developments in the corresponding benchmark South African bonds, which saw yields rising following various regional and international developments during the year. Similarly, yields on longer dated bonds (GC30, GC32, GC35, GC37, GC40 and GC45) increased within the range of 91 to 117 basis points.

Yield spreads

The average yield spread between Namibian bonds and equivalent South African bonds increased during 2016. During 2016, the average spread on the GC20 and GC22 against the R207 and R2023 averaged 123 basis points and 121 basis points, respectively. Meanwhile, for medium-term bonds, the GC24, GC25 and GC27 correspondingly recorded annual average spreads of 97, 139 and 148 basis points. A similar trend was observed on the longer end of the yield curve. In this regard, the spreads between the GC30, GC32, GC35, GC37 and their respective benchmarks averaged between 146 and 161 basis points. Similarly, the long-term GC40 and GC45 recorded average yield spreads of 152 and 142 basis points, respectively. The widening spreads for domestic bonds reflected increased supply volumes and rising debt levels coupled with moderate liquidity and low demand across the yield curve.

Figure C.14: Spreads between Namibian Government bonds and South African benchmark bonds



Corporate bonds

The value of corporate bonds outstanding decreased during 2016. In this regard, the stock of bonds issued by Namibian corporates on the Namibian Stock Exchange (NSX) also decreased from N$4.9 billion in 2015 to N$3.8 billion in 2016. The moderation stemmed from the maturity of bonds issued by State-owned enterprises and commercial banks during the reporting year as well as unfavourable market conditions in respect of issuing new bonds. Of the N$3.8 billion outstanding, N$3.1 billion was issued by commercial banks and N$450 million by State-owned enterprises. Nonetheless, the domestic bond market continues to be highly dominated by Government bond issues. Corporate bonds, as a proportion of total bonds outstanding in the market during 2016, stood at 10.9 percent, which is well below the 24.4 percent observed in 2015. The decrease in the proportion of corporate issues owes itself to increased bond issuance by the Government during the year.

Namibian Eurobond

The average yield spread between the Namibian 2021 Eurobond and its US benchmark widened during 2016. The spread between the Namibian Eurobond and its US benchmark averaged 299 basis points during 2016, compared with an average spread of 257 basis points during 2015 (Figure C.13). In this regard, the yield on Namibia's Eurobond peaked at 5.24 percent in December 2015 before trending downwards for most of 2016, albeit showing some improvement in the later part of the year. Emerging market bonds were under significant pressure during 2016, largely on the back of deteriorating fundamentals in line with weak commodity prices and expectations of the rate-tightening cycle in the US. The widening spread of the Namibian Eurobond against its US benchmark is, therefore, a mirror of these broader market developments.

The Namibian 2025 Eurobond also observed a yield increase relative to its US benchmark during 2016. At issue date, the ten-year Eurobond was issued at a coupon rate of 5.25 percent per annum and was priced at 5.375 percent, constituting a spread of 336 basis points above the US Treasury bond. The yield of the 2025 Eurobond has since the issue date in October 2015 widened, peaking above 400 basis points during 2016. On average, a spread of 340 basis points was recorded during 2016.

Namibia's JSE-listed bonds

The seven-year NAM01 bond trading on the JSE tracked developments in benchmark bonds. Having hit its highest point of 11.07 percent for the reporting year at the end of February 2016, the yield on the NAM01 recorded decreases after that, dropping as low as 10.11 percent during July. The movements in the yield on the NAM01 were in line with those of its benchmark bond, the R2023 (Figure C.15). The average spread between the two bonds increased to 181 basis points during 2016, wider than the spread of 150 basis points observed during the preceding year. The wider spread could be attributed to increased risk aversion in respect of smaller emerging markets during 2016, which was more pronounced for Namibia relative to South Africa.

The yield on the NAM02 trended downwards during 2016. In this regard, the NAM02 recorded its highest for the reporting year, namely 10.77 percent, in February 2016. Thereafter, it trended downward, hitting its lowest yield of 9.65 percent in September. This declining yield corresponds to the movement in the yield of its South African benchmark bond, the R208. Since no additional funds were raised on the NAM01 and NAM02 during 2016, the outstanding balances remained at their December 2015 levels of N$1.6 billion and N$840 million, respectively.

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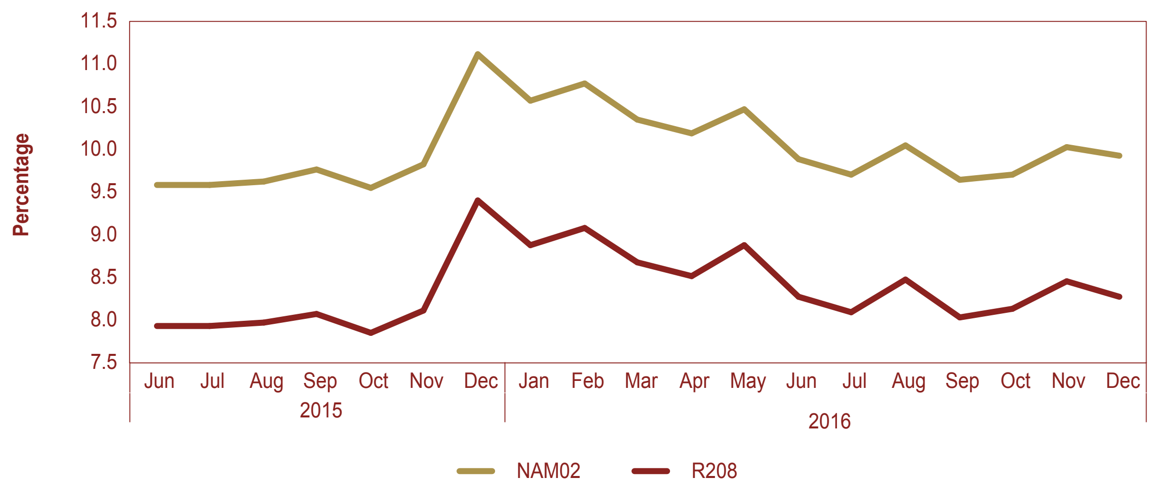
Extension of JSE-listed Medium-term Note Programme

The Government increased the size of its Medium-term Note Programme on the JSE, namely from ZAR3.0 billion to ZAR7.5 billion, with effect from 11 July 2016. The size of the Programme was extended to cater for continued funding needs. In line with its 2016/17 borrowing strategy, the Government listed two additional bonds on the JSE during the reporting year, namely a seven-year bond (NAM03) due on 1 August 2023 and a ten-year bond (NAM04) due on 1 August 2026. The NAM03 and NAM04 bonds issued on 1 August 2016, at coupons of 10.06 percent and 10.51 percent, respectively. At that auction, a total of N$157 million was raised on the NAM03, and N$355 million was issued on the NAM04. These remain as the outstanding balances on the two bonds as at the end of December 2016, as there were no further issuances during the reporting period.

Figure C.15: NAM02 performance

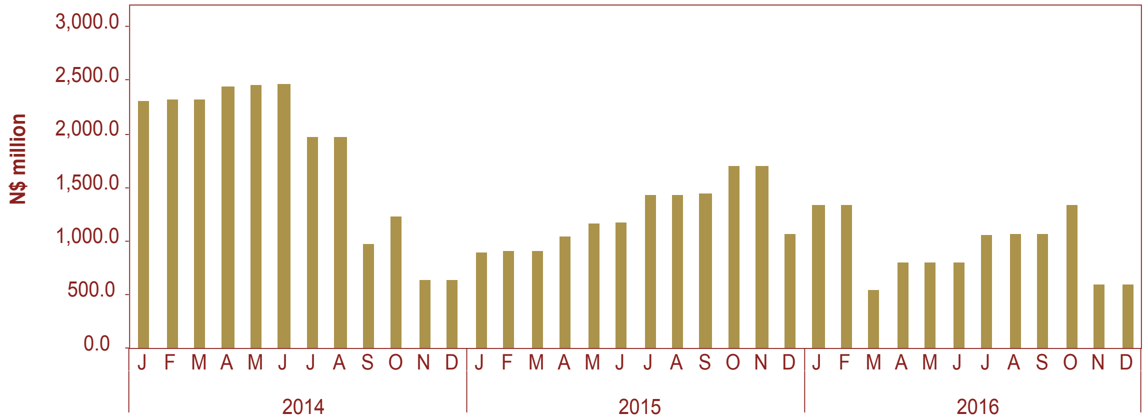


Source: JSE and Bloomberg

INTERNAL REGISTERED STOCK REDEMPTION ACCOUNT

The balance of the Internal Registered Stock Redemption Account decreased during 2016 (Figure C.16). The balance on this account stood at N$598 million at the end of December 2016, lower than its December 2015 balance of N$1.1 billion. The Government made cash injections as well as withdrawals from the Redemption Account for investments and budgetary financing purposes, in line with the 2016/17 Budget Funding Plan. The next domestic bond to mature is the GC17, which is due on 15 October 2017. The GC17 as at the end of 2016 has an outstanding balance of N$1.1 billion. The Government will continue to fund this account, when necessary, in order to warrant that maturing bonds can be redeemed smoothly, while ensuring that the account is not unnecessarily overfunded.

Figure C.16: Internal Registered Stock Redemption Account



SOVEREIGN CREDIT RATINGS

Fitch revised Namibia's outlook to *Negative* during 2016, while affirming the country's rating at *BBB-*. The issuer ratings on Namibia's senior unsecured foreign- and local-currency bonds were also affirmed at *BBB-*. The Country Ceiling was affirmed at *BBB*, while the Short-term Foreign and Local Currency International Default Rates (IDRs) qualified as *F3*. Fitch attributed the downgrade of the outlook to several factors. These included the widening budget deficit, the increase in the Government debt stock, the deterioration of Namibia's current account deficit, and lower levels of international foreign reserves in comparison with peer countries.

Fitch outlined factors that could result in changes to both the outlook as well as the rating. In this regard, the agency stressed that future developments that could result in the outlook being revised to *Stable* included a narrowing of the budget deficit, consistent with a stabilisation of the Government debt-to-GDP ratio; a marked improvement in the current account balance; and an increase in foreign exchange reserves. Similarly, future developments that could result in a rating downgrade by the agency included failure to narrow the fiscal deficit, leading to a continued rise in the Government debt-to-GDP ratio; failure to narrow the current account deficit; a significant drawdown in international reserves; and deterioration in economic growth, e.g. due to a worsening business environment.

Moody's outlook on Namibia's *Baa3* rating was downgraded to *Negative* during 2016. The decision to change the outlook to *Negative* reflects the following drivers: slower than expected fiscal consolidation in the current fiscal year and continued rise in public debt; risks of further tightening in domestic funding conditions should fiscal slippages continue to result in higher debt-servicing costs; and protracted external vulnerability. Nonetheless, Moody's decision to affirm the *Baa3* rating was informed by Namibia's robust growth outlook, favourable debt metrics in comparison to peers, and political stability. Further supporting Moody's unchanged rating was Namibia's institutional framework, which has proven conducive to reaching consensus on key macroeconomic policies and structural reforms. Namibia's long-term local-currency bond and bank deposit ceilings of *A1*, its long-term foreign-currency bank deposit ceiling of *Baa3*, and its long-term foreign-currency bond ceiling of *A3* also remained unchanged.

Moody's also highlighted factors that could lead to a rating upgrade or downgrade. Thus, Namibia's ratings could be upgraded should the trends motivating the negative outlook on Namibia's *Baa3* rating dissipate or reverse over 12 to 18 months. Accordingly, a return to a *Stable* outlook could be secured if the Government's commitment to fiscal consolidation results in a marked slowing and stabilisation of debt accumulation. Furthermore, a sustainable improvement in the country's twin balances – a sustained easing of funding conditions on the domestic market, and a material increase in foreign exchange reserves comfortably above three months of imports – would also be positive and lead to upward rating pressure. On the downside, Moody's could likely downgrade Namibia's rating if the new fiscal consolidation plan proves ineffective in containing public sector debt accumulation beyond the rating agency's baseline. A sustained decline in foreign currency reserves to below three months of import cover and/or an increase in funding pressure resulting from reduced market appetite for Government securities that lead to a material increase in borrowing costs would also put downward pressure on the rating.

In the wake of the ratings outlook downgrade, the Government instituted corrective measures to manage the identified macro risks. In this regard, the 2016/17 Mid-year Budget Review released in October 2016 highlighted several expenditure realignments to ensure that public finances were situated on a sustainable trajectory. Among other things, the Review included continued measures to cut non-essential spending, improvements on spending priorities, and reallocating expenditure from non-priority areas to key spending priorities. Lastly, the Review also detailed a plan to contain the growth in the wage bill by freezing the filling of new vacancies in the Public Service, managing growth in its size, and managing its remuneration.

EQUITY MARKET DEVELOPMENT

Table C.6: Summary statistics for the Namibian Stock Exchange

Category	2015	2016	% change
Overall Index			
Share price index (end of year)	865.00	1 068.59	23.5
Market capitalisation (N$ million) (end of year)	1 377 626	1 693 022	22.9
Free-float market capitalisation (N$ million) (end of year)	965 419	1 211 069	25.4
Volume traded ('000)	260 106	217 794	-16.3
Value traded (N$ million)	16 593	14 234	-14.2
Number of deals	4 298	5 112	18.9
Number of new listings (Development Capital Board Dev)	3	3	0
Local Index			
Share price index (end of year)	497.91	547.45	10.0
Market capitalisation (N$ million) (end of year)	29 430	32 017	8.8
Volume traded ('000)	42 859	41 803	-2.5
Value traded (N$'000)	812 134	585 787	-27.9
Number of deals	870	1 132	30.1
Number of new listings	0	0	0

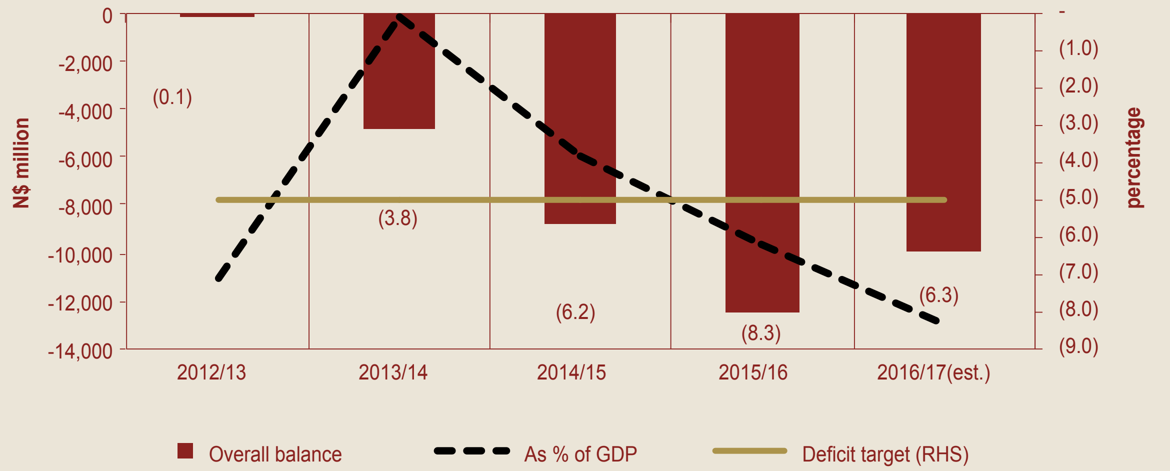
Source: NSX and JSE

In line with the global stock market developments, the NSX Overall Index stood higher at the end of 2016, compared with its level at the end of the preceding year. The NSX Overall Index closed at 1,068.59 index points at the end of December 2016, representing a 23.5 percent increase. The surge in the Overall Index was driven by the rapid increase in the Anglo American share, whose price rose sharply to trade at N$195.90 at the end of December 2016, compared with N$68.99 at the end of the same month in 2015. The Local Index continued to perform well during 2016: it closed higher at 547.45 index points, up from 497.91 index points at the end of 2015. Local stock-market capitalisation increased by 8.8 percent from N$29.4 billion at the end of the previous year to N$32.0 billion at the end of 2016.

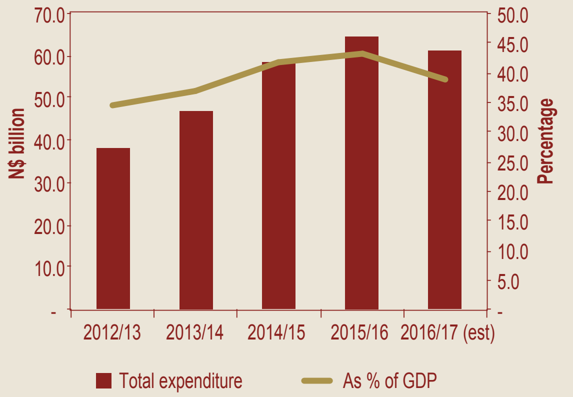
PUBLIC FINANCE

Figure C.17: Fiscal developments

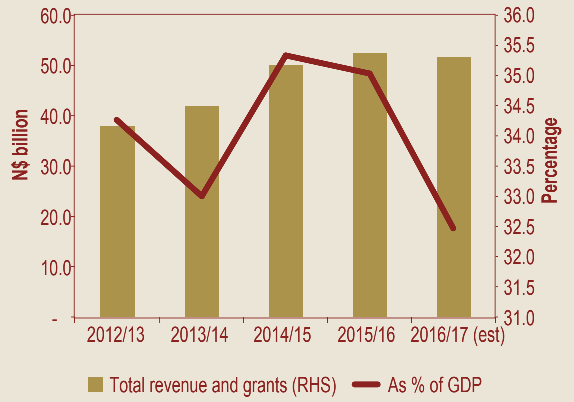
The Central Government budget deficit as a percentage of GDP is projected to improve during the 2016/17 fiscal year in comparison with the previous fiscal year, mainly owing to Government's fiscal consolidation efforts.



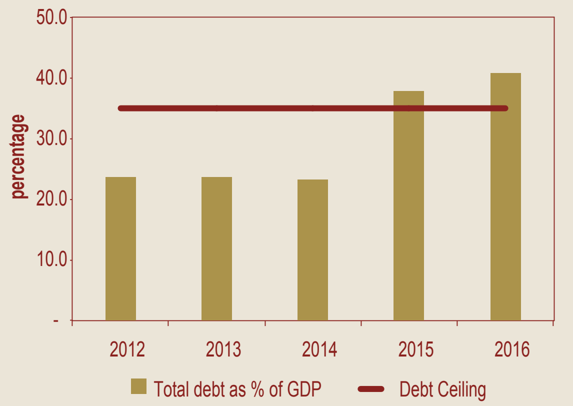
Total Government expenditure is estimated to decline in 2016/17, owing mainly to the downward revision in operational and capital expenditure.



Total revenue is also estimated to fall during 2016/17, owing to lower - than - anticipated revenue collection and SACU receipt during the period under review.



Total Government debt as a percentage of GDP rose to 40.7 percent, which is above the set ceiling of 35 percent.



The ratio of total loan guarantees to GDP rose to 5.65 percent during 2016, and remained within the set ceiling of 10 percent.

Source: Ministry of Finance

BUDGET BALANCE

During the 2016/17 fiscal year, the Government's overall budget balance is estimated to improve, chiefly due to Government's fiscal consolidation efforts. Government's overall budget deficit as a percentage of GDP is estimated to improve to 6.3 percent, from 8.3 percent during the previous fiscal year (Figure C.17). This expectation is founded principally on the recent downward revision in expenditure during the 2016/17 Mid-term Budget Review, as a result of Government's additional fiscal consolidation efforts.

Growth in Government expenditure declined during 2016/17, as reflected in both current and capital expenditure, also as a result of the fiscal consolidation efforts in the review period. Total Government expenditure is estimated to decline by 4.9 percent to N$61.5 billion in the 2016/17 fiscal year, compared with a growth rate of 10.1 percent in the previous fiscal year, primarily due to fiscal consolidation efforts during the period under review. The contracted growth in expenditure will be reflected in categories such as overtime, furniture, office equipment, material supplies, subsistence and travel, and expenditure on non-productive capital projects such as office buildings. Total expenditure as a percentage of GDP decreased by 4.6 percentage points to 38.8 percent during the period under review, compared with the preceding fiscal year.

Revenue also declined during 2016/17, which can largely be attributed to high base effects and the expected slowdown in economic activity during the period under review. Total revenue is estimated to drop by 1.3 percent, i.e. to N$51.5 billion, during 2016/17. This contraction is in contrast to the positive growth of 4.6 percent recorded for the previous fiscal year. The decline in Government revenue is mainly ascribed to high base effects, an expected slowdown in economic activity, and low SACU receipts during the 2016/17 fiscal period in comparison with its 2015/16 counterpart. Similarly, total revenue as a percentage of GDP declined by 2.6 percentage points in 2016/17, namely to 32.5 percent.

C

CENTRAL GOVERNMENT DEBT

Total Government debt increased both in nominal terms and as a percentage of GDP at the end of 2016, mainly on account of an increase in domestic debt during the year under review. Total debt increased by 14.5 percent to N$64.5 billion at the end of 2016, when compared with the debt stock recorded at the end of 2015 (Table C.7). The nominal increase emanated mostly from an increase in domestic debt as a result of an upsurge in the net issuance of Internal Registered Stocks and Treasury Bills during the period under review. Meanwhile, external debt declined during the period under review, largely on account of an exchange rate appreciation. Total debt as a percentage of GDP increased by 2.8 percentage points to 40.7[17] percent at the end of 2016. This level is higher than the set Government debt ceiling of 35 percent, but is expected to decline to 37.7 percent at the end of the Medium-term Expenditure Framework period.

17 Fifty percent of the Eurobond issued was for reserve enhancement purposes.

Table C.7: Central Government debt, 31 December 2016 (N$ million)

Type of Government debt	2012	2013	2014	2015	2016
GDP fiscal year	**110 835**	**126 937**	**141 280**	**148 992**	**158 615**
Total export of goods and services	**44 673**	**53 629**	**61 252**	**63 640**	**70 331**
Foreign debt stock	**9 040.3**	**10 876.6**	**11 429.8**	**28 332.1**	**25 419.8**
Bilateral	1 313.6	1 938.4	2 176.6	3 549.2	3 155.7
As % of total	14.5	17.8	19.0	12.5	12.4
Multilateral	2 640.4	2 863.2	2 622.4	2 938.9	2 342.2
As % of total	29.2	26.3	22.9	10.4	9.2
Eurobond	4 236.3	5 225.0	5 780.8	19 444.1	17 029.9
As % of total	46.9	48.0	50.6	68.6	67.0
JSE-listed bond	850.0	850.0	850.0	2 400.0	2 892.0
As % of total	9.4	7.8	7.4	8.5	11.4
Foreign debt service	**575.5**	**609.4**	**664.3**	**467.0**	**264.9**
As % of export	1.8	1.1	1.1	0.7	0.4
Domestic debt stock	**17,277.9**	**19,023.3**	**21,282.3**	**28,045.3**	**39,118.9**
Treasury Bills	8,041.9	8,132.3	8,797.3	12,715.6	14,327.9
As % of total	46.5	42.7	41.3	45.3	36.6
Internal registered stock	9,236.0	10,891.0	12,485.0	15,329.7	24,791.1
As % of total	53.5	57.3	58.7	54.7	63.4
Total Central Government debt	**26,318.2**	**29,899.9**	**32,712.1**	**56,377.4**	**64,538.7**
Proportion of total debt					
Foreign debt stock	34.4	36.4	34.9	50.3	39.4
Domestic debt stock	65.6	63.6	65.1	49.7	60.6
As % of GDP					
Foreign debt stock	8.2	8.6	8.1	19.0	16.0
Domestic debt stock	15.6	15.0	15.1	18.8	24.7
Total debt	23.7	23.6	23.2	37.8	40.7

Source: Ministry of Finance, Bank of Namibia and Namibia Statistics Agency

DOMESTIC DEBT

Domestic debt increased both in nominal terms and as a ratio to GDP at the end of 2016, compared with 2015, as more internal registered stocks and Treasury Bills were issued. The total domestic debt stock increased by 39.5 percent to N$39.1 billion at the end of 2016. The rise was reflected mainly in internal registered stocks, which gained significantly by 61.7 percent. In addition, Treasury Bills issuance grew, albeit by a lower margin of 12.7 percent. As a result, the share of internal registered stocks to total domestic debt increased to 63.4 percent, while the share of Treasury Bills to total domestic debt declined from 45.3 percent to 36.6 percent. The ratio of domestic debt to GDP increased by 5.9 percentage points in 2016 compared with 2015 levels, namely to 24.7 percent. Domestic debt constituted about 60.6 percent of total debt by the end of 2016, which reflects a sharp increase from the 49.7 percent level registered at the end of the preceding year.

FOREIGN DEBT

Central Government total foreign debt declined during 2016 due to currency appreciation. Foreign debt declined by 9.7 percent in 2016 to N$25.6 billion at the end of the year (Table C.9). The decline was largely attributed to the appreciation of the Namibia Dollar against the major currencies from a very weak level at the end of 2015. External debt as a percentage of GDP had also declined by the end of the reporting period, i.e. by 3.0 percentage points to 16.0 percent. Foreign debt accounted for 39.4 percent of total Central Government debt at the end of 2016, which is a decline of 10.9 percentage points, compared with the preceding year.

The Eurobond continued to dominate the external debt portfolio. At the end of 2016, the Eurobond as a share of total foreign debt stock accounted for 67.0 percent of the external debt portfolio. This drop of 2.0 percentage points from the previous reporting year's figures was mainly due to the local currency appreciating. Bilateral loans made up 12.4 percent of total foreign loans. The JSE bond, which made up 11.4 percent of the total external debt portfolio, increased its share by 2.9 percentage points compared with 2015. The increase derived largely from the new JSE bond issued during the year under review.

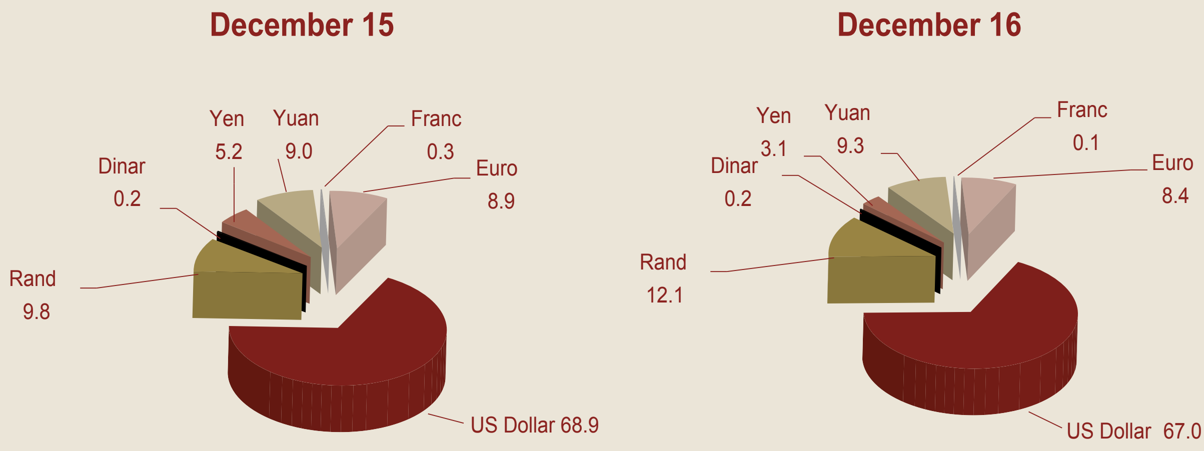
C

CURRENCY COMPOSITION

The US Dollar remained the major currency in the Government's total external debt portfolio at the end of the 2016. Thus, the US Dollar dominated with a 67.0 percent share of the total debt portfolio in 2016, whereas the 68.9 percent share in 2015 had been slightly higher. The second highest currency share in the portfolio was the South African Rand, accounting for 12.1 percent of the total, thus registering 2.5 percentage points higher than its share for the previous reporting year (Figure C.18). Debt denominated in the Yuan accounted for 9.3 percent, increasing by 0.6 percentage points since the previous year, while the Euro and Japanese Yen accounted for 8.4 and 3.1 percent, respectively, at the end of 2016 compared to the previous year.

Figure C.18: External debt currency composition (% share)

The US Dollar continued to be the dominant currency in the Government's total external debt portfolio.



Source: Ministry of Finance

CENTRAL GOVERNMENT LOAN GUARANTEES

Total loan guarantees rose during 2016, as reflected in foreign loan guarantees, with domestic loan guarantees declining over the same period. Central Government total loan guarantees rose by 18.4 percent to N$8.7 billion during the period under review. This was reflected in foreign loan guarantees and mainly resulted from a new loan that was acquired in the finance sector during the year under review. Meanwhile, domestic guarantees declined during the year under review, as a result of repayments of some loans in the education and finance sectors. As a percentage of GDP, Central Government loan guarantees rose by 0.6 percentage point to 5.5 percent. At this ratio, total loan guarantees remained well below the Government's ceiling of 10.0 percent of GDP.

Table C.8: Central Government loan guarantees, 31 December 2016 (N$ million)

Type of loan guarantee	2012	2013	2014	2015	2016
GDP fiscal year	110,835	126,937	141,280	148 992	158 615
Domestic guarantees	918.0	832.2	799.7	1,452.3	1,045.8
As % of GDP	0.8	0.7	0.6	1.0	0.7
As % of total guarantees	41.6	18.1	16.8	19.7	12.0
Foreign guarantees	1,288.1	3,757.9	3,947.9	5,914.1	7 673.6
As % of GDP	1.2	3.0	2.8	4.0	4.8
As % of total guarantees	58.4	81.9	83.2	80.3	88.0
Total guarantees	**2,206.1**	**4,590.1**	**4,747.5**	**7,366.4**	**8 719.4**
As % of GDP	2.0	3.6	3.4	4.9	5.5

Source: Ministry of Finance, Bank of Namibia and Namibia Statistics Agency

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FOREIGN LOAN GUARANTEES

Total foreign loan guarantees rose during 2016, mainly due to a new loan acquired in the finance sector. On an annual basis, total foreign loan guarantees rose by 29.8 percent to N$7.7 billion at the end of 2016 owing to the acquisition of a loan in the finance sector during the period under review. As a percentage of GDP, total foreign loan guarantees rose by 0.8 percentage point to 4.8 percent at the end of the period under review.

In terms of sectoral allocations, transport continue to remained the dominant sector in the foreign loan guarantees portfolio at the end of 2016. The transport sector accounted for 63.7 percent of the total share of foreign loan guarantees allocated at the end of the period under review. This represents an annual decline of 28.2 percentage points, in comparison to year earlier. Meanwhile, the finance sector, had the second-largest share of foreign loan guarantees, representing 32.6 percent, while the energy sector made up only 3.2 percent at the end of the review period.

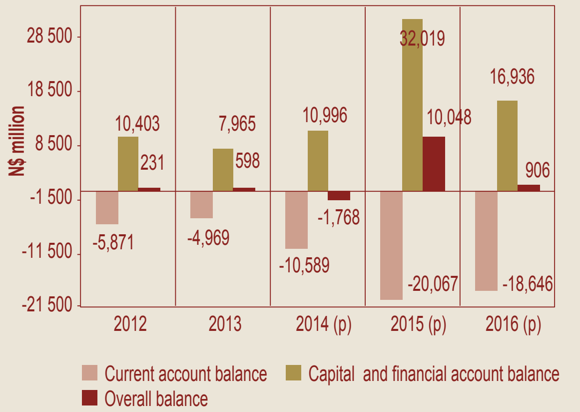
DOMESTIC LOAN GUARANTEES

Domestic loan guarantees declined during 2016, mainly due to repayment of loans by some institutions in the finance, tourism and education sectors. Domestic loan guarantees declined by 28.0 percent to N$1.0 billion, at the end of 2016. This was mainly due to repayment of loans by some institutions in the finance, tourism and education sectors during the period under review (Table C.10). Moreover, domestic loan guarantees as a percentage of GDP declined by 0.3 percentage point to 0.7 percent at the end of 2016. In terms of sectoral distribution, the energy, agricultural, tourism and fisheries sectors continued to dominate the total loan guarantees issued in the domestic market. At the end of 2016, the share of these sectors to total domestic loan guarantees stood at 63.5 percent, 21.3 percent, 8.7 percent and 6.4 percent, respectively.

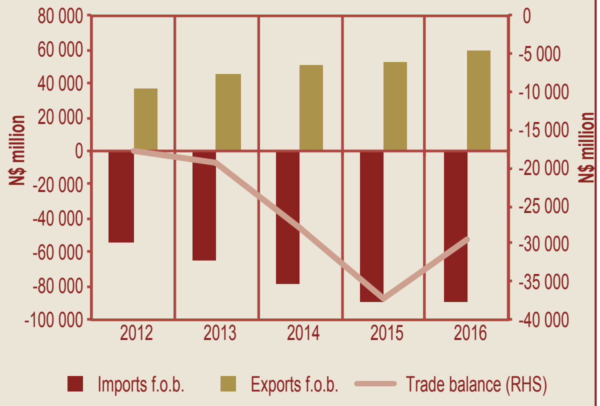
FOREIGN TRADE AND PAYMENTS[18]

Figure C.19: External developments

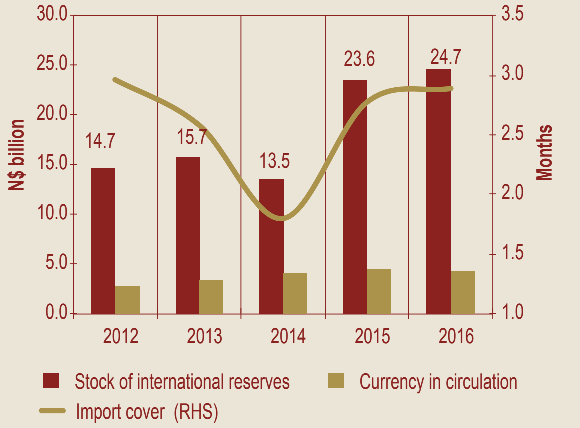
The overall external balance recorded a reduced surplus of N$906 million during 2016, from a surplus of N$10.0 billion in 2015, ascribed to decreased capital inflows in the financial account.



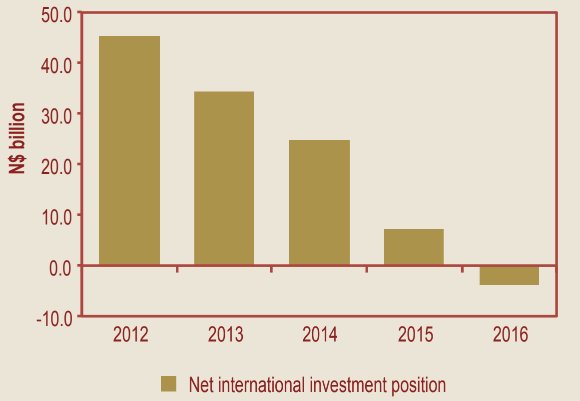
The merchandise trade balance improved between 2015 and 2016 on account of higher export earnings in relation to import payments.



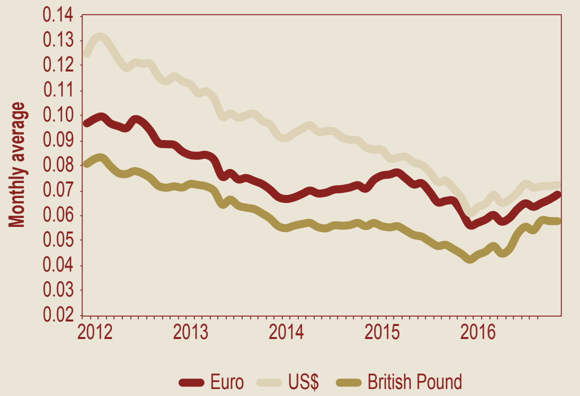
The stock of international reserves rose at the end of 2016, mainly attributed to higher net foreign exchange inflows than in 2015.



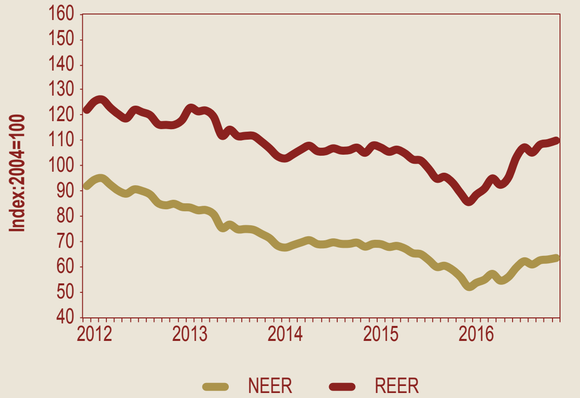
Namibia's International Investment Position (IIP) recorded a net liability position in 2016, compared with the previous year, owing to a faster decline in foreign assets,s while foreign liabilities rose marginally.



As from the end of 2015, the Namibia Dollar depreciated against all the currencies of Namibia's major trading partners, primarily due to low commodity prices.



Compared with 2015, Namibia's external competiveness, on average, improved on the international market, during 2016 as a result of a depreciated real effective exchange rate (REER).



18 *p* in this section stands for *provisional*.

CURRENT ACCOUNT

Namibia's current account deficit remained high despite its improvement during 2016, which derived primarily from a declining merchandise trade deficit. The current account recorded a lower deficit of N$18.6 billion, compared with a deficit of N$20.0 billion in 2015 (Figure C.19). The improvement in 2016 was underpinned by growing export receipts and slower growth in the import bill. The value of merchandise exports rose on an annual basis, following firm increases in major export categories, namely uranium, gold, manufactured products and re-exports. At the same time, the value of merchandise imports grew marginally during 2016, despite declines in key import categories such as fuel, machinery, vehicles and consumer goods.

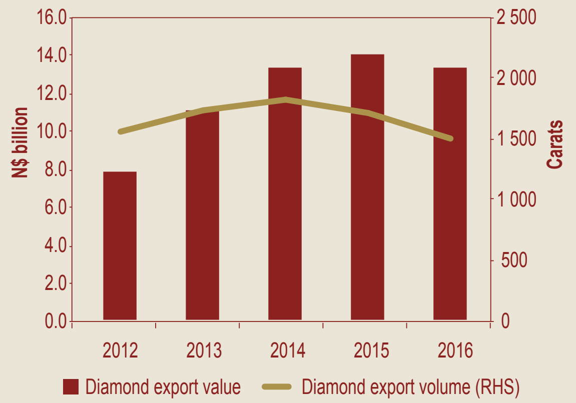
MERCHANDISE TRADE BALANCE

During 2016, Namibia's trade deficit narrowed noticeably from its 2015 levels, mainly because of a significant increase in export earnings, which trumped the marginal growth in import payments. The trade deficit improved significantly by N$7.6 billion to N$29.6 billion in 2016 (Figure C.19). The decline in the goods account was supported by a firm increase in export receipts, whereas the import bill rose only marginally. During the review period, export earnings rose by 15.1 percent to N$59.8 billion. The noticeable annual increase in export receipts was mainly driven by a surge in major export categories such as uranium, gold, manufactured products and re-exports. Overall, export performance was further supported by the exchange rate, which was favourable, on average, during the review period, when compared with 2015 levels. The import bill increased marginally between 2015 and 2016, namely by 0.3 percent to N$89.4 billion. The import bill was restrained by key categories, predominantly fuel, machinery, vehicles and consumer goods. These declines were mostly due to the current fiscal consolidation path being taken by Government and the completion of major construction projects, especially in the mining sector.

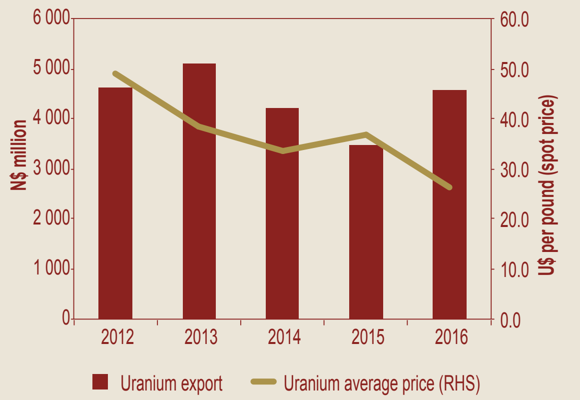
EXPORTS

Figure C.20: Export commodities

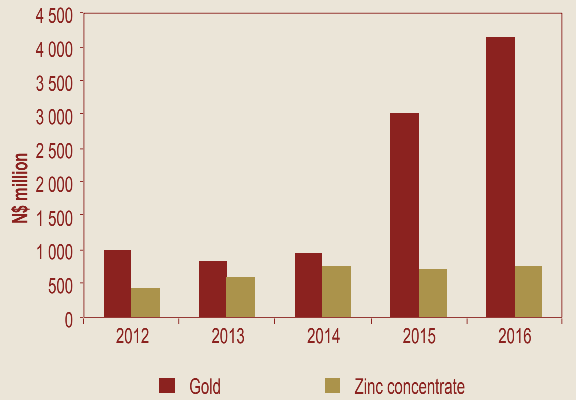
Total earnings from diamond exports declined during 2016, owing to the decreased volumes exported, stemming from low-quality carats mined.



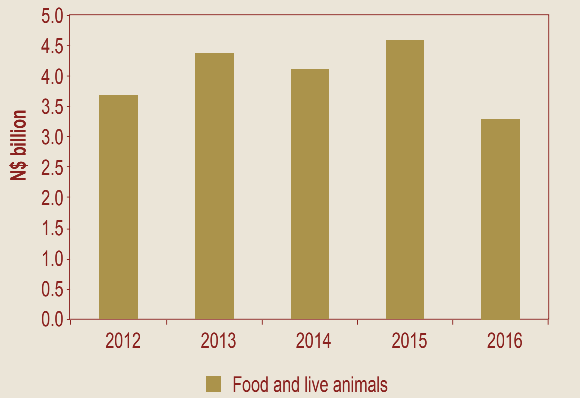
Uranium export receipts increased, year-on-year, due to a rise in volumes exported to meet contractual obligations, coupled with favourable exchange rate.



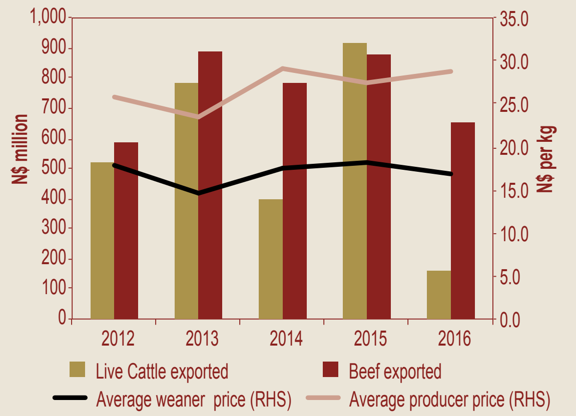
Export receipts from other minerals increased markedly during 2016, which was primarily attributed to higher earnings from exported gold.



During 2015, exports of live animals declined markedly, owing to stricter veterinary requirements by South Africa and low supply due to poor rainfall.



The average beef price increased between 2015 and 2016 in line with the limited stock available for marketing, while the average price for weaners fell over the same period.



Export receipts for manufactured products rose, mainly as a result of an increase in earnings from polished diamonds and refined zinc.

Source: Namibia Statistics Agency, Ministry of Mines and Energy, Meat Board of Namibia and Bank of Namibia

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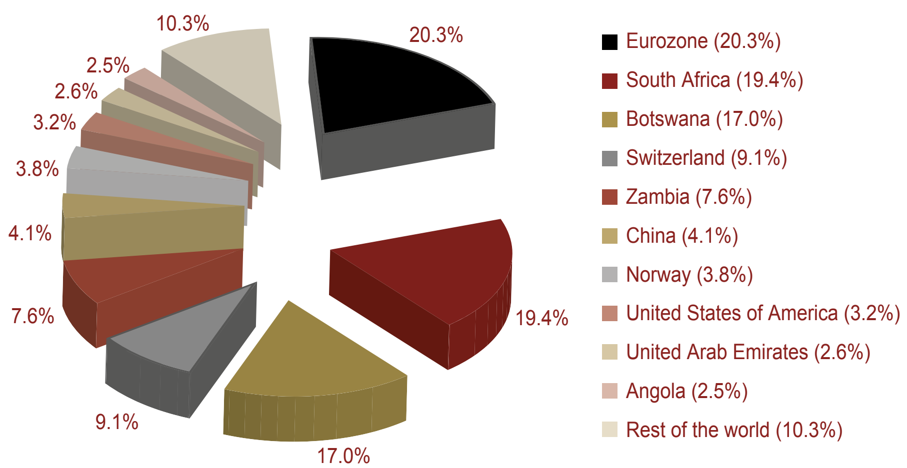
Namibia's export proceeds grew during 2016, driven mainly by mineral exports, manufactured products and re-exports. Export earnings increased noticeably by 15.1 percent to N$59.8 billion during the review period. Minerals continued to be Namibia's major export commodity, taking up a 40.2 percent share of total export earnings, albeit lower than the 44.7 percent registered in 2015. Diamonds, which constitute the largest subcategory of minerals, slowed from a contribution of 28.5 percent in 2015 to 23.5 percent in 2016. The share of uranium in total exports, however, increased from 6.7 percent in 2015 to 7.7 percent in 2016 (Figure C.20). Other minerals' contribution fell marginally, year-on-year, from 9.4 percent to 9.0 percent during 2016. Conversely, the share of manufactured products and re-exports in total exports increased from 14.0 percent and 18.5 percent in the previous review period to 22.2 percent and 23.4 percent during 2016, respectively. Showing a decline for the year under review was the share of food and live animals in total exports, falling from 8.9 percent in 2015 to 5.5 percent. This decline was due to a fall in earnings from livestock and meat as a result of the limited number of weaners offered for sale, which in turn arose from the unfavourable effects of the drought. The implementation of new import requirements by South Africa in respect of animals on hoof, contributed to the sluggish exports in this category.

Table C.9: Major export receipts (% of total exports)

Export receipts	2012	2013	2014	2015	2016
Minerals	42.3	42.6	42.4	44.7	40.2
Diamonds	22.9	26.1	28.0	28.5	23.5
Uranium	12.8	11.4	8.4	6.7	7.7
Other minerals	6.6	5.2	6.0	9.4	9.0
Food and live animals	10.2	9.8	8.3	8.9	5.5
Manufactured products	18.2	16.4	19.3	14.0	22.2
Re-exports	7.9	13.7	16.2	18.5	23.4
Other commodities	21.4	17.4	21.0	13.9	8.6

The Eurozone was the top destination for Namibia's export products during 2016, followed by South Africa and Botswana. The Eurozone took up 20.3 percent of Namibia's exports during the period under review, to feed their demand for uranium and fish products. South Africa followed closely behind, accounting for 19.4 percent of total exports, which constituted mainly gold, live animals, fish and other consumables. Botswana absorbed about 17.0 percent of total exports, consisting predominantly of diamonds. Other export products were destined for Switzerland, Zambia and China, which comprised 9.1 percent, 7.6 percent and 4.1 percent of total exported commodities, respectively (Figure C.21).

Figure C.21: Namibia's major export destinations (% share)



Source: Namibia Statistics Agency

Mineral exports

Diamonds

Diamond export receipts declined between 2015 and 2016 on the backdrop of low quality carats mined. Export receipts from diamonds decreased by 5.2 percent to N$14.1 billion during the period under review (Figure C.20). The decline was evident in the yearly volumes exported, which fell by 225,210 carats to 1 577,878, attributed to the low quality carats mined during 2016.

Uranium

Export proceeds from uranium increased on an annual basis due not only to a rise in volumes exported to meet contractual obligations, but also the benefits of a favourable exchange rate. Uranium export earnings rose significantly by N$1.1 billion to N$4.6 billion between 2015 and 2016, as a result of higher volumes exported to meet contractual obligations, coupled with a favourable exchange rate environment. In this connection, volumes exported rose noticeably by 1,056 metric tonnes between the two reporting periods, to reach 4,310 metric tonnes in 2016 (Figure C.20). Furthermore, the average international prices for uranium fell markedly by 28.4 percent between 2015 and 2016, to US$26.31 per pound. Uranium prices were depressed largely due to global oversupply and high inventories. Going forward, with the expected opening of nuclear reactors in China and India, the demand – and, concomitantly, the price – is anticipated to increase. In addition, production is projected to be ramped up with the operationalisation of the Husab Uranium Mine, which will result in higher export earnings from this mineral.

Other minerals

During 2016, other mineral[19] export proceeds surged, driven primarily by high-grade ore mined at the gold mine and higher gold prices. Foreign earnings from all other minerals rose by 10.0 percent to N$5.4 billion in 2016. The increase owed itself principally to greater export earnings from gold, which rose by 37.6 percent to N$4.1 billion. This growth was underpinned by better grades mined during the review period, coupled with increased production capacity, which translated in rising exported volumes. Conversely, export earnings from zinc and copper concentrate declined from 2015 to 2016, mainly due to low-grade ores mined. The average international prices for gold, zinc and lead all climbed during the reporting year, while that of copper fell. The increased average price of gold stemmed mainly from investors seeking less risky assets, and low interest rate environment in advanced economies. Zinc prices were driven up by a significant reduction in global production and increased demand from the Chinese market.

Non-mineral exports

Food and live animals

During 2016, the export earnings from food and live animals declined significantly when compared with 2015. Foreign earnings for this sector of the economy fell noticeably by 28.1 percent in 2016, to N$3.3 billion (Figure C.20). The main momentum of the decline originated from the limited number of weaners offered for sale, resultant from the unfavourable effects of the drought. South Africa's import requirements in respect of weaners on hoof also negatively affected foreign earnings in the reporting year.

Although the average price for weaners fell during 2016, it increased for beef. Thus, the average price for beef rose by 4.3 percent from its 2015 level to N$28.8 per kilogram in 2016 (Figure C.20). The higher price of beef in 2016 was in line with the concurrent shortage of cattle available in the market, mostly due to the drought. On the other hand, the average price for weaners fell by 7.3 percent during 2016, to N$16.7 per kilogram. The lower average price for weaners could be ascribed to a general drop in the number of live weaners exported, which owed itself largely to South Africa's stricter veterinary import requirements.

19 These include gold, zinc concentrate, copper concentrate, lead, manganese and dimension stones.

Manufactured products

Receipts from manufactured products exported increased significantly during the period under review due to higher earnings from diamond polishing and refined zinc. Export earnings from manufactured products surged by N$6.0 billion, levelling off at N$13.3 billion for 2016 (Figure C.20). The increase earnings for manufactured products could be traced to intensified activities in diamond polishing and zinc refinery. The manufacturing companies registered higher earnings, which they ascribed to improved global demand, especially for polished diamonds, coupled with a weak average exchange rate. The increase in earnings from refined zinc was supported by higher volumes exported, mainly stemming from base effects and increased zinc prices.

IMPORTS

During 2016, South Africa remained Namibia's leading source of imported merchandise. Namibia's southern neighbour accounted for about 59.6 percent of the total imported goods during the period under review (Figure C.22). South Africa proved to be the most popular source of vehicles, distillate fuel and consumer goods. Botswana was second, accounting for 6.7 percent of all imports. Imports from Botswana consisted largely of diamonds. Zambia was Namibia's third largest source of imported goods during 2016, making up 4.1 percent of the total. In this regard, copper was the predominant commodity sourced from neighbouring Zambia. Among the highest components of the remaining imports originated from the Eurozone (3.7 percent), China (2.9 percent) and Norway (2.5 percent).

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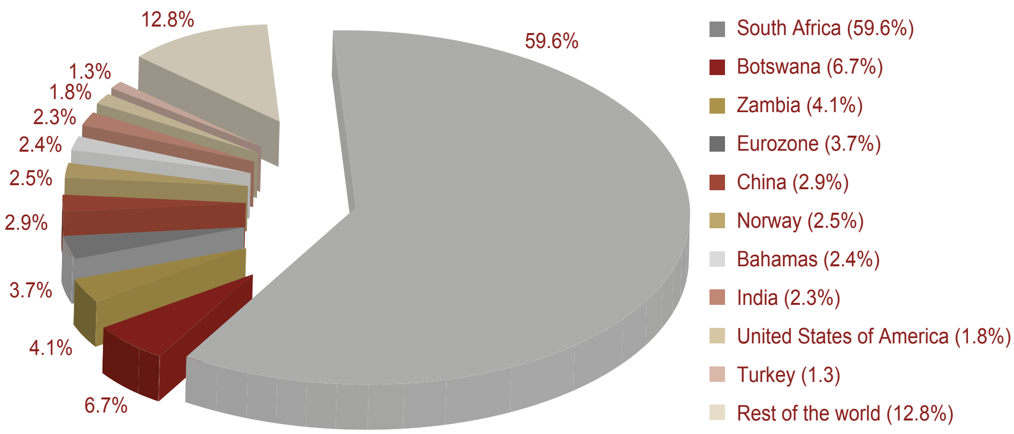
Figure C.22: Namibia's major imports, by origin (% share)

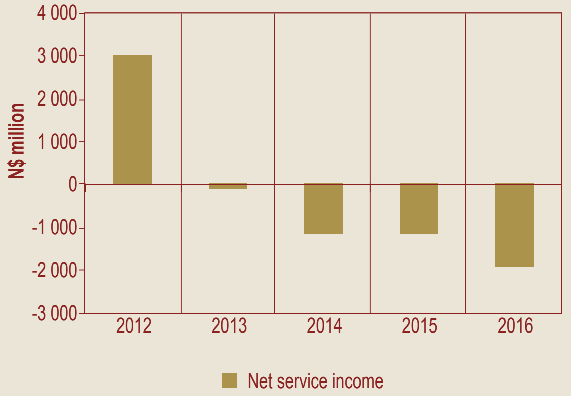


Source: Namibia Statistics Agency

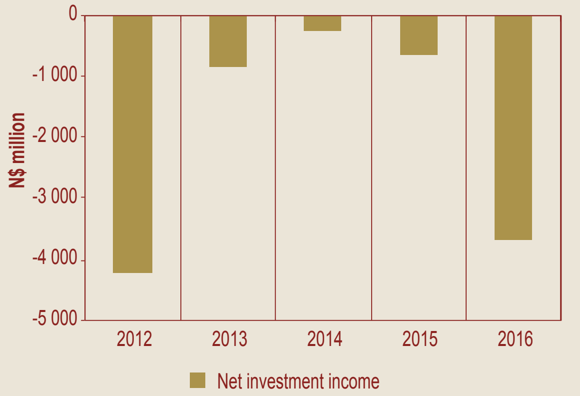
Services, investment income and current transfers

Figure C.23: Other current account components

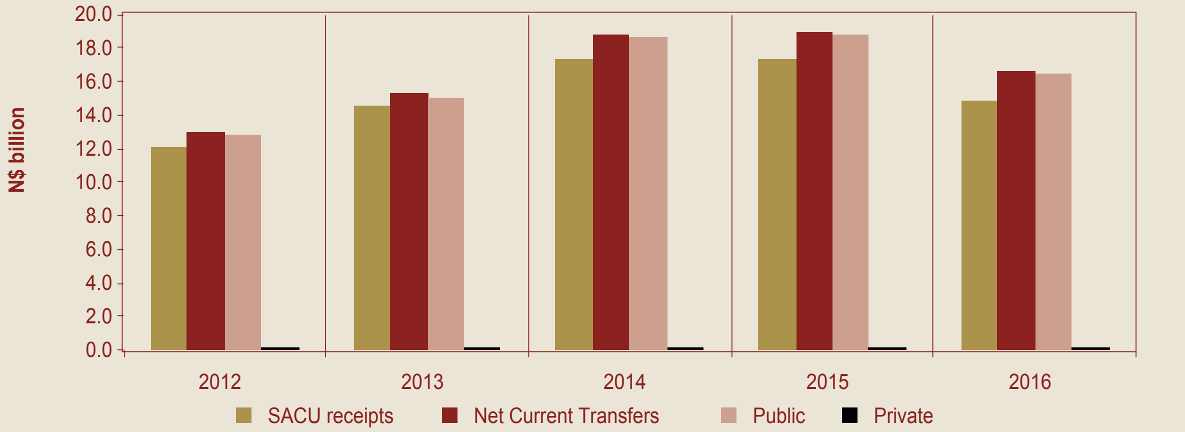
The services account registered a net outflow in 2016, mostly owing to higher payments for transportation services.



Similarly, the investment income account recorded a net outflow due to increased payments to foreign direct investors.



Namibia's net current transfers declined during 2016, owing to a fall in receipts from the Southern African Customs Union.



Source: Various companies and Bank of Namibia surveys

Services

Namibia's net services account recorded a higher outflow during 2016, driven predominantly by higher payments made for transportation services. Thus, net services recorded an outflow of N$1.9 billion, up from a lower outflow of N$1.2 billion the previous year (Figure C.23). The higher outflow was primarily attributable to an increase in transportation activities during the review period.

Investment income

During 2016, net investment income recorded a higher net outflow due to increased payments to foreign direct investors. The net outflow on the investment income account moved to N$3.7 billion from a lower net outflow of N$631 million in the corresponding period the year before (Figure C.23). The rise stemmed from a significant increase in dividend payments and retained earnings, predominantly by mining entities. In this regard, net income payments to foreign direct investors increased by N$3.0 billion to N$5.9 billion between 2015 and 2016.

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Current transfers

Namibia's net current transfer receipts declined in 2016 in comparison with 2015 levels, owing to reduced SACU receipts. Net current transfer receipts dropped by 12.4 percent to register N$16.6 billion during 2016. The decline was driven by decreased SACU receipts, which fell by 14.6 percent to N$14.8 billion in 2016, when compared with 2015 figure (Figure C.23). Part of the decline could also be traced to higher Government payments made in terms of other transfers, which rose marginally by 2.7 percent to N$1.2 billion.

CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account recorded a reduced surplus during 2016 in comparison with 2015, mainly due to lower foreign direct investment (FDI) inflows. Thus, the capital and financial account surplus declined sharply to N$16.9 billion during the reporting period, from N$32.0 billion in the preceding year (Figure C.24). The decline was attributed to significantly lower net FDI inflows, which were previously amplified via the issuance of the Eurobond in combination with debt-to-equity swaps by some mining companies during 2015.

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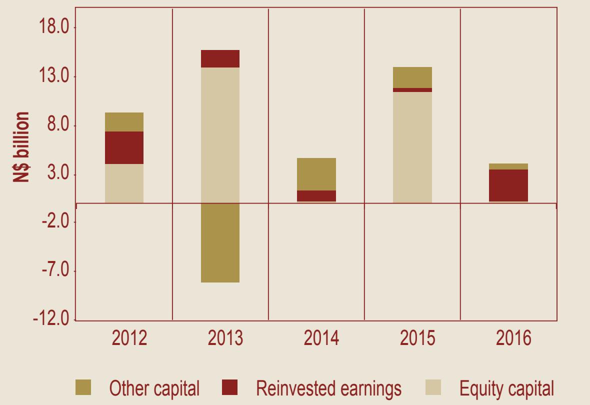
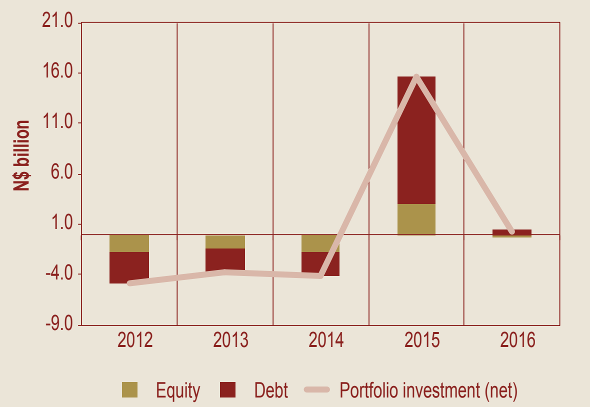
Figure C.24: Capital and financial account components

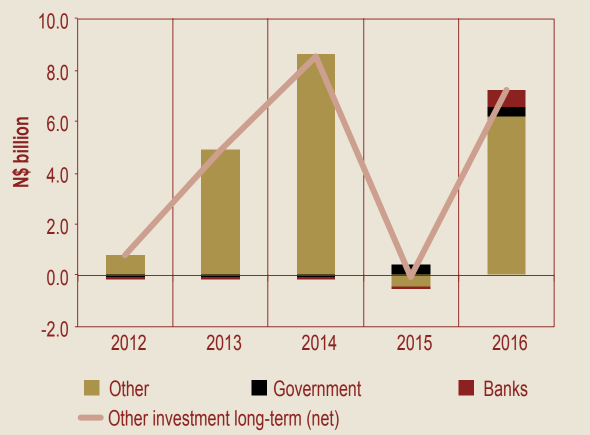
Net foreign direct investment flows into Namibia declined noticeably during 2016, mainly owing to the fall in both equity and other capital.



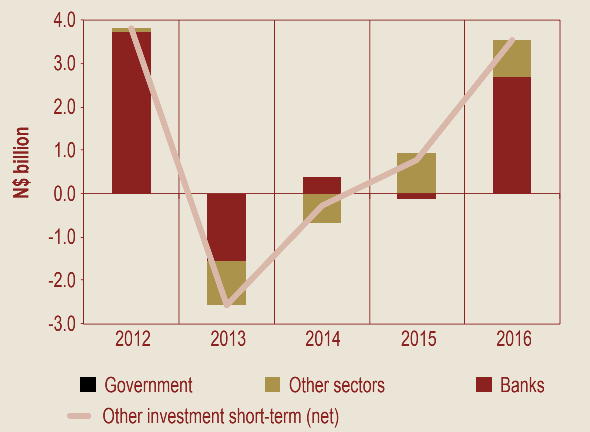
Portfolio investment registered a reduced inflow during 2016, from a significant inflow during the previous year, mainly ascribed to increased investment in equity abroad, while investment in debt securities abroad declined.



Other investment long-term recorded a huge net inflow during 2016 due to increased borrowings by enterprises, mainly in the mining sector.



Other short-term investment similarly registered an increased net capital inflow, as other depository corporations reduced their invested assets abroad and increased their borrowings.



Source: Bank of Namibia

Foreign direct investment

During 2016, net FDI flows into Namibia fell sharply, following reduced investment in both equity and other capital. FDI inflows declined by 71.1 percent from 2015 inflows to N$4.0 billion during 2016 (Figure C.24). The declines mainly emanated from high base effects of the debt-to-equity swaps by some mining companies in 2015. In this regard, investment in equity capital declined substantially from the N$11.4 billion registered in the previous reporting year to N$236.0 million in 2016. Similarly, other capital registered a net inflow of N$508.0 million in 2016, from a higher inflow of N$2.1 billion in 2015. This development during the previous year arose because part of the funded equity originated from loans of other investors, and not exclusively from other capital. Conversely, reinvested earnings rose significantly from N$544 million in 2015 to N$3.3 billion in 2016. The surge was on the back of increased operating profits of enterprises, primarily in the mining and financial sectors, especially during the first quarter of 2016.

Portfolio investment

Portfolio investment recorded a reduced net inflow during 2016 from a significant high net inflow during the preceding year, mainly due to base effects arising from the issuance of the Eurobond during the previous year. In this regard, net portfolio investment registered a reduced inflow of N$314.0 million during 2016, while a major inflow of N$15.6 billion prevailed in 2015 (Figure C.24). This smaller inflow in 2016 relative to 2015 mainly stemmed from the base effects of high inflows in debt securities, which originated from the issuance of the Eurobond during the previous year. In this connection, asset management companies increased their foreign investment in the form of equity abroad, amounting to N$215.0 million in 2016, while foreign investment in debt securities declined from N$12.2 billion to N$1.1 billion over the same period.

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Other investment

During 2016, net inflows of other long-term investment[20] rose substantially, mainly credited to an increase in foreign borrowings by local enterprises. The inflow of other long-term investment rose to N$7.0 billion during 2016, mainly due to liabilities incurred by other sectors, primarily corporations in the mining sector. Commercial banks similarly increased their borrowings with their parent companies (Figure C.24).

Similarly, during 2016, the net capital inflow of other short-term investment rose considerably, owing to banks reducing their assets abroad. In this regard, an inflow of N$3.5 billion was recorded during 2016, from a lower inflow of N$791.0 million in 2015 (Figure C.24). The inflow during the period under review emanated from a combination of banks reducing their foreign invested assets and increased borrowing from their parent companies abroad. Thus, banks registered an inflow of N$2.7 billion of which N$1.7 billion was attributed to decreased foreign assets, while their liabilities were increased by N$344.0 million to N$1.0 billion during the year under review and contributed to the overall net inflow for this category in 2016.

INTERNATIONAL RESERVES

At the end of 2016, the estimated stock of international reserves held by the Bank of Namibia rose due to higher net foreign exchange inflows. The international reserves rose by 4.8 percent to N$24.7 billion at the end of 2016. The major contributors to these inflows were; the asset swap arrangements between the Bank of Namibia and institutional investors, SACU revenue inflows and the issuance of the JSE-listed bonds in July 2016 (Figure C.19). Given the rise in the reserves and marginal increase in imports, the import cover increased from 2.8 months in 2015 to 2.9 months in 2016, marginally lower than the international benchmark of 3.0 months. At the current level of N$24.7 billion, the international reserves were 5.6 times higher than the currency in circulation during the period under review, supporting the adequacy of reserves required to maintain the currency peg to the Rand.

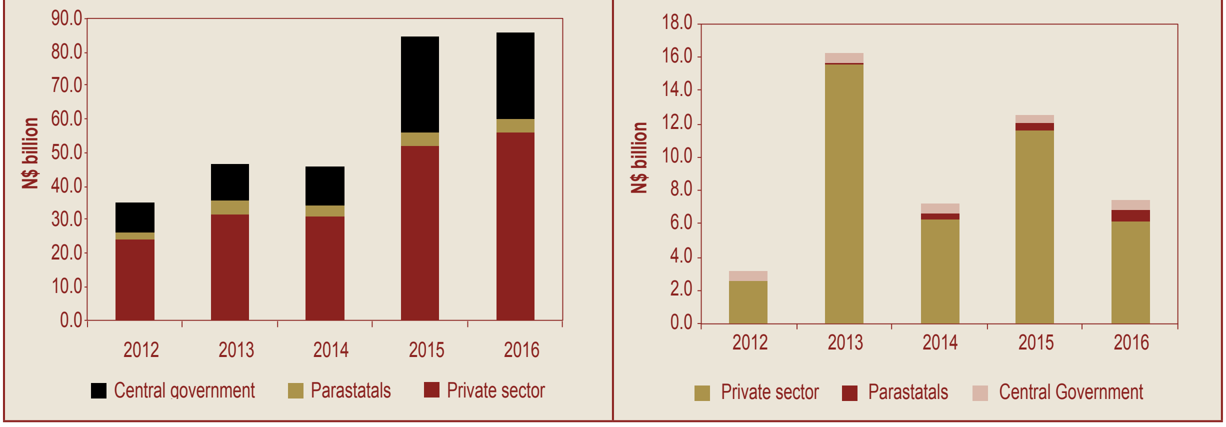
20 The category *Other long-term investment* consists of loans with the original contractual maturity of more than one year or with no stated maturity (e.g. equity securities), while the category *Other short-term investments* are those that are payable on demand (e.g. currency), or which have an original contractual maturity of one year or less.

EXTERNAL DEBT[21]

Figure C.25: External debt

The external debt stock rose marginally in 2016.

Debt servicing on Namibia's foreign debt declined in 2016, owing to decreased repayments, mainly by the private sector.



Source: Bank of Namibia

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At the end of 2016, Namibia's total external debt stock rose marginally, primarily due to increased borrowing by the private sector. In this regard, the total external debt outstanding rose by 1.1 percent to N$85.6 billion in comparison to the level in 2015 (Figure C.25). The increase was mainly reflected in the borrowings of the private sector, which rose by 7.9 percent to N$55.7 billion. On the contrary, the foreign debt stock of Central Government and parastatals declined by 10.3 percent and 4.6 percent to N$25.4 billion and N$4.4 billion, respectively, mainly due to the appreciation of the Namibia Dollar. Consequently, the total external debt stock as a percentage of GDP fell to 54.8 percent at the end of 2016, relative to 57.7 percent of GDP in 2015.

21 The data on external debt levels for Namibia, as carried out by the Bank of Namibia through surveys, have been revised due to the reclassification of certain items.

Table C.10: Namibia's external debt

Total external debt stock	2012	2013	2014	2015	2016 (est.)
(N$ billion)					
Central Government	9.0	10.9	11.4	28.3	25.4
Parastatals	2.2	4.1	3.5	4.6	4.4
Private sector	23.8	31.9	30.8	51.7	55.7
Total external debt	**35.0**	**46.9**	**45.7**	**84.6**	**85.6**
(in % of total external debt)					
Central Government	25.8	23.2	25.0	33.5	29.7
Parastatals	6.2	8.8	7.7	5.5	5.2
Private sector	68.0	68.0	67.3	61.0	65.1
Total external debt	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
(in % of GDP)					
Central Government	8.5	8.9	8.2	19.3	16.5
Parastatals	2.0	3.3	2.5	3.1	2.8
Private sector	22.3	26.0	22.1	35.2	36.1
Total external debt	**32.8**	**38.2**	**32.8**	**57.7**	**54.8**

Source: Bank of Namibia

In comparison to 2015, Namibia's foreign debt servicing declined in the reporting year due to reduced payments, primarily by the private sector. Thus, total debt servicing declined by 40.3 percent to N$7.5 billion in 2016 compared with the previous year (Figure C.25). Moreover, the reduction in private sector debt servicing of 46.5 percent to N$6.2 billion, was mainly reflected in decreased short-term loans and trade finance of the commercial banks during the period under review. In addition, debt servicing decreased as a result of the high base effects linked to the debt-to-equity swap in 2015. Conversely, even though the Central Government and parastatals' debt service rose, it was insufficient to offset the decline in loan repayments by the private sector.

The ratio of debt servicing to exports also fell in comparison with the ratio for 2015. The 2016 ratio fell to 12.5 percent, from 24.1 percent in the previous year. This decline was mainly due to decreased debt servicing, coupled with higher growth in exports during 2016. These factors led to the ratio settling well below the international benchmark[22] of 15.0–25.0 percent.

INTERNATIONAL INVESTMENT POSITION

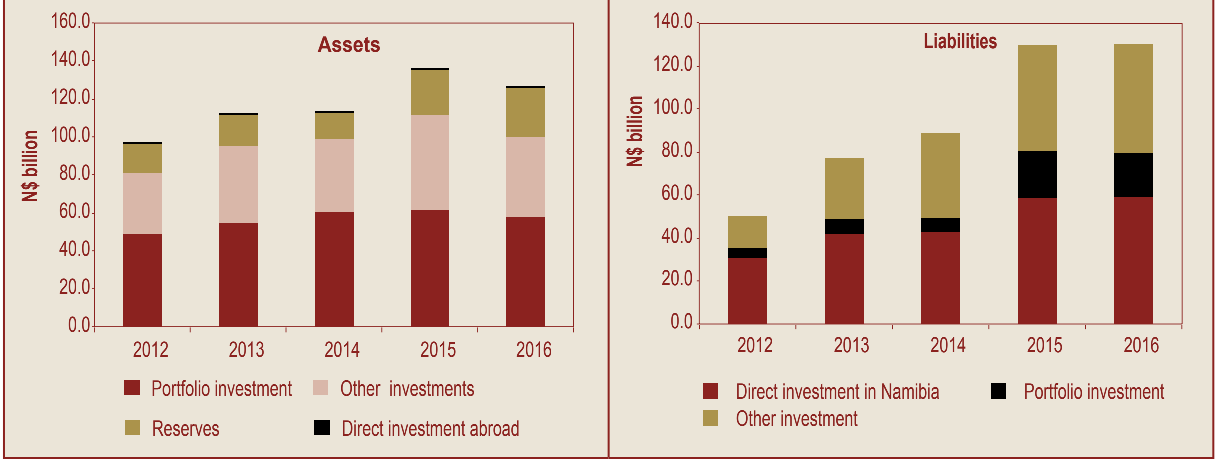
At the end of 2016, Namibia's international investment position recorded a net liability position reletive to the prior reporting year, owing to a faster decline in foreign assets when compared to a marginal growth in foreign liabilities. The net foreign liability position in this regard was N$3.7 billion in 2016.

22 The international benchmark values give an assessment of the country's risk of debt distress. If the ratio falls below the threshold of 15.0–25.0 percent, then the country is seen to meet its debt service obligations and is at low risk. Should the country's debt burden fall within the threshold, but stress tests indicate a possible breach in the presence of external shocks or abrupt changes in macroeconomic policies, then it would be at a moderate risk. But if the country's debt burden falls above the stated threshold, then the country would be considered to be in debt distress and stringent policy interventions need to be taken.

Figure C.26: International investment position: Foreign assets and liabilities

The value of Namibia's foreign assets declined at the end of 2016, predominantly due to decreased portfolio investment and other investment.

Namibia's foreign liabilities rose marginally in the end of 2016 when compared with the levels for the previous year, mainly due to increases in other- and direct investments, respectively.



Source: Bank of Namibia

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The value of Namibia's foreign assets declined at the end of 2016, predominantly due to a decline in portfolio investment and other investment. The stock of foreign assets declined by 7.1 percent, to N$127.1 billion at the end of 2016 (Figure C.26). The decrease in foreign assets was mostly reflected in portfolio- and other investments that fell by 5.3 percent and 15.5 percent, to N$57.9 billion and N$42.6 billion, respectively. The decline in portfolio investment was primarily due to decreased investments in debt and equity securities abroad. The decline in other investment was mainly due to decreased claims of the banks in the form of short-term loans and trade finance as well as in the category other assets.

At the end of 2016, the value of Namibia's foreign liabilities rose when compared to the previous year, mainly due to an increase in *other-* and *direct investment*. Thus, the country's foreign liabilities rose slightly by 0.9 percent on an annual basis to N$130.7 billion at the end of the period under review (Figure C.26). The increase could be attributed to other investment that rose by 3.8 percent to N$51.0 billion, mainly due to a rise in long-term loans and trade finance of some EPZ companies in the mining sector. Direct investment similarly rose by 2.1 percent to N$59.8 billion. This was mostly reflected in increases of both equity and other capital of the companies predominantly in the mining sector.

EXCHANGE RATE DEVELOPMENTS

The annual average rate of the Namibia Dollar depreciated against a basket of major trading currencies in 2016, primarily due to low commodity prices, a weak domestic economic outlook, and concerns regarding political developments in South Africa. During the course of the reporting year, the Namibia Dollar weakened considerably, on average, by 16.5 percent against the US Dollar, 16.1 percent against the Euro and by a lower rate of 4.0 percent against the British Pound, when compared to 2015 (Figure C.19). The depreciation of Namibia's currency against all major trading currencies was mainly attributable to the international low export commodity prices; a weak economic growth outlook linked to South Africa's adverse political events, which eroded business confidence; and fears of sovereign credit downgrade during the period under review.

Year-on-year, the Namibia Dollar appreciated against all major trading currencies in December 2016, compared to the same period in 2015. By the end of December 2016, the Namibia Dollar appreciated by 5.7 percent against the US Dollar, 22.7 percent against the British Pound, and by 9.9 percent against the Euro, when compared to the end of December 2015 (Figure C.19). The appreciation of the Namibian currency against all these currencies can be attributable to base effects, a moderate uptick in commodity prices, and a rebound in emerging markets' risk appetite, on the back of a relatively low yield environment in developed markets during the period under review.

TRADE-WEIGHTED INDEX

For the duration of 2016, on average, both the nominal effective exchange rate (NEER) and the real effective exchange rate (REER) indices for Namibia depreciated. The NEER index depreciated by 9.0 percent, while the REER index depreciated by 1.7 percent when compared with the previous year (Figure C.19). Adverse political events in South Africa during the period under review negatively affected the financial markets and ultimately led to the depreciation, as reflected in the two indices. Nonetheless, the depreciation of the REER implies that Namibia's external competiveness improved in the international market. This competitiveness gain was, however, partly eroded by the strengthening of the currency during the second half of 2016.

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BOX ARTICLE

Note on the conversion and revision of Namibia's balance of payments statistics

INTRODUCTION AND BACKGROUND

To keep abreast of international best practice in the compilation and dissemination of balance of payments statistics, the Bank of Namibia (BoN) has aligned its balance of payments statistics with the guidelines provided in the Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6) of the International Monetary Fund (IMF). This transition is discussed and the revised statistics, including a change in the analytical presentation of the balance of payments, are presented in this note.

The foundation for the enhancements now being introduced by BoN was laid in 2009 when, in response to economic and financial developments, changes in analytical interest and the accumulation of experience by compilers, the IMF introduced a revised manual for the compilation of balance of payments statistics, replacing the 1993 version. Three thematic trends motivated the revisions in the manual:

- *Increasing globalisation,* visible in the expanding relationships among economies brought about by migration and the rise in global value chains and production processes such as outsourcing and merchanting among economies.
- *Increasing elaboration of balance sheet issues,* with balance sheet analysis as an approach becoming more and more relevant for understanding international economic developments in the context of vulnerability and sustainability.
- *Financial innovation,* which gave rise to the creation of and growth in new financial processes and instruments such as securitization and index-linked securities, and also underpinned the recent surge in institutional arrangements such as special purpose entities and multi-economy corporate structures.

MAJOR CHANGES IN THE CURRENT ACCOUNT: LAYOUT, CATEGORIES AND NEW SOURCES

With the migration to BPM6, new sources of data were identified to enhance the data, fill some of the hitherto existing gaps and replace estimates that were outdated. As a result, there are more categories as BPM6 allows for more disaggregation when compared to BPM5. Furthermore, there are noticeable changes in the titles of some categories between the two standards. In addition, the capital account is now incorporated in the current account to determine whether the country is a net lender to or net borrower from the rest of the world. The major adjustments that were effected on the current account are dealt with by sub-account in the following sections:

Merchandise trade account

Key changes in the goods account arose from the identification of specific Customs Procedure Codes (CPCs) in line with the BPM6 standards, as opposed to using the General Trade Statistics. In the latest (BPM6) presentation of the trade statistics, imports are now disaggregated to indicate the key imported commodities, as opposed to disseminating a single aggregate figure. Moreover, BoN has completely moved away from using exports data from its original source, namely quarterly surveys conducted by BoN, and replaced the data with the export figures sourced from the Namibia Statistics Agency (NSA). This was to ensure reconciliation between the National accounts and Balance of payments.

Services account

New data sources were introduced in the services account and an expansion of the services categories were incorporated as per the BPM6 guidelines. The services account underwent major changes, as new categories were added to the existing ones and these were also incorporated in the latest BoP quarterly surveys conducted among respondents. Furthermore, key sources were identified and utilised; these include the Balance of Payments Reporting Requirements for Customer Transactions (BOPCUS) system and administrative sources like the Banking Services Department within the BoN for all transactions related to government payments to non-resident entities. The summary presentation of the key services categories includes new sub-categories such as *Manufacturing Services* and *Maintenances and Repair Services*. It is worth noting that in BPM5, Manufacturing Services were included in the goods account even when change of ownership did not take place.

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Secondary income account

The *secondary income category*, previously known as *current transfers* in BPM5, underwent a number of changes due to the utilisation of new sources that made it possible to fill gaps that previously existed in the data and improve estimates that were outdated. In this regard, the main adjustment within this sub-account was the incorporation of the data received from BOPCUS to fill the gaps for private aid and grants. The system was also helpful in filling the gaps on personal remittances, as this is an item that previously relied mainly on data captured through household surveys that are conducted far apart. Furthermore, Government aid and grants were revised using the Budget Book and committed amounts on projects monitored by the National Planning Commission (NPC). Secondary income remains a key contributor of inflows in the current account of the balance of payments, as was the case in BPM5.

Capital account

The Capital account shows capital transfers receivable and payable between residents and non-residents, and the acquisition and disposal of non-produced, non-financial items. In BPM6, this account together with the Current account determine the country's lending or borrowing status. In BPM5, the Capital account had numerous soft estimates, as the main source was quarterly surveys that at times were incomplete and hard to verify. Once again, the BOPCUS was identified as a major source to fill the gaps in the account. In addition, data from administrative sources, notably the NPC, was also integrated to compile the capital account in BPM6.

Following all the major changes between the two standards, Table 1 below compares the results for the two periods (2015 and 2016) between BPM5 and BPM6 in the Current Account.

Table 1: Impact of migration to BPM6, including general revisions, on the Current account of the Balance of payments

Current account (N$ million)	BPM5 2015	BPM5 2016
1. Merchandise trade balance [2-3]	**-37,194**	**-29,571**
2. Exports fob	**51,938**	**59,792**
Diamonds	14,828	14,050
Other mineral products	8,392	9,974
Food and live animals	4,607	3,312
Manufactured products	7,293	13,298
Other commodities	16,818	19,159
3. Imports fob	**-89,131**	**-89,362**
4. Services (net)	**-1,152**	**-1,934**
Transportation (net)	-4,648	-4,929
Travel (net)	3,010	2,606
Insurance (net)	-942	-900
Other private services* (net)	1,351	1,212
Other government services (net)	77	77
5. Compensation of employees (net)	**-53**	**-74**

Current account (N$ million)	BPM6 2015	BPM6 2016
1. Merchandise trade balance [2-3]	**-40,066**	**-32,046**
2. Exports fob	**41,663**	**50,264**
Diamonds	11,195	10,357
Other mineral products	8,437	10,569
Food and live animals	2,718	2,390
Manufactured products	14,015	19,100
of which :Processed fish	7,054	8,515
Other commodities	3,042	3,243
Re-exports	2,257	4,604
3. Imports fob	**81,729**	**82,310**
Consumer goods	18,765	19,703
Mineral fuels, oils and distillation products	14,136	11,959
Vehicles, aircraft, vessels	10,579	11,716
Machinery, mechanical, electrical appliances	13,189	12,362
Products of the chemical industries	6,949	5,409
Base metals and articles of base metal	6,361	7,288
Other imports	11,749	13,873
4. Services (net)	**1,708**	**-2,450**
Manufacturing services (net)	1,461	1,521
Maintenance and repair services (net)	235	27
Transportation (net)	-977	-964
Travel (net)	4,779	2,065
Insurance (net)	-272	-227
Other private services* (net)	-3,987	-4,575
Other government services (net)	470	-296
5. Primary income (net)	**-555**	**-4,438**
5.1 Compensation of employees (net)	59	-50

Current account (N$ million)	BPM5 2015	BPM5 2016
6. Investment income (net)	**-631**	**-3,679**
Income received	3,594	3,401
Direct investment	-20	-73
Portfolio investment	2,759	2,505
other investment	856	969
Income paid	-4,225	-7,080
Direct investment	-2,868	-5,865
Portfolio investment	-446	-637
Other investment	-911	-578
7. Goods, services and income balance [2 to 6]	**-39,029**	**-35,258**
8. Current transfers in cash and kind (net)	**18,962**	**16,612**
Government - current transfers	18,831	16,461
- development assistance	1,908	2,058
- from SACU	17,374	14,835
- withholding taxes	423	447
- other transfers received	270	296
- transfer debits (mainly SACU)	-1,144	-1,175
Private - current transfers	132	152
- grants received by NGO's	93	113
- other transfers (net)	39	39
9. Total current account balance[7+8]	**-20,067**	**-18,646**
10. Net capital transfers	**1,751**	**1,967**
Resident official sector	1,728	1,944
Other sectors	22	22

Current account (N$ million)	BPM6 2015	BPM6 2016
5.2 Investment income (net)	-510	-4,278
Income received	3,620	3,489
Direct investment	84	106
Portfolio investment	2,742	2,489
Other investment	476	477
Reserve assets	318	417
Income paid	4,129	7,766
Direct investment	2,478	5,301
Portfolio investment	859	1,928
other investment	792	537
5.3 Other Primary Income	-104	-111
6. Goods, services and primary income balance [2 to 5]	**-38,912**	**-38,934**
7. Secondary income (net)	**18,789**	**16,531**
General government	18,540	16,158
- Current taxes on income, wealth etc.	209	193
- Current international cooperation (Include SACU)	18,331	15,966
of which SACU receipts	17,374	14,835
of which SACU pool payments	1,127	1,158
Financial corporations, non-financial corporation, households and NPISHs	250	372
- Personal transfers	24	355
- Other current transfers	225	17
8. Total current account balance [6+7]	**-20,123**	**-22,403**
9. Capital account balance (+ surplus; - deficit)	**751**	**1,161**
Gross acquisitions	1	0
Capital transfers	750	1,161
10. Net lending (+)/ Net borrowing (-) [8+9]	**-19,372**	**-21,242**

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Major changes in the Financial account: Disaggregation, reclassification of functional categories and new data sources:

Renaming of Capital and financial account

The adoption of BPM6 principally renames the Capital and Financial account to the Financial account. In this regard, the Capital account maintains its autonomy outside its usual presentation in the Financial account and now contributes to deriving the net borrowing/lending position (previously known as the current account balance).

Derivation of net balances

The net credit and net debit balances are renamed in BPM6. These will be known as the *net acquisition of assets (net credits)* and *net incurrence of liabilities (net debits).*

Sign conversion

The adoption of BPM6 will make it easier to analyse changes in foreign assets. All increases in foreign assets are now denoted with a positive sign. Declines in foreign liabilities are, however, shown with a negative sign, the same as in BPM5. The reverse applies for the decrease in foreign assets and the increase in foreign liabilities.

Introduction of a new category in BPM6

BPM5 had four main functional categories, namely, Foreign Direct Investment (FDI), Portfolio investment, Other investment and Reserves. In addition to the above mentioned categories, BPM6 reclassifies Financial derivatives to a new functional category, bringing the total to five from four.

Direct investment

There is a strong emphasis on the foreign direct investment relationships in the *financial account* in BPM6, both on the assets and liabilities side. In this regard, besides investments of *foreign direct investors with their enterprises (FDI in FDIE)* and *investment of the enterprises with their FDI (i.e. reverse investment; FDIE in FDI), investments between fellow enterprises (affiliated companies that share the same FDI parent)* are now also captured. In addition, the differences in FDI assets and liabilities between the data compiled in BPM5 and BPM6 are mainly due to routine revisions of data, based on new information and expansion of data coverage.

Portfolio investment

***Financial derivatives* that formed part of *portfolio investment* in BPM5 are reclassified to a category on its own.** In this regard in BPM6, the mentioned category is known as *Financial derivatives and Employee stock options*. The differences are therefore due to the reclassification and routine data revisions.

Other investment

***Other investment* in BPM6 is disaggregated to include three new sub-categories, while new data sourced from the Bank of International Settlements (BIS) is added to the data presentation on the assets side.** The three disaggregated categories are:

-insurance, pension and standardised guarantee schemes;

-*trade credit (***trade credit in BPM5 was combined with loans)** *and advances;* **and**
-*other accounts receivable and payable.*

The above categories are illustrated under both the net acquisition of assets and the net incurrence of liabilities. The BIS data is introduced on the assets side to capture currency and deposits of Namibian residents held with non-resident banks abroad. In this regard, the changes under this category are primarily due to this new data source. Changes on both the assets and liabilities particularly on commercial banks' loans data is due to BPM6 using the Monetary and Financial Statistics (MFS) data on loans from 2009-2015 as the source, while for 2016, surveyed data based on BPM6 was used. The rest of the changes are mainly due to data revisions and reclassifications. Efforts are underway to get backdated loans data (2009-2015) from commercial banks as per the surveyed BPM6 standard.

Reserve assets

Data on *Reserve assets* remained unchanged between the two standards. An increase in reserve assets is denoted with a positive sign, showing that more funds were available to finance the net lending/borrowing position (current account balance). In BPM5, an increase in reserve assets was, however, denoted with a negative sign.

Net errors and omissions

The derivation of *Net errors and omissions* between the two standards is simplified in BPM6. In BPM5, the item *Net errors and omissions* was derived as the sum of the balances on the Current, Capital and Financial accounts, with the sign reversed. In BPM6, *Net errors and omissions* is simply calculated as the balance on the Financial account minus the sum of the balances on the Current and Capital accounts.

Changes to the Financial account due to a combination of routine data revisions, reclassifications and new data sources, are shown in the accompanying table.

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Table 2. Impact of the migration to BPM6 including general data revisions on the Financial account

Financial Account (N$ millions)	BPM5		Financial Account (N$ millions)	BPM6	
	2015	2016		2015	2016
Net capital transfers	**1,751**	**1,967**			
Resident official sector	1,728	1,944			
Other sectors	22	22			
1. Net Direct Investment	**13,268**	**4,110**	**1.Direct investment**	**-13,236**	**-6,414**
Direct investment abroad	**-704**	**67**	**Net acquisition of assets**	**798**	**98**
Equity capital	**-373**	**-131**	**Equity and investment fund shares**	**373**	**121**
			Direct investment in Direct investment enterprise	373	121
			Direct investment enterprise in Direct investment (reverse investment)	0	0
			Between Fellow enterprises	0	0
Reinvested earnings	**25**	**77**	**Reinvestment of earnings**	**-6**	**77**
Property	**-1**	**-5**	**Property now included in equity & investment fund share data**	**0**	**0**
Other capital	**-357**	**120**	**Debt instruments**	**431**	**-100**
Liabilities to affiliated enterprises	0	0	Short term	145	14
Claims on affiliated enterprises	-357	120	Direct investment in direct investment enterprise	-7	6
			Direct investment enterprise in direct investment (reverse investment)	152	9
			Between fellow enterprises	0	0
			Long term	286	-114
			Direct investment in direct investment enterprise	353	-137
			Direct investment enterprise in direct investment (reverse investment)	-67	23
			Between fellow enterprises	0	0
2. Direct investment in Namibia	**13,972**	**4,043**	**Net incurrence of liabilities**	**14,034**	**6,512**
Equity capital	**11,364**	**236**	**Equity and investment fund shares**	**11,510**	**269**
			Direct investment in direct investment enterprise	11,510	269
			Direct investment enterprise in direct investment (reverse investment)	0	0
			Between fellow enterprises	0	0
Reinvested earnings	**544**	**3,299**	**Reinvestment of earnings**	**227**	**3,299**

Financial Account (N$ millions)	BPM5 2015	BPM5 2016
Other capital	**2,064**	**508**
Liabilities to affiliated enterprises	2,703	540
Claims on affiliated enterprises	-639	-31
3. Portfolio investment	**15,600**	**315**
Assets	**3,266**	**-849**
Equity	**2,970**	**-239**
Assets	2,970	-239
Debt	**296**	**-610**
Assets	296	-610
Deposit-taking corporations except central bank	655	-549
Other sectors	-256	-109
Financial derivatives	-75	48
Liabilities	**12,306**	**1,164**
Equity	**29**	**25**
Liabilities	29	25
Debt	**12,277**	**1,140**
Liabilities	12,277	1,140

Financial Account (N$ millions)	BPM6 2015	BPM6 2016
Debt instruments	**2,296**	**2,944**
Short term	1,028	2,555
Direct investment in direct investment enterprise	1,028	0
Direct investment enterprise in direct investment (reverse investment)	0	0
Between fellow enterprises	0	0
Long term	1,268	390
Direct investment in direct investment enterprise	1,268	390
Direct investment in direct investment enterprise	0	0
Direct investment in direct investment enterprise	0	0
2. Portfolio investment	**-15,348**	**-586**
Net acquisition of assets	**-3,370**	**897**
Equity and investment fund shares	**-2,970**	**239**
Deposit-taking corporations except central bank	0	0
Other sectors	-2,970	239
Debt securities	**-399**	**658**
Short term	-655	549
Deposit-taking corporations except central bank	-655	549
Other sectors	0	0
Long term	256	109
Deposit-taking corporations except central bank	0	0
Other sectors	256	109
Net incurrence of liabilities	**11,978**	**1,483**
Equity and investment fund shares	**29**	**25**
Central Bank	0	0
General government	0	0
Deposit-taking corporations except central bank	0	0
Other sectors	29	25
Debt securities	**11,949**	**1,458**
Short term	9	956
Central bank	0	0
General government	0	0

Financial Account (N$ millions)	BPM5	
	2015	2016
Banks	9	956
General government	11,941	503
Bonds & new issuances	11,930	492
Internal registered stock	11	11
Financial derivatives	327	-319
5. Other investment	**1,400**	**10,146**
Assets	**-1,243**	**1,645**
Currency and deposits	**-760**	**1,694**
Monetary authorities	0	0
Banks	-761	1,693
General government	0	0
Other sectors	1	1
Loans	**-483**	**-49**
Long term	**-460**	**138**
Monetary authorities	-94	-84
Banks	-43	-17
General government	-40	-40
Other sectors	-283	278
Short term	**-23**	**-187**
Monetary authorities	0	0
Banks	-50	-29.0
General government	0	0
Other sectors	28	-158

Financial Account (N$ millions)	BPM6	
	2015	2016
Deposit-taking corporations except central bank	9	956
Other sectors	0	0
Long term	**11,941**	**502**
Central bank	0	0
General government	11,941	502
Deposit-taking corporations except central bank	0	0
Other sectors	0	0
3. Financial derivatives and employee stock options	**-251**	**271**
Net acquisition of assets	75	-48
Net incurrence of liabilities	327	-319
4. Other investment	**1,846**	**-13,376**
Net acquisition of assets	**3,299**	**-4,244**
	0	
Other equity	**0**	**0**
Currency and deposits	**3,199**	**-3,791**
Central bank	0	0
Deposit-taking corporations except central bank	741	-1,693
General government	0	0
Other sectors	2,457	-2,097
Loans	**165**	**425**
Long term	**84**	**430**
Central bank	0	0
Deposit-taking corporations except central bank	43	404
General government	40	40
Other sectors	1	-13
Short term	**81**	**-5**
Central bank	0	0
Deposit-taking corporations except central bank	50	-5
General government	0	0
Other sectors	30	0
Insurance, pension, standardised guarantees	0	0

Financial Account (N$ millions)	BPM5		Financial Account (N$ millions)	BPM6	
	2015	2016		2015	2016
			Trade credit and advances	-58	-121
			Central bank	0	0
			Deposit-taking corporations except central bank	-6	-1
			General government	0	0
			Other Sectors	-52	-120
			Other accounts receivable	**-6**	**-758**
Liabilities	**2,643**	**8,442**	**Net incurrence of liabilities**	**1,453**	**9,110**
			Other equity	**0**	**0**
Currency and deposits	**683**	**-459**	**Currency and deposits**	**683**	**-459**
Monetary authorities	0	0	Central bank	0	0
Banks	683	-459	Deposit-taking corporations except central bank	683	-459
General government	0	0	General government	0	0
Other sectors	0	0	Other sectors	0	0
Loans	**1,960**	**8,901**	**Loans**	**245**	**7,329**
long term	**1,069**	**6,883**	**Long term**	**181**	**7,169**
Monetary authorities	780	-157	Central bank	0	0
Banks	0	685	Deposit-taking corporations except central bank	66	810
General government	435	459	General government	435	459
Other sectors	-146	5,896	Other sectors	-320	5,901
Short term	**891**	**2,019**	**Short term**	**65**	**160**
Monetary authorities	0	0	Central bank	0	0
Banks	0	1,027	Deposit-taking corporations except central bank	-633	251
General government	0	0	General government	0	0
Other sectors	891	991	Other sectors	698	-91
			Insurance, pension, standardised guarantees	**0.0**	**0.0**
			Trade credit and advances	**196**	**1,082**
			Short term	**196**	**1,082**
			Central bank	0	0
			Deposit-taking corporations except central bank	0	0
			General government	0	0
			Other sectors	196	1,082

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Financial Account (N$ millions)	BPM5	
	2015	2016
6. CAPITAL AND FINANCIAL ACCOUNT BALANCE EXCL. RESERVES	**32,019**	**16,936**
7.Net errors and omissions	**-1,904**	**2,615**
8.OVERALL BALANCE	**10,048**	**906**
9.RESERVE ASSETS	**-10,048**	**-906**
Monetary gold	0	0
Special drawing rights	1	22
Reserve position in the Fund	0	0
Foreign exchange	-10,047	-906

Financial Account (N$ millions)	BPM6	
	2015	2016
Long term	**0**	**0**
Central bank	0	0
Deposit-taking corporations except central bank	0	0
General government	0	0
Other sectors	0	0
Other accounts payable	**329**	**1,158**
5. RESERVE ASSETS	**10,047**	**906**
Monetary gold	0	0
Special drawing rights	1	22
Reserve position in the IMF	0	0
Other reserve assets	10,047	906
6. FINANCIAL ACCOUNT BALANCE	**-16,943**	**-19,176**
7. Net errors and omissions	**2,429**	**2,066**

International Investment Position

The International Investment Position (IIP) is a statistical statement that shows at a point in time, the value of financial assets of residents of an economy (that are claims on non-residents), and the liabilities of an economy to non-residents. The IIP is virtually a mirror account of the financial account in the balance of payments, except that it records stock data at the end of a specific period, as opposed to flow data in the balance of payments. In this regard, with very few exceptions, the changes made in the Financial account were also reflected in the IIP.

BPM6 Enhancements: Further disaggregation, reclassification of functional categories, and new data sources

Direct investment

In order to enhance the data on Direct investment on the asset side, the IMF's Coordinated Direct Investment Survey (CDIS) data is the new primary data source used for both equity and debt instruments. In this regard, BPM6 figures on the assets side are relatively higher than those in

BPM5, due to underreporting. Changes in net FDI liabilities were mainly due to data revisions.

Portfolio investment

In BPM6, for the Portfolio investment category, commercial banks were added as new data source for the item debt securities, both on the net acquisition of assets and the net incurrence of liabilities. In this regard, the changes between the two standards was due to the data from this new data source. In addition, on the liabilities side, the estimates on equity and investment fund shares in BPM5 were replaced with the actual data from banks and other sectors in BPM6. These inclusions led to the improved data coverage.

Financial derivatives

This category was not part of Namibia's aggregated IIP account under BPM5. Its inclusion in BPM6 on both the net acquisition of assets and net incurrence of liabilities mainly accounts for the difference between the two standards.

Other investment

The most significant impact on the IIP in BPM5, was on the asset side, where the currency and deposits of the Namibian commercial banks was overstated, as it included Net Foreign Assets (NFA) of the entire banking sector. Unlike in BPM5 where deposits of commercial banks were overstated, in BPM6, only currency and deposits of the commercial banks were considered. The overall impact of the overestimation was reflected in the Net IIP position between BPM5 and BPM6. The correct classification in BPM6, however, showed consistency in the direction and magnitude of the Net position in the IIP between the two standards. In addition, as with the Financial account, BIS data was added on the asset side and accounts for further changes. Changes on both the assets and liabilities particularly on data for commercial banks' loans, is due to BPM6 using the Monetary and Financial Statistics (MFS) data on loans from 2009-2015 and surveyed data based on BPM6 concepts from 2016 onwards. Efforts are underway to get backdated data on loans (2009-2015) as per BPM6 standard from the commercial banks.

Reserve assets

Data on reserve assets remained unchanged between the two standards.

Net IIP Position: Changes between BPM5 and BPM6

The most significant change in the Net Asset/ Liability IIP position was as a result of the overstated currency and deposits in BPM5. In this regard, the IIP asset position in BPM5 is relatively higher than in BPM6, while the liability position in BPM5 is lower in relation to BPM6 due to the same reason.

The changes in the IIP account were mainly due to the overstated figures on currency and deposits in BPM5, new data sources, routine data revisions and adoption of BPM6. The results are shown in the accompanying table:

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Table 3. Impact of BPM6 changes and revisions on the International Investment Position

IIP (N$ millions)	BPM5		BPM6	
	2015	2016	2015	2016
FOREIGN ASSETS	**136,407**	**127,063**	**127,580**	**119,515**
1.Direct investment	**1,669**	**1,834**	**7,808**	**6,909**
1.1 Equity and investment fund shares	910	1,418	5,576	4,407
1.2 Debt instruments	760	415	2,232	2,502
2. Portfolio investment	**61,201**	**57,932**	**63,817**	**61,175**
2.1 Equity and investment fund shares	36,517	35,481	36,517	35,481
2.2 Debt securities	24,685	22,451	27,300	25,694
3. Financial derivatives and employee stock options	**0**	**0**	**110**	**62**
4. Other investment	**49,959**	**42,577**	**32,267**	**26,649**
4.1 Currency and deposits	29,516	26,225	14,982	10,233
4.2 Loans	20,022	15,619	16,736	15,618
4.3 Insurance, pension and standardised guarantee schemes	0	0	0	0
4.4 Trade credit and advances	422	733	422	733
4.5 Other accounts receivable	0	0	128	65
5. Reserve Assets	**23,577**	**24,720**	**23,577**	**24,720**
FOREIGN LIABILITIES	**129,557**	**130,748**	**126,211**	**131,881**
1. Direct investment	**58,501**	**59,759**	**57,586**	**59,759**
1.1 Equity and investment fund shares	38,363	39,205	37,449	39,205
1.2 Debt instruments	20,139	20,554	20,137	20,554
2. Portfolio investment	**21,943**	**20,022**	**22,710**	**21,020**
2.1 Equity and investment fund shares	99	100	764	41
2.2 Debt securities	21,844	19,922	21,946	20,979
3. Financial derivatives and employee stock options	**0**	**0**	**454**	**135**

IIP (N$ millions)	BPM5		BPM6	
	2015	2016	2015	2016
4. Other investment	**49,113**	**50,967**	**45,462**	**50,967**
4.1 Currency and deposits	3,365	2,906	3,365	2,906
4.2 Loans	41,386	42,788	37,735	42,788
4.3 Insurance, pension and standardised guarantee schemes	0	0	0	0
4.4 Trade credit and advances	1,278	2,321	1,278	2,321
4.5 Other accounts payable	0	0	329	1487
4.6 Special Drawing Rights(SDRs)	3,084	2,953	3,084	2,953
NET ASSET/LIABILITY POSITION	**6,849**	**-3,685**	**1,040**	**-13,853**

Conclusion

The adoption of BPM6 was consistent with Namibia's commitment to adhere to international best practice in compiling Balance of payments statistics. The revision and reclassification of these statistics will enable data users to compare Balance of payments statistics internationally and with other macroeconomic accounts with greater confidence and precision than before. The revised statistics as published in this note reflects the impact of the changes emanating from the migration to BPM6, data enhancements resulting from more reliable data sources, as well as general revisions that are usually undertaken on an annual basis. Kindly note that going forward, the Balance of payments will be disseminated based on the BPM6 from the June 2017 *Quarterly Bulletin*. Data has been revised back to 2009 to allow for longer time series for analysis.

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THEME CHAPTER:

THE IMPACT OF THE DECLINE IN COMMODITY PRICES ON THE NAMIBIAN ECONOMY POST 2008

INTRODUCTION

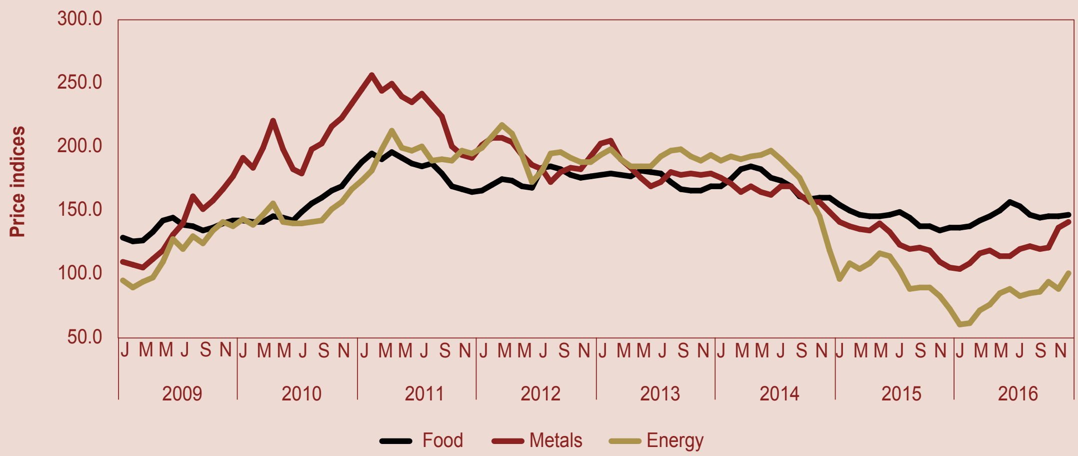
The prices of commodities peaked in mid-2008, before plunging as the global financial crisis intensified, pushing prices down to very low levels in early 2009. Commodity prices then recovered, but they peaked in 2011 for most items, after which the decline resumed. Meanwhile, the generally high prices of the recent past had led to a marked expansion of capacity and production – also in Namibia. However, although prices had been expected to fall again as production improved, it became clear that their degree of decline was greater than anticipated. Falling prices have affected the Namibian economy via decreased investment in the mining and trade sectors, and have impacted other macroeconomic variables. These negative influences have in turn restrained growth, particularly in mining, which had been expected to improve after significant investments had been made in the sector over the past few years. With both prices and production falling short of expectations, export earnings, Government revenue and economic growth suffered setbacks and have been further compromised by a severe drought and a generally weak global economic environment.

In the context of Namibia, low commodity prices have mainly affected uranium, copper and other metal ores, while diamond and zinc were affected by other factors. The low commodity prices have resulted in some uranium, copper and other metal ore mines being placed on care and maintenance regimes, while several other mining projects have been put on hold, pending an improvement in market conditions. On the other hand, lowered diamond and zinc production was affected by factors not necessarily linked to low commodity prices; nonetheless, they are covered in this Theme Chapter as contrastive examples. Against the above background, the following discussion therefore examines how the decline in commodity prices has impacted the Namibian economy post 2008, and it reflects on the outlook for these prices in the short term.

TRENDS IN GLOBAL COMMODITY PRICES

Commodity prices trended upwards from 2009 to 2011 before they started declining from 2012, with the lowest prices observed in 2016. The average price indices for commodities such as metals, energy and food increased by 93.7 percent, 70.0 percent and 35.9 percent, respectively, between 2009 and 2011, due to the growth in global demand, particularly from China, and due to their low base stemming from the 2007/8 global financial crisis. Between 2012 and 2015, prices of metals, energy and food fell by 33.9 percent, 45.0 percent and 19.0 percent, respectively (Figure TC1). While the decline in metal and energy prices during this period was due to weak global demand and oversupply, food prices were lower because of ample supply following good weather conditions. During 2016, however, the food price index increased marginally, from an average of 141.0 in 2015 to 143.6 in 2016. The increase in food prices was attributable to lower supply, which resulted from the persistently harsh weather conditions experienced in parts of the world. The metal and energy indices, on the other hand, respectively reached their lowest levels of 118.9 and 80.8 during 2016, due to low demand for metal ores and the oversupply of oil, respectively.

Figure TC1: Price indices for food, metals and energy, 2009–2016



Source: International Monetary Fund (IMF)

Uranium

Despite the temporary recoveries, the broad trend in uranium prices has been downward since 2009. Uranium prices were relatively low in 2009 and 2010 before they jumped to their highest level of US$63.50 per pound in the eight-year period, namely in 2011 (Figure TC2). Uranium prices fell significantly after the Fukushima incident in March 2011: from their highest annual average of US$99.24 per pound, recorded in 2007, the price plummeted to US$26.31 per pound in 2016, although it had improved slightly between mid-2014 and early 2015. This slight improvement owed itself not only to a positive reaction from the market in anticipation that reactors at Japanese nuclear plants would be restarted, but also to supply disruptions elsewhere.[23] However, uranium prices began slipping at the end of the first quarter of 2015 and continued their downward trend throughout 2016, dropping to an unsustainable low of U$18.50 per pound early in November 2016, which is the worst performance in 12 years. The downward trend between 2015 and 2016 was on account of weak global demand, especially from China. On balance, uranium prices fell by 43.7 percent between 2009 and 2016.

Figure TC2: Developments in uranium prices, 2009–2016

Source: IMF

23 Disruptions at two of the world's largest mines, namely Rossing in Namibia and Olympic Dam in Australia, as well as the delayed expansion of Rio Tinto's Ranger 3 Deeps Mine in Australia also affected uranium supply in the market.

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Zinc

Zinc prices have been fluctuating since 2009, hitting a recent low towards the end of 2015, before picking up firmly in 2016. Zinc prices have been on an upward trend in 2009 before they started fluctuating between 2010 and 2015. In May 2015, zinc prices dropped significantly from US$2 282 to US$1 520 per metric tonne in January 2016 (Figure TC3). The weak prices observed during this period were ascribed to poor demand from major consumers, including China. The upward trajectory in prices from January 2016 was linked chiefly to supply concerns following the closure of large zinc mines around the world, namely the Vedanta Resources' Lisheen Mine in Ireland and MMG's Century Mine in Australia. Zinc prices shot up to US$2 665 per metric tonne by December 2016, which was the highest price recorded for the metal since November 2007.

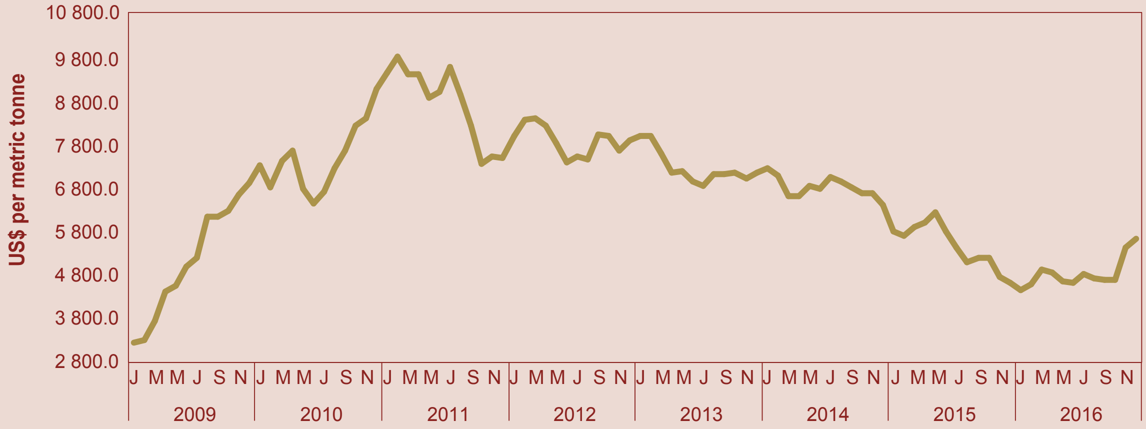
Figure TC3: Developments in zinc prices, 2009–2016

Source: IMF

Copper

Copper (spot) prices inclined upwards from 2009 to early 2011, followed by a declining trend that remained intact until the first half of 2016, after which prices improved moderately. On average, copper prices increased significantly, i.e. by 70.8 percent, between 2009 and 2011, leaping from US$5 165 per metric tonne to US$8 823 per metric tonne, respectively. By 2016, the average price of copper had steadied to US$4 868 per metric tonne, having fallen from its 2015 level of US$5 510 per metric tonne. The price recorded its lowest ebb of US$4 472 per metric tonne in January 2016, slipping from the level it had held in December 2015, namely US$4 639 per metric tonne. The decline in copper prices since 2011 was attributed to excess supply in the markets due to weak demand from China, which consumes around 45 percent of total global copper production (Figure TC4).

Figure TC4: Developments in copper spot prices, 2009–2016

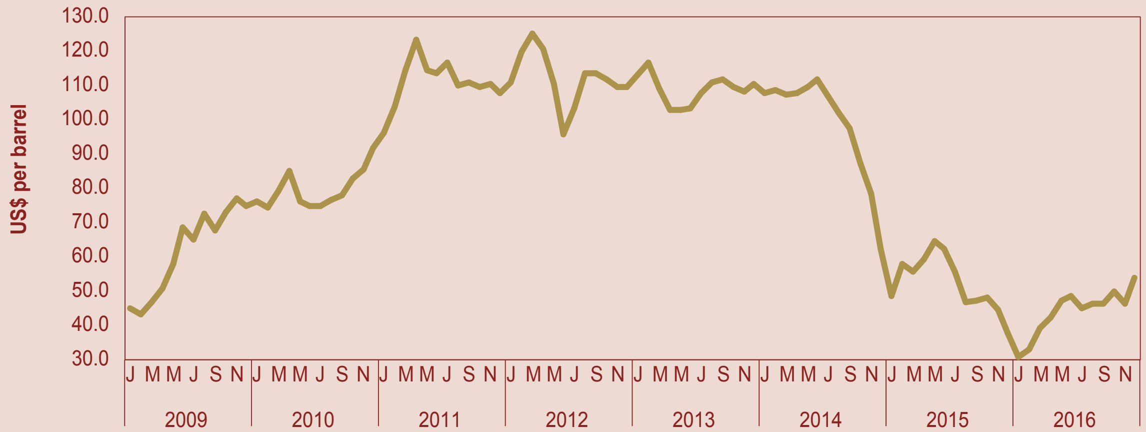


Source: IMF

Crude oil

Crude oil prices increased from 2009 to 2010, but started to decline after 2011. Crude oil prices increased by 43.4 percent between 2009 and 2010. A significant decline of 60.8 percent in crude oil prices was, however, recorded between 2011 and 2016, although they reached a relatively high level of US$110 a barrel between 2012 and June 2014. Thus, 2012 oil prices averaged US$112 a barrel before sliding down to US$99 and US$43 a barrel in 2014 and 2016, respectively. The lowest price for a barrel of crude oil was registered for January 2016, when it fell to US$31 (Figure TC5). The drop was explained by an increase in supply after sustained growth in production by members of the Organization of the Petroleum Exporting Countries (OPEC). However, this growth was not met by an equivalent surge in demand, least from the largest consumers such as Europe and China, while countries like Iran and Libya returned to the global oil production market. Oil prices, however, started to increase again at the beginning of the second quarter of 2016, due to supply constraints in Nigeria.

Figure TC5: Developments in Brent crude oil prices, 2009–2016



Source: IMF

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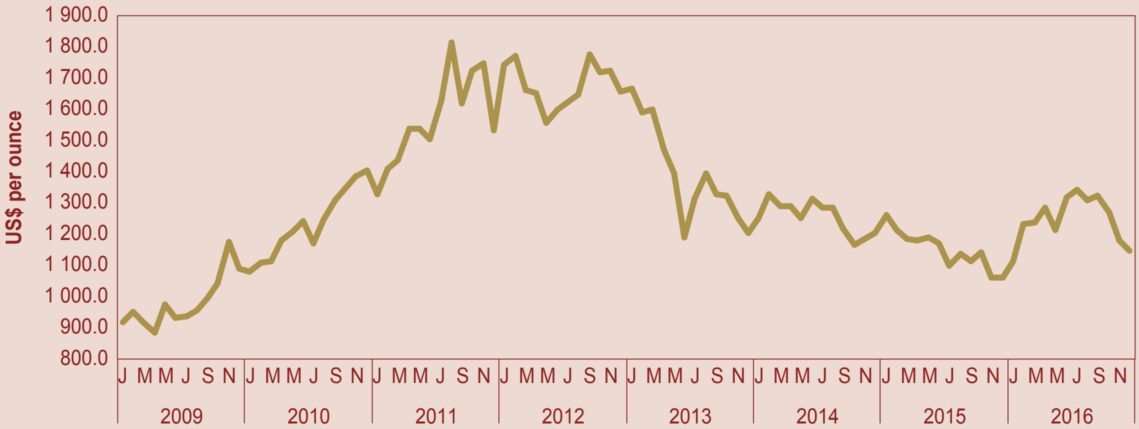
Gold

The rise in the price of gold since 2009 was interrupted by a decline between 2012 and 2015, but the price staged a recovery in the first half of 2016. The gold price peaked at an average of US$1 669 an ounce in 2012 and then dropped sharply to US$1 160 an ounce in 2015. This decline was mainly attributed to the fall in global inflation that reduced gold's value as a hedge against rising prices (Bloomberg 2013), and investors' improved risk appetite. On a positive note, the average gold price began to inch upwards from US$1 160 an ounce in 2015 to US$1 248 an ounce in 2016. The increase in the gold price can be ascribed to investors' appetite for less risky assets, negative interest rate policies, the general environment of historically low interest rates, and uncertainty in the global market. The price of gold, however, slipped to a lower level in the last quarter of 2016, settling at US$1 151 an ounce by December 2016 (Figure TC6). Market expectations of increased fiscal spending and higher interest rates in the US contributed to the decline in the gold price.

Figure TC6: Developments in gold prices, 2009–2016



Source: World Gold Council

IMPACT OF THE DECLINE IN COMMODITY PRICES ON THE GLOBAL ECONOMY

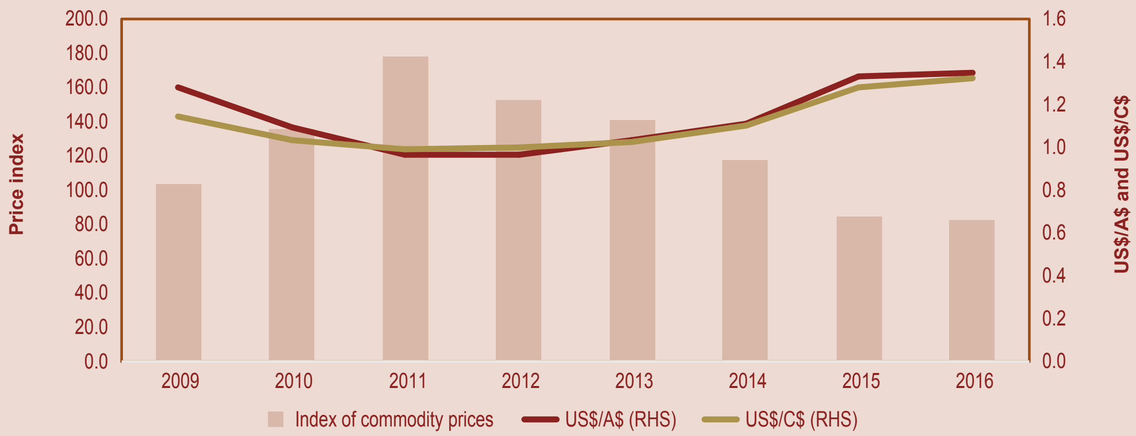
Declining commodity prices have mixed implications for the global economy. In this context, the ongoing rebalancing of the economy in China, a major consumer and importer of commodities, has played a significant role in influencing the decline in commodity prices internationally. The transition away from a reliance on investment and a concomitantly lower demand for commodities, in favour of greater dependence on domestic consumption and on services, created a surplus in the market, especially since 2012. This surplus, in turn, drove prices for metal ores downwards. The reduction in China's demand for commodities, combined with an increase in supply following investment that expanded capacity, of certain key options among them, resulted in an oversupply of most commodities. This led to low prices, which, for countries that were net exporters of commodities, had negative economic implications as export revenue and overall gross domestic product (GDP) declined.

Declining commodity prices are among the reasons cited by the IMF as contributing to a moderate global economic growth in 2016, relative to 2015. In the January 2017 update of its World Economic Outlook, the IMF estimated growth in the global economy to ease to 3.1 percent in 2016, from 3.2 percent in 2015. Low commodity prices, coupled with government tendencies to embark on fiscal consolidation paths to compensate for the associated lower tax income, contributed to restrained economic growth in commodity-exporting countries. The following subsections examine the impact of low commodity prices on some economies that are net exporters of commodities.

Canada

Canada, whose second largest export is crude oil and mineral fuels, was not spared from the impact of low commodity prices. The Canadian Dollar appreciated against the US Dollar by 13.3 percent between 2009 and 2011, while the index of commodity prices increased significantly, namely by 72.3 percent, from 103.3 in 2009 to 178.0 in 2011 (Figure TC7). From 2012, however, once commodities prices began to decline, the Canadian Dollar started to depreciate. Moreover, since Canada exports most of its oil to the US, and the US Dollar had been strengthening in recent years due to improved economic activity, the Canadian currency depreciated further. On average, the Canadian Dollar depreciated from C$1.00 to C$1.33 against the US Dollar, i.e. by 32.6 percent, between 2012 and 2016.

Figure TC7: Movements in the Australian Dollar (A$) and Canadian Dollar (C$), and index of commodity prices, 2009–2016



Source: IMF

Australia

Similar to Canada, Australia's exchange rate movements are closely linked to the performance of its major export – iron ore, with China being its largest market. Between 2009 and 2011, when the overall demand for commodities was still relatively strong, the index of commodity prices started to rise. The Australian Dollar simultaneously appreciated against the US Dollar, by 24.4 percent between 2009 and 2011, i.e. from A$1.28 to A$0.97 (Figure TC7). Once the international demand for most commodities – including iron ore – started to fall after 2011, the Australian Dollar began to depreciate. Between 2012 and 2016, when the commodity prices decreased by 45.6 percent, from 152.2 in 2012 to 82.8 in 2016, the Australian Dollar depreciated against the US Dollar by 39.3 percent, from A$0.97 in 2012 to A$1.35 in 2016. During this five-year period, the depreciation of the Australian currency was largley attributable to the significant drop in commodity prices.

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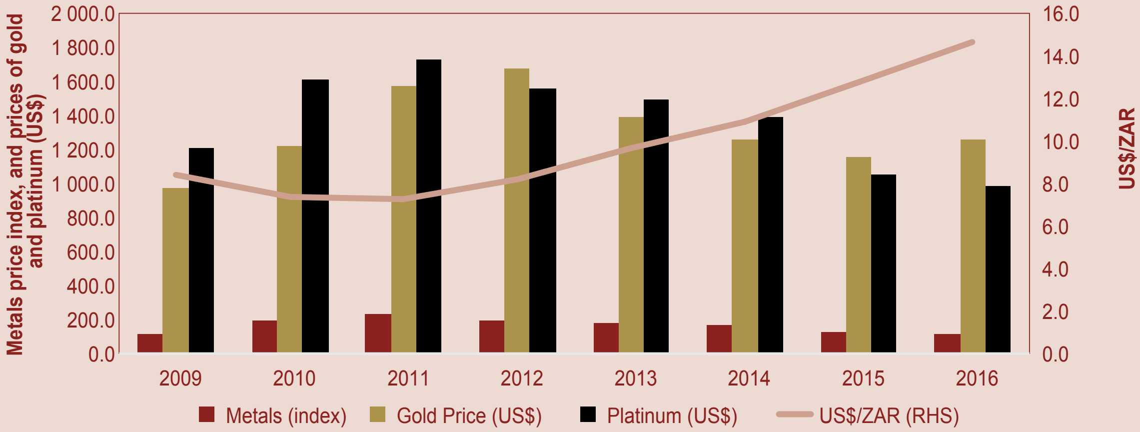
Figure TC8: Movements in the South African Rand (ZAR), the Metals Price Index, and gold and platinum prices, 2009–2016



Source: IMF

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South Africa

Mineral-exporting emerging markets and developing economies such as South Africa also could not circumvent the negative impacts of declining commodity prices. As the world's biggest producer of platinum, South Africa saw its currency appreciate between 2009 and 2011. The South African Rand appreciated against the US Dollar by an average of 13.9 percent, namely from R8.43 in 2009 to R7.26 in 2011 (Figure TC8). During the same three-year period, the prices of platinum, gold and other metals were increasing because of high international demand and slow production, the latter attributable to labour disputes at South African mines. Between 2012 and 2016, the Rand depreciated significantly against the US Dollar, i.e. by an average of 78.4 percent. During this five-year span, platinum, gold and other metal prices dropped again: the labour disputes had ended and production picked up; the international demand for commodities declined; and US interest rate had stabilised. These low international commodity prices, coupled with South Africa's political, economic and climatic conditions, have contributed to the country's economic growth moderating in recent years. The South African economy is estimated to have grown by 0.3 percent in 2016, and the South African Reseerve Bank forecasts only 1.1 percent growth for 2017.

Angola

The sharp decline in international oil prices negatively affected Angola's fiscal revenue and exports, underlining that economy's predominant dependence on oil. Economic growth in Angola is expected to slow to 0.0 percent in 2016, falling from its level of 3.0 percent in 2015. The IMF estimated that Angola's economic growth rate may improve to a modest 1.5 percent in 2017.

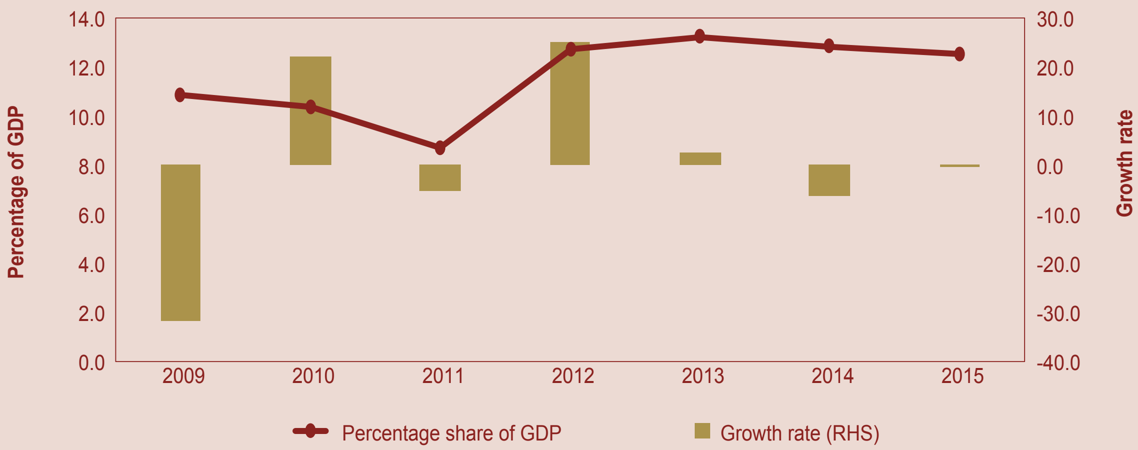
IMPACT OF THE DECLINE IN COMMODITY PRICES ON THE NAMIBIAN ECONOMY

Impact on production

The recent declines in commodity prices have had a negative effect on the growth of the mineral sector, export earnings and Government revenue. The impact of low commodity prices is revealed by mining and quarrying as a share of GDP: after having had a 10.9 percent share in 2009, this share peaked at 12.7 percent in 2012. However, once commodity prices began to fall again, mining and quarrying as a share of GDP has slipped steadily lower, and is estimated to have fallen to an 8.6 percent share for 2016 (Figure TC9). The decline came at a time when the sector had been expanding in response to commodity prices rising, which required large spending on construction, machinery and equipment. Production in the sector had been expected to grow after these large investments, contributing to export earnings and Government revenue, but this did not happen.

After a period of positive economic growth, driven mainly by export-led sectors, the Namibian economy came under severe strain in 2016, as factors such as low commodity prices intensified. Economic sectors such as mining, construction, public administration and wholesale and retail trade were impacted by unfavourable economic conditions. The low commodity prices resulted in weakened growth and contractions in various sectors, and contractions in some of these sectors, have become prevalent in the last few years. For example, the mining sector contracted on three occasions between 2009 and 2015 (Figure TC9), and is expected to have done so in 2016 as well. The performance of the mining sector has, as a result, contributed to the sector's share of GDP trending downwards. The sector's real production is expected to contract by 3.3 percent in 2016, compared with a contraction of 0.3 percent in 2015.

Figure TC9: Mining sector growth rate and percentage of GDP, 2009–2015

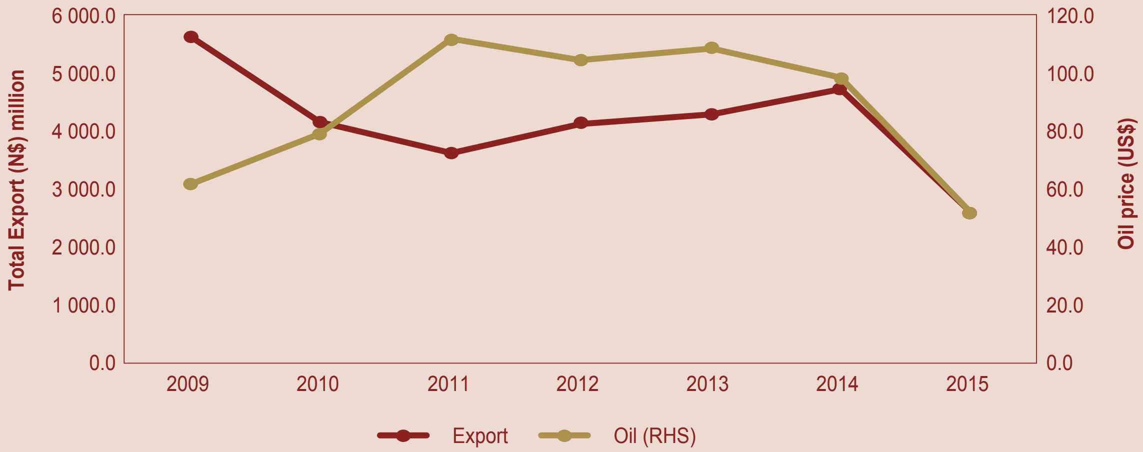


Source: Namibia Statistics Agency

The impact of low oil prices on the Angolan economy sent aftershocks to Namibia's wholesale and retail trade sector. Growth in this sector is likely to be affected by low commodity prices indirectly, i.e. via the Angolan economy. Namibia's oil-exporting neighbour is currently being affected negatively by the lower oil price, which has exacerbated the availability of foreign currency, and ultimately impacts the wholesale and retail trade sector in Namibia. Growth in this sector slowed to 5.7 percent in 2015, compared with 14.1 percent observed in 2013 and 14.6 percent in 2014, when oil prices were higher, compared with 2015 and 2016.

The clothing and vehicles subsectors have been the hardest hit by the fall in demand by Angolan nationals. In 2015, real output in the clothing trade subsector declined by 5.5 percent and in its vehicles counterpart by 6.9 percent; the two subsectors are estimated to have contracted by a further 0.9 and 11.2 percent, respectively, in 2016. The growth rate of the wholesale and retail sector as a whole is estimated to be lower at 5.8 percent in 2016 in the wake of the lower oil price impacted sales to Angolans and the more subdued Namibian economy. In addition, total exports of goods to Angola declined by 44.7 percent in 2015 as observed in Figure TC10.

Figure TC10: Total exports to Angola in relation to the oil price, 2009–2015



Source: IMF and Bank of Namibia

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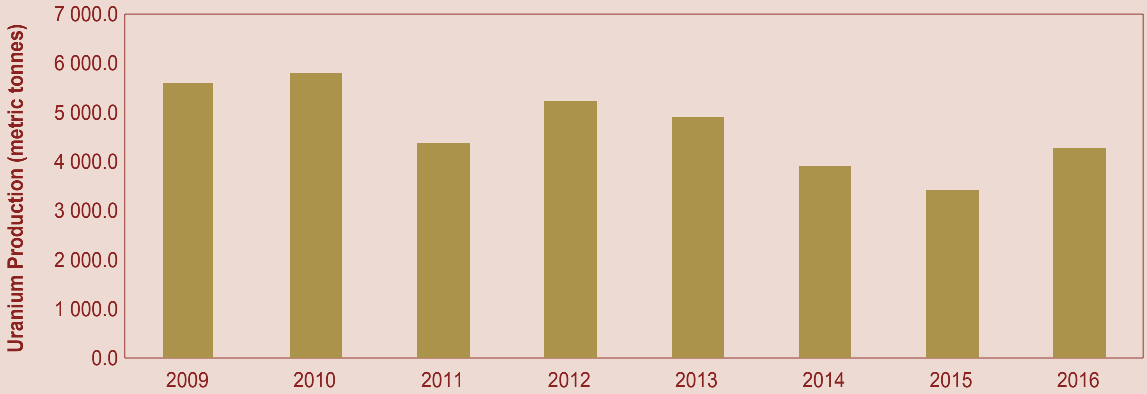
The impact of low commodity prices also transmitted to the Namibian economy via declining investment in the mining sector and in unrealised production potential. Of all the sectors in the domestic economy, mining receives the biggest share of total investment. This was borne out in the years 2009–2015, when investment in mining grew at an average rate of 26.9 percent per annum, although 2015 itself only registered 0.6 percent growth. The sustained rise in investment in the sector during this period is attributed to increased mining activities, including the construction of new mines (B2Gold, the Tschudi Copper Project, and Husab/Swakop Uranium), but growth slowed in 2015 as most major constructions in the sector reached completion. The mining sector accounts for at least 30.0 percent of total investment in Namibia for the last seven years (2009-2015), with the highest share having been observed in 2013. While the decline in investment after 2015, was anticipated, owing to prices lowering as production increased, the extent of the price drop made that decline sharper than anticipated. Similarly, the drop entailed that production associated with the new investment could not take off as envisaged. Some mining companies have also begun scaling down on operations and production, while some were put under care and maintenance during 2009-2016 period. About four mines are currently under care and maintenance, while the development of several new mines remains in the pipeline. Although the overall production level of minerals appears relatively unaffected, individual analyses show that they were indeed impacted by low commodity prices. The following discussion offers some insight into Namibian mineral production and exports before and after commodity prices started declining for the period of eight years from 2009 to 2016.

Uranium

Low uranium prices had a dampening effect on the production of this commodity in Namibia (Figure TC11). Uranium is the second largest mining subsector in the Namibian economy after diamonds and it has been affected by low commodity prices.The total contribution of uranium mining to GDP declined from 4.3 percent in 2009 to only 1.0 percent in 2014 and 2015. Production receded from 5,238 Metric Tons in 2012 to 3,420 metric tonnes in 2015. Real production in the uranium subsector shrank by 18.1 percent in 2015, but the estimates for 2016 indicate a recovery with a 24.8 percent jump in output. The previous reporting year's decline in production was exacerbated by technical problems caused by a fire incident at one of the mines. Nonetheless, Namibia's uranium production increased to 4,213 metric tonnes in 2016, largley thanks to existing long-term contractual agreements. Despite all these improvements, however, production was still well below the levels of 2009 and 2010. In addition, the Trekkopje Mine owned by France's AREVA Group is under care and maintenance, while production at Swakop Uranium's Husab Mine only started at the end of 2016. In addition, five development projects – Etango Uranium, Namibplaas, Norasa Uranium, Valencia Uranium and Zhonge Uranium – remain in the pipeline, pending an improvement in uranium prices.

Figure TC11: Trends in uranium production, 2009 – 2016

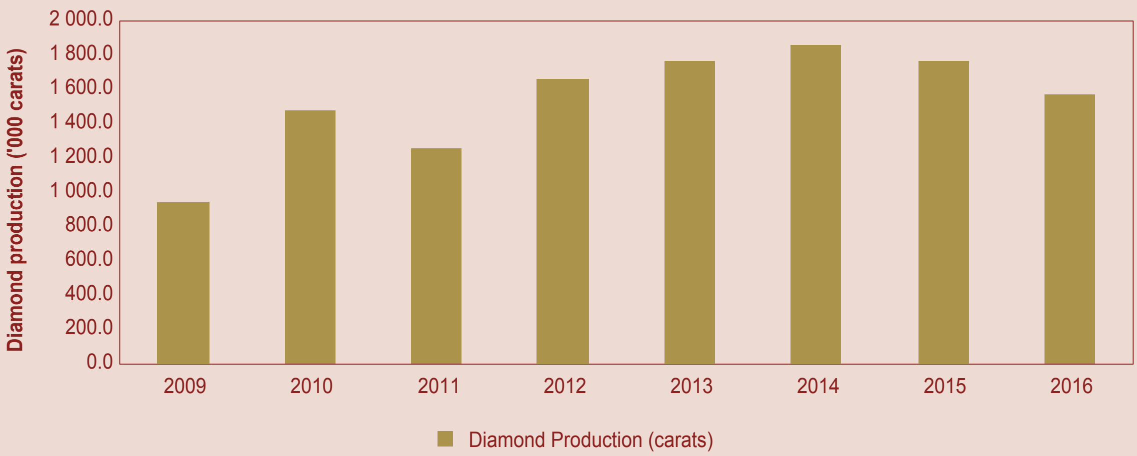


Source: Bank of Namibia

Diamonds

Namibia's diamond production has been trending higher since 2009 and peaked in 2014, but it slipped into decline after that, following low-grade ore and technical challenges. Diamond production dropped massively by 57.8 percent in 2009, but jumped by 56.6 percent the following year, before slipping back down by 14.7 percent in 2011. The average rate of growth in production in the period between 2009 and 2016, however, is estimated to have been as low as 1.5 percent. On average, the production of diamonds in Namibia declined from 1.8 million carats in 2014 to 1.6 million carats in 2016 (Figure TC12). Diamond mining output is expected to contract again in 2016, with real production expected to shrink by 10.9 percent in 2016, after slipping by 3.4 percent in 2015. The low production of these gems was attributed to lower grades having been mined by Namdeb, as well as due to the fact that one of De Beers' marine mining vessels went for service during 2016, consequently affecting production.

Figure TC12: Trends in diamond production, 2009–2016



Source: Namdeb

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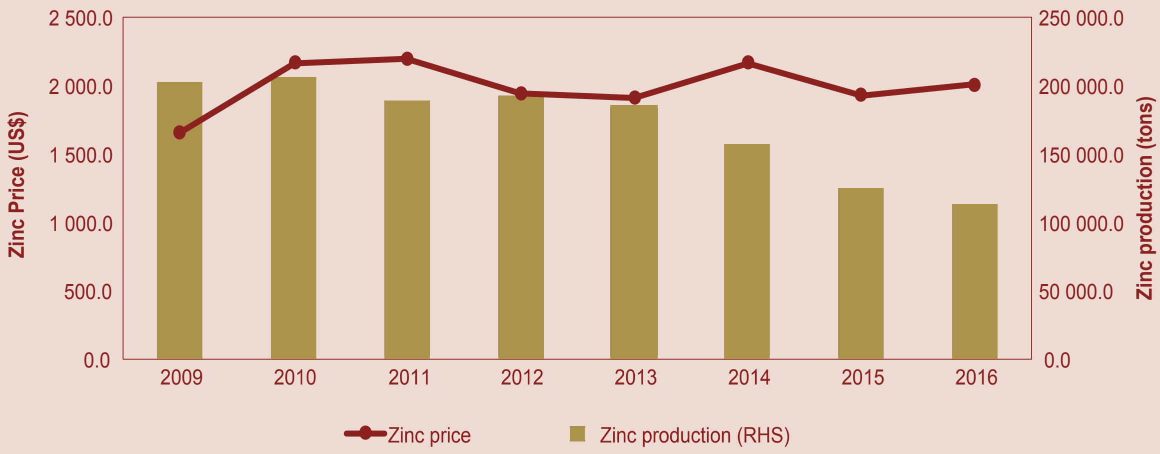
Zinc

As mentioned earlier herein, zinc production has been declining since 2010 despite improvements in the price, while several zinc ore projects remain pending. The production level remained low in 2016 compared with output in 2012 and 2013, when the price was actually significantly lower (Figure TC13). The anticipated production of zinc for 2016 was 215,103 metric tonnes, but the output achieved only amounted to 113,509 metric tonnes. The low production levels in 2015 and 2016 can chiefly be attributed to a two-month operations shut down for maintenance during 2015, and to industrial strikes at the mines during 2015 and 2016. Manganese production has also been affected by low commodity prices, with other ore projects such as Shiyela Iron and Tumas, remaining pending awaiting price improvements.

Figure TC13: Trends in zinc production, 2009–2016



Source: Bank of Namibia

Copper

The price of copper increased from 2009, but peaked in 2011, with its subsequent fall leading to a concomitant decline in copper production. Thus, the production of copper concentrate declined from 6,300 metric tonnes in 2012 to 2,543 metric tonnes during 2015. Also in response to weak prices, Weatherly Mining Namibia suspended operations at two of its mines, namely Otjihase and Matchless, putting them under care and maintenance as from September 2015 (Figure TC14). In addition, copper cathode production at the new Tschudi Copper Mine that came into operation in 2015 amounted to 10,659 metric tonnes that year, but the expected increase to 17,000 metric tonnes during 2016 was not realised, with only 16,391 metric tonnes having been produced due to the effect of low prices. In addition, the production of copper blister in Namibia declined from 44,504 metric tonnes in 2015 to 37,828 metric tonnes in 2016.

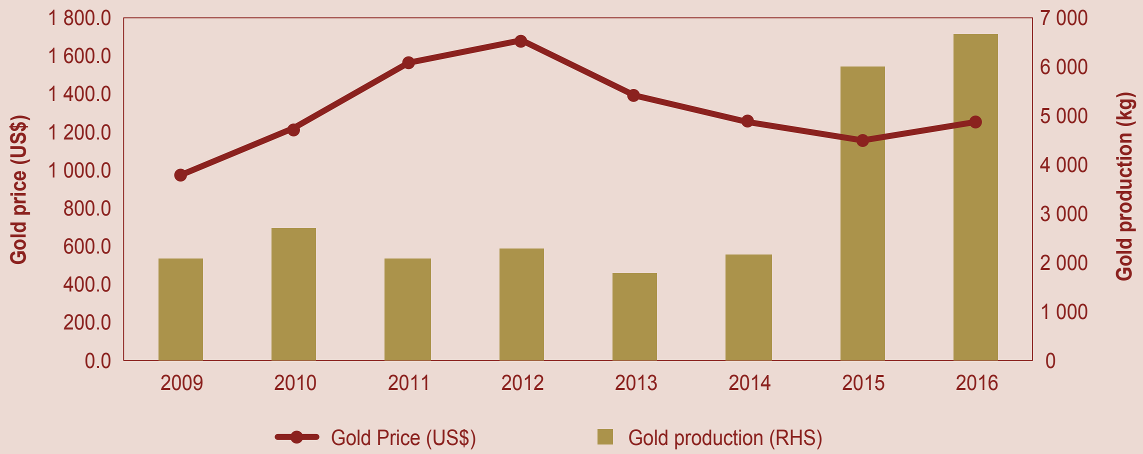
Figure TC14: Trends in copper concentrate production and price, 2010–2015

Source: IMF, Weatherly Mining and Dundee Precious Metals

Gold

Namibia's gold production has been relatively stable since 2009, and more than tripled by 2016 due to new mines coming on board. The increase in production was a result of commencement by the B2Gold mine and its subsequent production expansion in 2015. Gold output increased from 6,008 kg in 2015 to 6,374 kg in 2016 (Figure TC15). Production continued to rise in 2016 as gold prices started to recover from a decline that had begun in 2013. As mentioned above, the gold price in US dollar terms has been increasing since 2009, peaking in 2012 after which it started to fall.

Figure TC15: Trends in gold production and price development, 2009–2016



Source: IMF, B2Gold and Navachab Mine

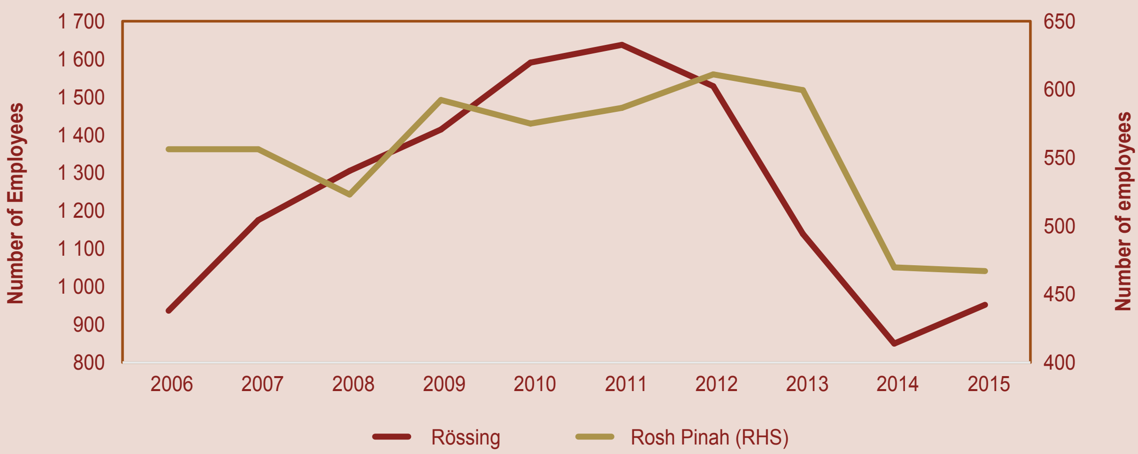
Impact on Government revenue

The low commodity price environment has had an impact on Government revenue as royalties and company tax revenue did not grow as anticipated. Although aggregate production of Namibia's mineral commodities has remained at a relatively elevated level even after commodity prices began to fall, the main impact of lower prices has been on the sector's potential: it was anticipated to grow significantly, after huge investments over the past few years, which included the establishment of a number of new mines. Accordingly, the associated total revenue generated from tax and royalties improved from 4.8 percent of total revenue in 2009 to 8.5 percent in 2011, but slipped to 4.7 percent in 2013. A slight improvement from 8.4 percent in 2014/15 to 8.8 percent of total revenue in 2015/16 was registered, but current estimates show another decline to 7.8 percent for the 2016/17 fiscal year. The decline is largley due to the impact of low commodity prices, which restrained both the volume and value of mining output.

Impact on employment

The pressure of low commodity prices on firms in the mining industry is expected to cause them to rein in labour costs. The Namibia Labour Force 2014 reports that, the mining sector accounts for 2.0 percent of employment in Namibia. According to Namibia's Chamber of Mines (2016), members of the Chamber directly employ 8,853 staff in permanent positions, 716 in temporary posts and 9,243 on contract. This situation could change if commodity prices continue to decline further in 2017 and 2018, as employment creation in the mining sector largely depends on favourable conditions in the global economic environment and the entry of new mines in the sector. This has made employment in the sector cyclical, with employment improving in boom years and declining in lean ones (Figure TC16).

Figure TC16: Employment in mining, 2006–2015



Source: Chamber of Mines of Namibia

Although the mining and quarrying sector has, on average, experienced a net increase in employment, some companies have reduced their labour force as a result of low commodity prices as they cut production. Weatherly mine retrenched 215 workers when their two mines were placed under care and maintenance. Similarly, the labour force at the Rössing Uranium and Trekkopje Mines respectively declined from 1,592 and 154 workers in 2012, to 953 and 38 workers by 2015. In addition, the anticipation that Langer Heinrich Uranium Mine may halt production during 2017 and 2018 could result in more job losses in the mining sector.

Implication for an impact on job cuts in the sector have implications for the standard of living and poverty levels in Namibia, and these effects could spill over to other industries if low commodity prices persist. Although the mining sector absorbs only about 2.0 percent of the total number of employed persons on average, the sector is one with high-paying jobs. Thus, if mining starts cutting down on jobs, it will weigh down on the economy not only in terms of employment, but also in terms of lower consumption demand, especially in mining towns, resulting in high poverty levels and reduced standards of living. Employment in businesses that supply goods and services to the mining industry – which, according to estimates, employ more workers than the industry itself – may also be affected negatively.

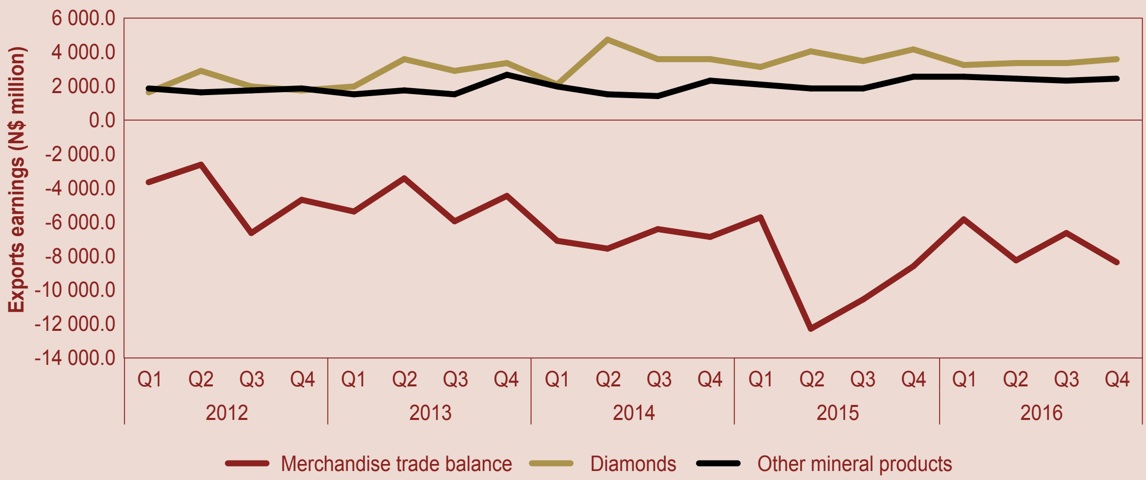
Impact on other macroeconomic variables

Current account

Namibia's export earnings from minerals increased slightly in 2016. Namibia receives about 40.0 percent of its export earnings from diamonds and other mineral products. Since minerals constitute a large portion of the country's exports, a change in commodity prices has a significant impact on the value of exports and, consequently, on the current account. A reduction in commodity prices during the period under review have resulted in export earnings from minerals declining. Namibia's export earnings from minerals is estimated to have registered a slower growth rate of only 0.6 percent in 2016, compared with 25.6 percent, 10.9 percent and 9.5 percent in 2013, 2014 and 2015, respectively. In addition, a higher investment in the mining sector induced expectations that export earnings would increase significantly. However, these expectations were not realised, as some new mines delayed commencing production, while others were put on care and maintenance in an effort to weather the low price environment.

Despite the above, the overall merchandise trade balance improved in 2016 in comparison with 2015 (Figure TC17). This upward movement could be attributed to slower growth in total imports caused by scaled-down construction activities in the mining, construction and public sectors. On average, the country's total imports rose by only 0.3 percent in 2016 compared to a 14.4 percent increase the year before (Figure TC18). The improvement in total exports can further be attributed to increased export earnings, mainly from uranium and gold. The uranium exports volume increased by 32.5 percent in 2016, from 3,254 metric tonnes exported in 2015 to 4,310 metric tonnes exported in 2016, whereas exports of gold grew by 13.6 percent, from 5,900 kg in 2015 to 6,700 kg in 2016.

Figure TC17: Merchandise trade balance, 2012–2016



Source: Bank of Namibia

On the other hand, export earnings from diamonds, zinc and copper declined during 2016 in relation to these earnings in 2015. Thus, diamond exports revenue fell by 12.5 percent in 2016 on the back of low volumes produced and the low quality of carats mined during 2016, while exports of zinc concentrate declined significantly – i.e. by 29.0 percent in 2016 – due to low production resulting from industrial strikes. Export volumes of copper blister in 2016 dropped by 10 percent when compared with their 2015 counterparts, namely from 44,623 metric tonnes in 2015 to 40,034 metric tonnes in 2016. Despite the improvement in the trade balance from 2015 to 2016, the estimated overall current account deficit remains relatively large at N$4 511 million in 2016 compared to N$2 658 million in 2014.

Figure TC18: Total imports and exports growth rates, 2009–2016

Source: Bank of Namibia

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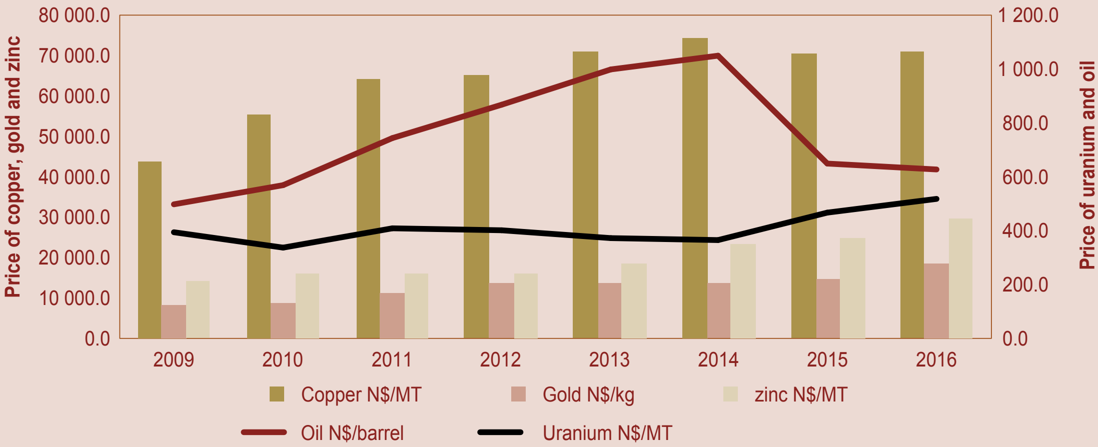
Exchange rate

The depreciation of the Namibia Dollar softened the negative effects of low commodity prices, while at the same time it countered the benefits of the low prices of oil and other imported commodities. During 2015 and 2016, the Namibia Dollar depreciated by an average of 17.6 percent and 15.5 percent, respectively, against the US Dollar, as a result Namibian exports became more competitive in the international market. The depreciation of the Namibia Dollar, which is pegged to the Rand on a one-on-one basis, was linked not only to the impact of low commodity prices, but also to political factors in South Africa. The negative effect of low commodity prices during this period was softened out by the depreciation of the Namibia Dollar. This is in the sense that, when a currency depreciates, exported goods become competitive in the international markets. Figure TC19 below depicts commodity prices in Namibia Dollar.

Figure TC19: Commodity prices in local currency terms, 2009–2016



Source: International Monetary Fund

Inflation

Overall, inflation in Namibia increased in 2016 compared with 2015. Inflation averaged 6.7 percent in 2016 compared with only 3.4 percent in 2015. The rise was mainly due to domestic conditions, where prices climbed in major categories such as housing, water, electricity, gas and other fuels, transport and food. The international food price index increased slightly, i.e. from 141.0 in 2015 to 143.6 in 2016, while the inflation rate associated specifically with food in Namibia increased from 5.6 percent in 2015 to 10.8 percent in 2016. The latter increase was linked to the effects of the drought as well as high international food prices. Moreover, international oil prices were generally low in 2016. The effect of these low prices was offset by the weak exchange rate, however, which resulted in a marginal rise in the pump price of petrol, namely by 0.5 percent, from N$10.4 in 2015 to N$10.5 in 2016. Conversely, compared with 2015, the price of diesel 500 ppm was reduced by 3.8 percent to N$10.0 a litre in 2016, while diesel 50 ppm fell by 4.2 percent to cost N$10.1 a litre for the reporting year. Overall, however, low commodity prices had little impact on the general rise in prices in Namibia.

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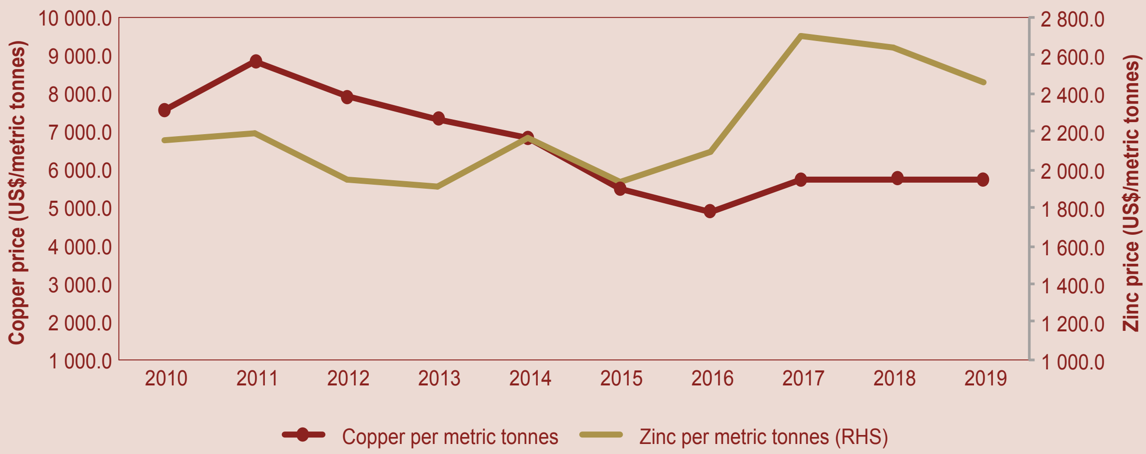
THE OUTLOOK ON COMMODITY PRICES

Commodity prices are projected to rise in 2017. In this regard, the IMF forecasts that crude oil prices will register an average of US$54.9 a barrel in 2017, up from US$43.0 a barrel in 2016, following agreements amongst some OPEC and non-OPEC producers to limit output in the first half of 2017. The prices of metals are also projected to lift by 11.0 percent on average in the year ahead following supply constraints, including the closure of large zinc mines, coupled with strong demand from China and advanced economies alike. Furthermore, the IMF's anticipation is that China, India and Japan will expand their nuclear energy capacities, thereby increasing demand for uranium.

Prices for zinc and copper are projected to rise in 2017. The IMF projects that copper and zinc prices will increase in 2017 before they ease in 2018 (Figure TC20). The expected moderation in the price of copper in particular from 2018 onward is explained by an oversupply internationally, as new capacity is expected to join the market in the next two to three years. On the other hand, the projected decline in zinc prices is linked to an expected supply boost, partly from two large new mines – Gamsberg and Dugald River both in Australia – planned for commissioning in the next two years, and partly from a number of small mines in China.

Figure TC20: Copper and zinc price outlook, 2010–2019

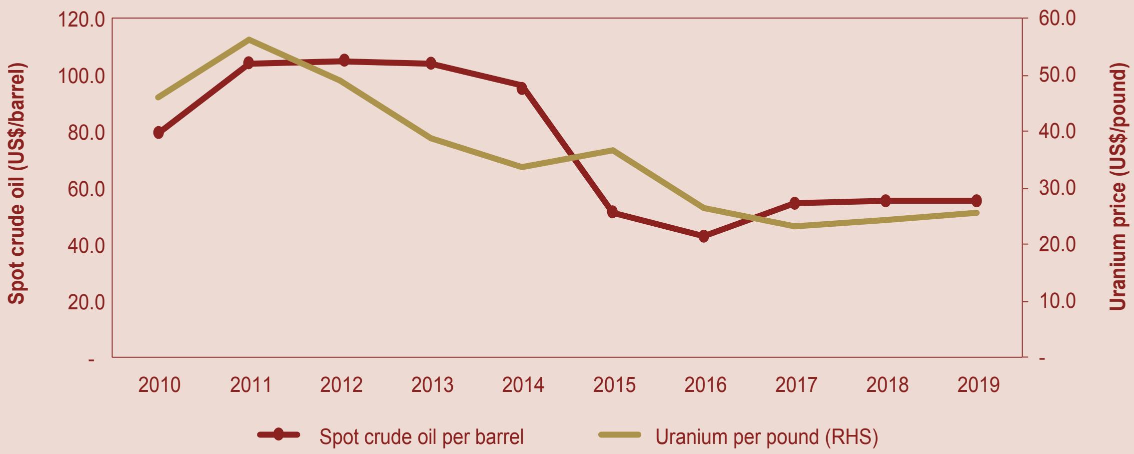


Source: International Monetary Fund

There are both upside and downside risks to the outlook for metal prices. Upside risks include stronger global demand, a slower increase in production, and policy actions that could limit supply and exert upward pressure on prices. Downside risks comprise slower demand from China and production that is higher than expected, including the resumption of idle capacity.

The IMF projects the uranium price to be relatively flat, while that of spot crude oil is likely to increase in 2017 and 2018. The relatively flat price for uranium in 2017 should rise slightly in 2018 if demand from China, India and Russia increases as expected, while the anticipated upward trend in oil prices is associated with OPEC's agreed reduction in oil supplies (Figure TC21). The agreement stipulates that OPEC member states should reduce crude oil output to 32.5 million barrels a day (mbd), effective from January to June 2017. The OPEC production cut was the first since 2008, while the joint OPEC/ non-OPEC curtailment was the first since 2001. The bulk of actual cuts is expected to come from OPEC Gulf Cooperation Council countries and the Russian Federation, amounting to about 1 mbd in the first quarter of 2017. This is expected to help draw down stocks in 2017.

Figure TC21: Uranium and spot crude oil price outlook, 2010–2019



Source: International Monetary Fund

Both upside and downside risks to the crude oil prices forecast remain. On the upside, stronger demand and greater compliance by OPEC/non-OPEC producers could accelerate the rebalancing of supply and demand in the market and contribute to a rise in prices. Furthermore, if the rebound in US shale oil production is slower than expected, it could limit supply and cause prices to increase. On the downside, weak compliance with the OPEC agreement and rising output from Libya and Nigeria could delay the supply/demand rebalancing and exert downward pressure on prices.

CONCLUSION AND RECOMMENDATIONS

Commodity prices, which have been rising since 2009, started trending downwards since 2012 and only started to recover late in 2016. The low prices resulted in the contraction of the mining sector, which dragged down economic growth in Namibia. The share of mining in GDP has shrunk as a result. Locally, low commodity prices have had an impact on uranium, copper and other ores such as manganese, resulting in production declines and some mines being placed under care and maintenance. Similarly, low prices have compromised the sector in terms of restrained investment, with several mining projects put on hold pending improvements in market conditions. Moreover, the negative effect of low commodity prices was exacerbated by unfavourable technical and operational conditions for diamond and zinc mining.

The low commodity prices have also affected the Namibian economy via the trade channel

and Government revenue. Trade with Angola has been severely affected, to the detriment of growth in the wholesale and retail trade sector. The effects emanating from low commodity prices in general, combined with a generally weak economic environment due to the severe drought, affected Government revenue as well. This necessitated fiscal consolidation, which affected the construction and public administration sectors.

As regards to other macroeconomic variables, the impact of low commodity prices had mixed effects. Mining companies, for example, are under pressure to rein in their labour costs as a result, with several companies reducing their labour force. Export earnings from mining have increased, but only marginally, reflecting the constraints that low commodity prices have placed on production in the sector. On the positive side, the kerb on mining investments has also resulted in the current account balance easing over the short term. The depreciation in the Namibia Dollar's exchange rate softened the negative effect of low commodity prices to some extent, while it worked against gaining the benefit of low prices for oil and other imported commodities. Nonetheless, despite low international commodity prices, their effect on Namibia's inflation was marginal.

Going forward, the current environment of low global mineral prices poses a risk and challenge to resource-dependent exporting nations such as Namibia, as such conditions have a significant impact on Government revenue. Thus, while the projection of improved commodity prices holds potential for enhanced performance in the mining sector, the expected decline in zinc and copper prices represents a downside risk to the sector. In particular, the low prices for zinc, which is already facing non-price challenges, may end up causing massive worker lay-offs. If the trend continues, low global commodity prices in 2017 and 2018 entail that Namibia may continue to experience fiscal challenges linked to revenue constraints.

The challenges and risks from the mining sector make it crucial for Namibia to intensify efforts to diversify its economy away from primary commodity exports. This can be achieved by focusing on exporting other goods, namely from the manufacturing and services sectors. The recycling nature of the mining sector and its revenues underline the need to save a large part of windfall revenues and build reserves in good times, so as to be more robust in difficult times.

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C

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Part D

Banking supervision

Content

INTRODUCTION

The domestic banking sector performance remained sound, despite some weaknesses that surfaced during 2016. This performance was supported by adequate levels of capital as well as positive earnings. Liquidity of the banking sector was under pressure towards the end of 2016, due to limitation in the funding structures and deposit mix of banking institutions. Nonetheless, asset quality deteriorated slightly, due to higher non-performing loans (NPLs) recorded although NPL ratio improved, which points to continued pressure on consumers' disposable income.

DEVELOPMENTS RELATING TO BANKING LEGISLATION

The Bank continued to amend and/or propose few secondary legislative changes under the Act during 2016. These included:

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(a) **Draft Determination on Outsourcing of Certain Activities or Functions of Banking Institutions (BID-26)**
The purpose of the Determination is to set out the requirements that banking institutions are required to observe in assessing and managing risks relating to outsourcing relationships. The draft Determination has been shared with the industry and is yet to be gazetted.

(b) **Determination on the Appointment, Duties and Responsibilities of Directors, Principal Officers, and Executive Officers of Banking Institutions and Controlling Companies (BID-1)**
This is an existing Determination and is intended to set out guiding principles relating to corporate governance in banking institutions and their controlling companies. The Determination has been amended to provide for the approval of Executive Officers, before they assume executive positions at banking institutions and bank controlling companies. The amendments are in line with the relevant provisions of the Banking Institutions Amendment Act, 2010 (Act No. 14 of 2010) as well as international best practice. The amended Determination was published in the Government Gazette on 24 January 2017.

(c) **Regulations on the Loan-to-value (LTV) ratio for banks**
These are new Regulations intended to introduce various loan-to-value ratios in respect of mortgage loans granted by banking institutions to individuals to acquire second and subsequent residential properties. These Regulations set out the procedures for determining the loan-to-value ratio restrictions when banking institutions grant mortgage loans to second, third or fourth time borrowers, whatever the case may be, for the purchase or construction of non-primary residential properties in Namibia. Following the publication of these Regulations in the Government Gazette in September 2016, a consumer education campaign was launched that will run until March 2017. After 22 March 2017, all banks are required to comply with the Regulations.

(d) **The Guidelines on Agent Banking**
This Guideline is intended to provide a framework for agent banking as a delivery channel for offering banking services in a cost-effective manner. The draft guideline has been shared with the industry and sign-off is still awaited from one banking institution before the Bank will commence the gazetting process.

(e) **Determination on the Appointment, Duties and Responsibilities of an Independent Auditor of a Banking Institution (BID-10)**
The status of this Determination is that consultation with the banking industry has been concluded and the Determination will be gazetted after the banking industry sign-off is received.

(f) **Securitisation**
The Bank has revised the draft Exemption Notice for securitisation schemes in Namibia. The Exemption Notice deals with the designation of an activity as not falling within the scope of the definitions of banking business and receiving funds from the public as contemplated in the Act. In

terms of the Exemption Notice, *a*ny institution or entity that is not authorised to conduct banking business but intends to engage in securitisation transactions as an originator must be exempted by the Minister of Finance from the application of the Act in relation to the definition of "receiving funds from the public" under paragraph (ab) of section 1(1) of the Act. The Exemption Notice is intended to provide regulatory guidance to both banking and non-banking institutions on matters relating to the establishment and treatment of securitisation transactions. The Bank has commenced with the industry consultation on the revised Exemption Notice.

(g) Deposit Guarantee Bill

The purpose of this proposed legislation is to establish a Deposit Guarantee Scheme for Namibia and to provide for its management, functions and powers. In addition, the law will establish a Deposit Guarantee Fund for the compensation of depositors in the event of financial institutions becoming insolvent, and will provide for the Fund's administration and application, and for incidental matters pertaining to such a Scheme. The Bill will be submitted to the Minister of Finance soon for consideration, after which the enactment process will ensue.

LICENSING OF BANKING INSTITUTIONS

The reporting year saw the Bank issuing final certificates of authorisation to two additional banking institutions and two credit bureaus. The two banking newcomers were provisionally licensed in 2015 and have since met all the requirements for final certification. The two newly authorised banking institutions are Bank BIC Namibia Ltd and Letshego Bank Namibia Ltd, who were authorised to conduct banking business in Namibia on 1 June 2016 and 31 July 2016, respectively. In addition, the Bank certified Compuscan Credit Reference Bureau (Pty) Limited on 22 January 2016 and TransUnion Namibia Limited on 22 April 2016 as being authorised to conduct credit bureau business in Namibia.

PYRAMID SCHEMES/ILLEGAL BANKING BUSINESS

The Bank assessed the business models of three entities operating in Namibia and concluded that their business models resembled prohibited schemes in terms of the Banking Institutions Act. These schemes are Four Corners Namibia, Grow Big Corporation and Mema Affiliate Marketing. The Bank informed the promoters of Four Corners and Mema Affiliate of its findings and directed the two enterprises to repay any money they had collected via such channels from members of the public and to cease all their operations in Namibia.

ON-SITE EXAMINATION AND OFF-SITE ANALYSES

During 2016, structural changes was a key focus to ensure that the Bank is geared towards continuously fulfilling its mandate to safeguard and enhance financial stability. In line with the continually evolving nature of the financial industry and the expanding institutions that are supervised, the Bank deemed it fit to effect organizational changes which separated the team that carry out on-site inspections from the team which carry out offsite surveillance activities.

During 2016, the Bank carried out six on-site examinations to promote the development of sound risk management practices within banking institutions. The Bank scheduled four targeted on-site examinations during the reporting year to check that banking institutions had sound risk-management systems, adequate internal controls, and appropriate contingency arrangements to address risks that may materialise into stress conditions, to maintain prudent levels of capital to serve as buffer against possible losses. In addition, the Bank conducted two pre-opening inspections to establish whether banking institutions issued with provisional licenses were ready to conduct banking business. Following this pre-opening inspection, the Bank reserves the right to refuse or grant the application, or to grant the application subject to such conditions as it may impose. Furthermore, the Bank carried out follow-up activities on previous examinations conducted in prior years to establish whether the recommended corrective actions had been implemented. Supervisory actions were instituted where the risk had not been mitigated adequately.

The banking sector remain stable, although liquidity pressures required sustained monitoring by the Bank. Mortgage loans continue to be the most concentrated and significant asset on balance sheet, accounting for more than 50 percent. Any distress in this asset class could potentially carry systemic impacts on financial stability. Thus, in order to mitigate the risk of incurring unexpected losses beyond the capacity of capital base to absorb them, the Bank continuously reviews whether risk-management practices are still sound, as well as compliance to minimum prudential requirements. During the reporting year, the Bank noted volatility in the banking industry's overall liquidity position, which has also increased their cost of funding. To this end, the Bank will continue to monitor that banks have sufficient buffers to withstand any market distress.

DEVELOPMENTS RELATING TO THE CREDIT BUREAU LEGISLATION

During 2016, the Bank continued to implement an effective framework for supervising credit bureaus, in line with the Credit Bureau Regulations of 2014. The Bank, with the assistance from the Gesellschaft für Internationale Zusammenarbeit (GIZ), benefited from the experience of a credit bureau expert in developing a data-sharing template mechanism between credit providers and credit bureaus, on one hand, and the Bank and credit bureaus, on the other. In addition, the expert provided consulting services to the Bank on training and capacity development needs for all credit providers and credit bureaus in Namibia. During the year under review, the Bank also undertook two on-site missions in South Africa and engaged the South African Credit and Risk Reporting Association (SACCRA), Credit Ombudsman, Ombudsman for Banking Services, amongst other credit market players. The purpose of the visit was to gain a better understanding of the credit information sharing arrangements in South Africa, and the role, mandate and delivery model of the various role players. The consultant worked extensively with the Bank's team to facilitate the capacity building efforts aimed at developing skills required for the effective supervision of credit bureaus.

Engagements with credit information providers and credit bureaus revealed an absence of a formal data specification template, which seemed to be the largest obstacle to full data compliance with the Credit Bureau Regulations in Namibia. However, successful negotiations led to Namibia's adoption of the SACCRA Layout 700v2 as the de-facto data specification template. As a result, the Credit Providers Layout Version 1 (CPLv1) was created for Namibia as the reporting template for the credit providers to report directly to the credit bureaus. Regular meetings also took place during the year between the Bank and credit bureaus to discuss and resolve various technical operational issues.

In addition to the above mentioned, credit bureaus were required on a monthly basis to report credit information to the Bank through statutory returns. Off-site analysis of the submitted returns showed that the largest credit providers, such as banking institutions, micro-lenders and retailers were generally not complying with the Credit Bureau Regulations. However, the credit providers submitted detailed project plans that are monitored closely by the Bank to ensure the necessary system are developed and implemented to warrant full compliance with the Credit Bureau Regulations.

PERFORMANCE OF THE BANKING SECTOR

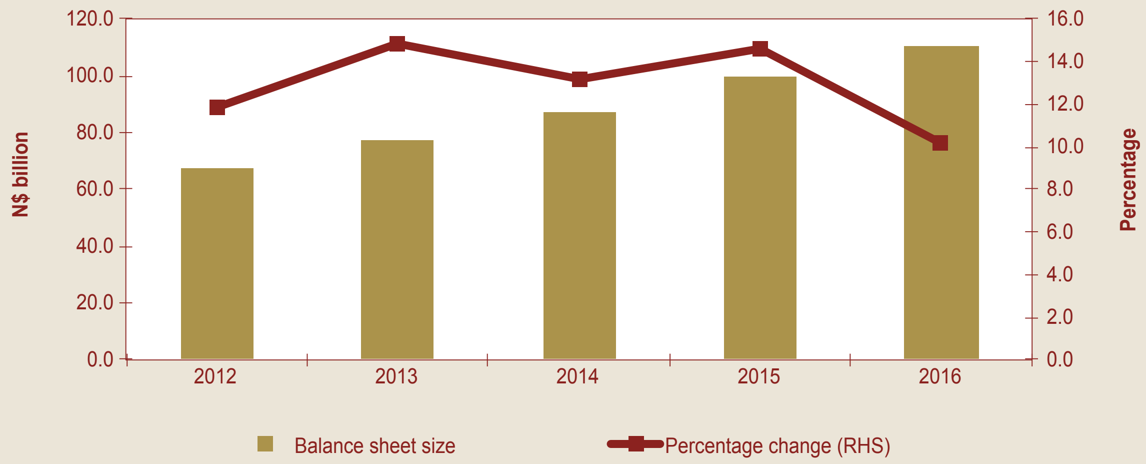
This section analyses the performance and financial condition of the banking sector, which comprises the four biggest commercial banking institutions. The banking sector continued to be dominated by these institutions, namely First National Bank Namibia Limited, Standard Bank Namibia Limited, Nedbank Namibia Limited and Bank Windhoek Limited, which collectively held 98.0 percent of the total banking assets in Namibia as at 31 December 2016. The specialized banking institutions are excluded from this analysis as most of them are nascent, having been in existence for less than five years, while their total assets comprise merely 2.0 percent of the total banking industry.

BALANCE SHEET STRUCTURE

The industry balance sheet grew during 2016, although at a slower pace compared to 2015. The balance sheet of the total banking sector increased by 10.1 percent to N$110.1 billion as at 31 December 2016, as against 14.6 percent growth recorded at the end of 2015 (Figure D.1). The increase was mainly noted in total loans and advances on the asset side, which was supported by the growth in non-bank funding in the form of deposits on the liability side.

Figure D.1: Aggregated Balance Sheet

Balance Sheet growth remained positive.



ASSET STRUCTURE

Net loans and advances, short-term negotiable securities and cash and balances were the dominant categories under assets. The growth in banking sector assets was chiefly attributed to the increase of 8.9 percent in net loans and advances, and of 13.6 percent in short-term negotiable securities. Thus, net loans and advances increased from N$77.1 billion to N$84.0 billion and accounted for 76.3 percent of the banking sector assets in 2016, which shows a decrease from 78.2 percent recorded for 2015. Short-term negotiable securities amounted to N$8.9 billion and accounted for 8.1 percent of total assets, which is higher than 7.9 percent in 2015. Cash and balances grew by 9.1 percent to N$8.8 billion in the reporting year, constituting 8.0 percent of total assets - which coincides with the portion recorded for 2015. The remaining assets stood at N$8.4 billion and accounted for 7.6 percent of total industry assets.

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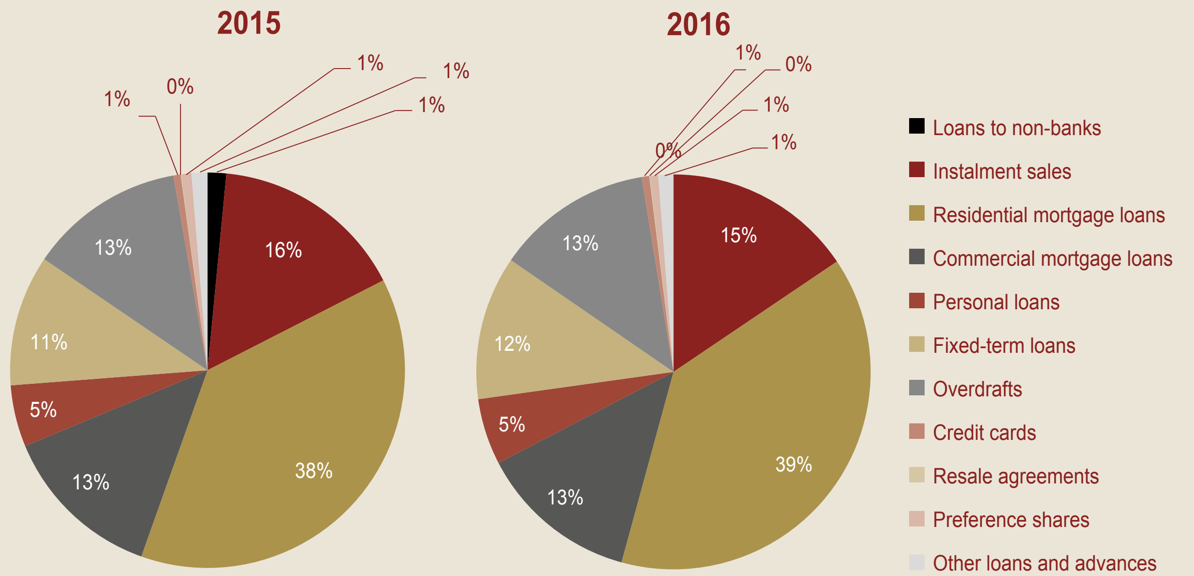
Mortgage loans continued to top the list in terms of the composition of the loan book for 2016. Mortgage loans[24] constituted the largest part of the total loan book at 51.4 percent which is a slight increase from 51.3 reported in 2015. Instalment sales made up 15.4 percent of the total loan book, having declined from their 2015 level of 16.0 percent. Overdrafts comprised the next largest portion at 12.7 percent, followed by other fixed term loans at 11.7 percent. The remaining loan categories accounted for 8.8 percent of the total loan book (Figure D.2).

Figure D. 2: Composition of Total Loans and Advances

Mortgages dominated with the largest share in loans and advances.



The banking sector experienced subdued growth in all major loan categories with the exception of personal loans, which recorded a slightly higher increase. Loans and advances grew by 9.1 per cent to N$43.7 billion in 2016, due principally to a higher value recorded for mortgage loans. Other fixed term loans, which recorded a 18.7 percent rise to close at N$9.9 billion for the reporting year. Overdrafts clocked in 8.7 percent higher to settle at N$10.8 billion, while personal loans jumped by 15.9 percent to N$4.6 billion. Growth in instalment sales was recorded at 5.2 per cent for the reporting period, bringing the total to N$13.1 billion.

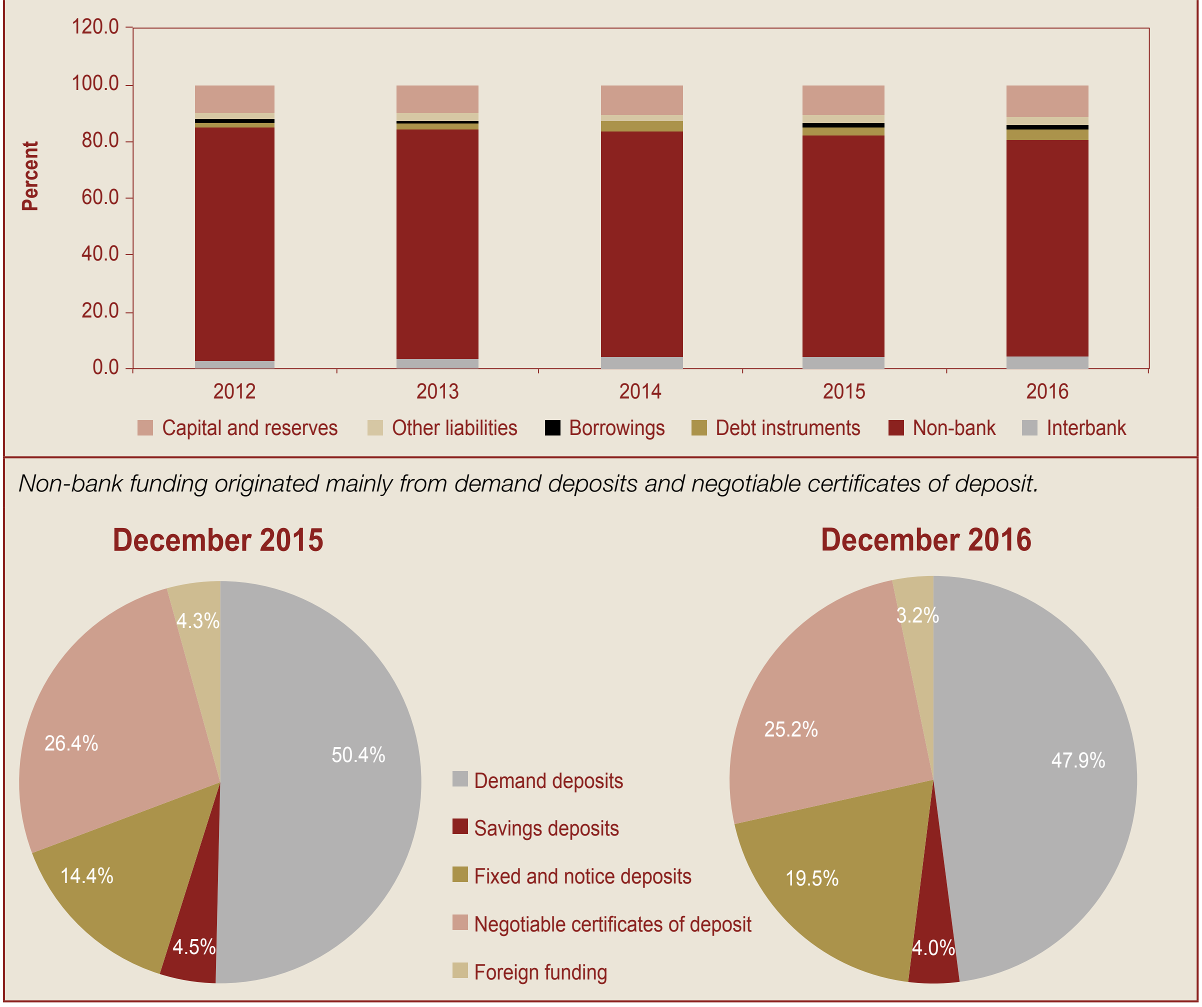
FUNDING STRUCTURE

The banking sector funding structure remained relatively unchanged and non-bank funding remained the single largest component. The structure of banking institutions' funding and capital determines the cost of funding which is integral to stability of a bank. Therefore, banking institutions aim to obtain more stable sources of funding – an activity that is driven by competition for funds and market conditions. In this regard, non-bank funding increased by 7.8 percent to N$83.9 billion in 2016, and accounted for 76.2 percent of total funding, down from 77.8 percent in 2015. Capital and reserves as well as interbank funding accounted for 11.1 and 4.3 percent of total funding, respectively (Figure D.3). All the other liabilities in the funding market accounted for the remaining 8.5 percent of total funding.

24 Mortgage loans refer to commercial and residential mortgages.

Figure D.3: Funding Structure

Non-bank funding and equity capital remained the main sources of funding.



Demand deposits remained the principal source of funding for banking institutions, followed first by negotiable certificates of deposits and then by fixed and notice deposits. Demand deposits represented 47.9 percent of total deposits in the reporting year, compared with 50.4 percent in 2015. As a result, the maturity structure of bank deposits continued to be skewed towards short-term rather than long-term deposits (Figure D.3). Trailing behind demand deposits in terms of the total were negotiable certificates of deposits at 25.2 percent share and fixed and notice deposits at 19.5 percent share. Savings deposits and foreign funding accounted for 4.0 percent and 3.2 percent, respectively, of the total.

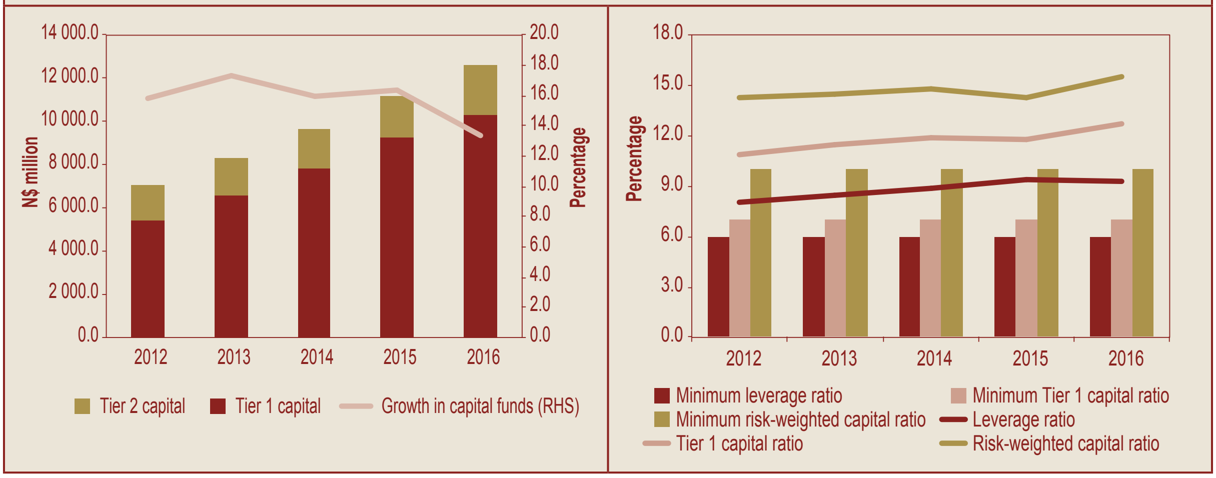
CAPITAL ADEQUACY

The levels of capital maintained by the banking sector during 2016 were adequate in respect of supporting risks in banking business and protecting banks against future potential losses. Capital stood well above minimum regulatory requirements of 10.0 percent for the risk weighted capital ratio (RWCR) and 7.0 percent for Tier-1 capital ratio. The tier 1 leverage ratio was also above the regulatory limit of 6.0 percent. At this level, banking institutions are expected to counter the risk of excessive leveraging in the foreseeable future.

The industry witnessed an increase in total qualifying capital during the period under review. During 2016, total qualifying capital increased by 13.3 percent to N$12.6 billion. The growth since 2015 levels resulted in a 11.3 percent climb in Tier 1 capital, representing a N$1.1 billion increase and bringing the total for the reporting year to N$10.3 billion. The N$1.1 billion elevation in Tier 1 capital was directly attributable to an equivalent increase in general reserves (Figure D.4).

Figure D.4: Capital adequacy elements and ratios

Banking operations in Namibia remained adequately capitalised, however, the growth in total qualifying capital was subdued in 2016, compared to 2015.



Banking institutions held adequate capital in relation to risk weighted assets, during 2016. Growth in qualifying capital slackened to 13.3 percent compared with 15.6 percent during 2015. RWCR increased from 14.3 percent to 15.5 percent at December 2016, as opposed to the decline reported in the previous year (Figure D.4). The ratio's gain was linked to an increase in general reserves, unaudited profits and general provisions. Similarly, the rise in overall capital levels led to a higher Tier 1 capital ratio for the reporting period, namely from 11.8 percent in 2015 to 12.7 percent in 2016. In contrast to the aforesaid, the leverage ratio declined slightly, i.e. from 9.4 percent a year ago, to 9.3 percent in 2016, as the growth in gross assets of 12.4 percent outpaced the growth in tier 1 capital of 11.3 percent.

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CREDIT RISK[25]

Analysis of non-performing loans

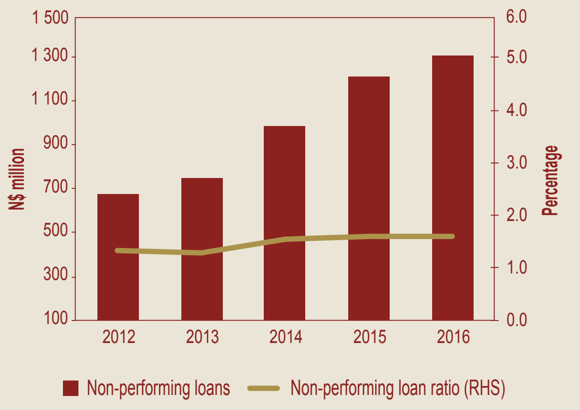
The quality of assets remained healthy during the year under review, despite the increases noted in NPLs. NPLs in the banking sector climbed due to a higher interest rate environment and slowdown in economic activities. Thus, NPLs increased by 8.4 percent to N$1.3 billion. The increase was prominently driven by the mortgage loans category, which jumped by 18.4 percent to N$775.3 million. Non-performing overdrafts rose by 7.5 percent to N$160.1 million. On the other hand, non-performing instalment sales and leases declined by 5.3 percent to N$183.4 million. Mortgages constituted the largest portion of NPLs at 59.1 percent, followed by instalment sales and leases at 14 percent and overdrafts at 12.2 percent (Figure D.5). The large proportion of mortgage loans in terms of total NPLs coincides with the former's share in the total loan book.

The key indicator of credit quality, namely the ratio of NPLs to total loans and advances, improved slightly although the economic environment continued to be challenging. Non-performing loans ratio stood at 1.5 percent during 2016 which was marginally lower than the 1.6 percent recorded in 2015 (Figure D.5). Overall the NPL ratio remains low and within acceptable threshold of 4.0 percent. The positive results seen in the level of NPLs are due to the banks starting to apply more stringent credit administration practices.

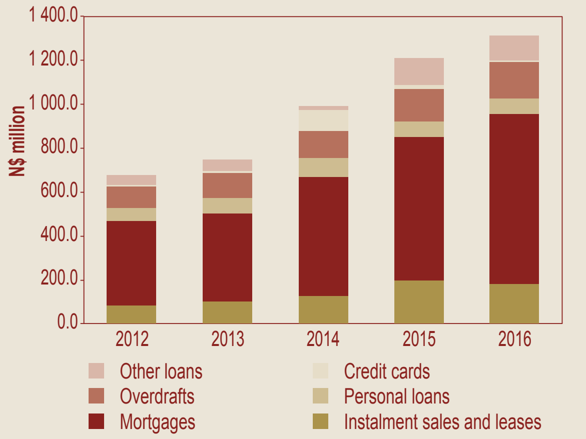
25 Credit risk is defined as the potential risk that a banking institution's borrower or counterparty will fail to meet their obligations in accordance with terms of the credit agreement.

Figure D.5: Credit Risk

Non-performing loans increased driven by mortgages.



Mortgages are the dominant category under loans and advances and in in line with expectations top the NPL portfolio.



ADEQUACY OF PROVISIONS

Specific provisions declined despite the increase observed in NPLs, but remained adequate in 2016. Specific provisions cover decreased by 21.8 percent to N$288.1 million at the end of 2016. Expressed as a percentage of non-performing loans, specific provisions declined from the 29.3 percent recorded in 2015 to 20.7 percent in 2016. Specific provisions[26] declined in relation to the increase in NPLs, as a result of an increase reported in values of the collateral held as realizable security against loans in case of non-performance.

LOAN DIVERSIFICATION AND STATUTORY LARGE EXPOSURES

The banking sector's credit concentration risk[27] remained well spread through loan diversification across various sectors and counterparties. This is essential for mitigating the risk of default in any particular industry or sector. At the end of 2016, individuals accounted for the majority of the banking sector credit, namely at 44.5 percent of total loans and advances, followed by the trade and accommodation sector at 18.6 percent and real estate and business services sector at 12.5 percent.

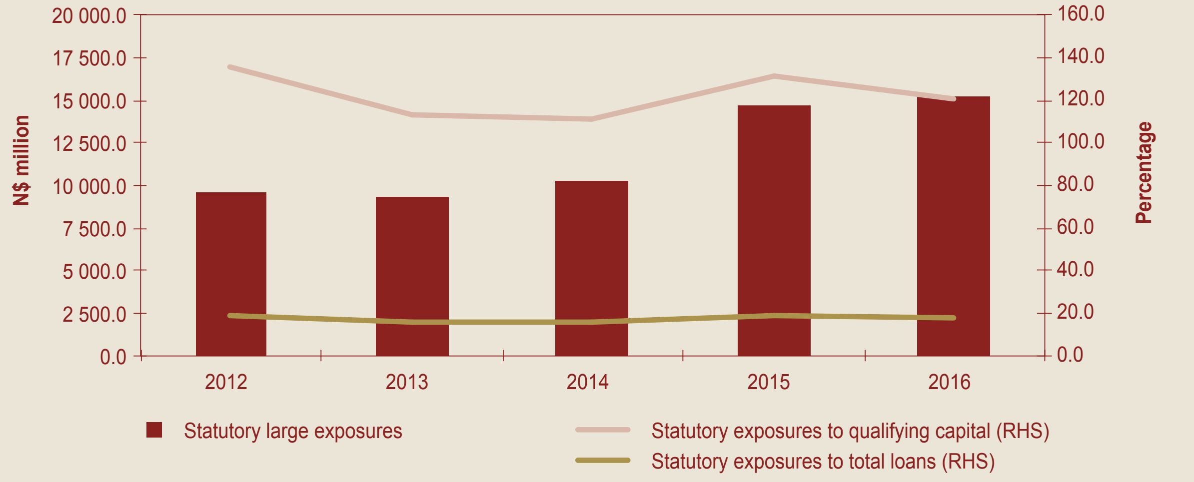
The value of large exposures increased during the reporting year, but remained within prudential limits. Large exposures to the banking institutions, i.e. exposures above 10 percent of a banking institution's capital base, amounted to N$15.2 billion in 2016. The value of large exposures increased by 4.1 percent from N$14.6 billion during 2015 to N$15.2 billion by 31 December 2016. Large exposures represented 17.9 percent of total loans, which shows a decline from the 18.7 percent reported the previous year. Large exposures in relation to qualifying capital fell from 131.1 percent to 120.4 percent as at 31 December 2016. On aggregate this ratio is well within the permissible limit of 800 percent of capital funds (Figure D.6).

26 For loans graded substandard, doubtful or loss, the net realisable value of collateral shall be deducted from the loan balance before applying specific provisioning percentages.

27 Credit concentration risk refers to the risk of loss arising from a bank's exposure to different sector and different entities.

Figure D.6 Statutory large exposures relative to total loans and capital funds

Large exposures continued to increase in 2016.



PROFITABILITY AND EARNINGS

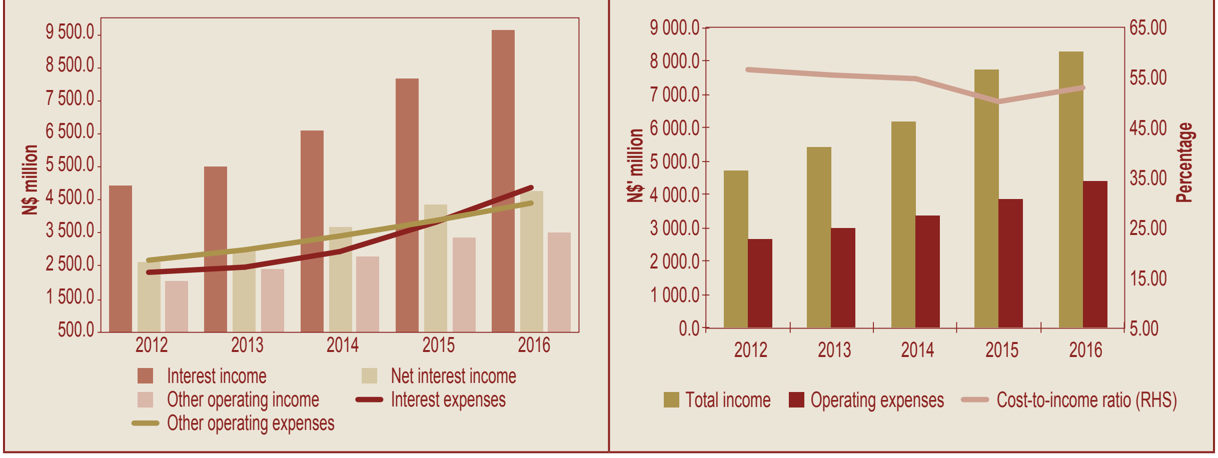
Banking industry earnings increased during 2016. Banking institutions' total income, i.e. net interest income and non-interest income, increased by N$580.6 million to N$8.3 billion. Net interest income alone increased by 9.5 percent to N$4.8 billion, while other operating income increased by 4.9 percent to N$3.5 billion. Net interest income accounted for more than half of total income, namely 57.6 percent, and stood as the largest contributor to total income. The main source of income for the banking sector was found to originate from lending and transactional banking.

The banking sector reported higher operating expenses in 2016. Operating expenses increased by N$523.4 million to N$4.4 billion, due to a N$270.9 million increase in staff costs, administration and other overheads which rose by N$152.5 million, and a N$100 million climb in other operating expenses. At 51.7 percent, staff costs made up the bulk of operating expenses, followed by administration and other overheads at 24.8 percent, other operating expenses at 11.6 percent, occupancy expenses at 6.6 percent, and depreciation and amortisation at 5.3 percent.

Figure D.7: Profitability and Earnings

The banking institutions recorded higher operating expenses resulting in a weaker efficiency ratio.

Key income statement indicators | *Banking sector efficiency indicators.*



The cost-to-income ratio deteriorated during 2016, highlighting the challenges associated with cost management and efficiency strategies. The efficiency ratio, (operating expenses/total income) increased from 50.2 percent in 2015 to 53.0 percent in 2016 (Figure D.7). The efficiency ratio indicates the relative effectiveness of expense control and the extent to which net non-interest expense offsets total income. The ratio stood above the international benchmark of 50.0 percent in 2016, which indicates running costs of banking institutions remained high. Nonetheless, the ratio remained below the Bank's internal threshold of 65.0 percent.

The banking sector remained profitable in 2016 with after tax profits having increased slightly, compared to a year ago. The banking sector's net profit after tax increased by 1.8 percent to N$2.5 billion. This increase, which reflects the rise in total income, is attributable to a slight decline in the return-on-assets 2.5 percent to 2.3 percent, while the return on equity (ROE) decreased from 24.5 percent to 24.1 percent (Table D.1). During the reporting year, the increase in net profit after tax was less significant compared to growth in equity causing the latter ratio to decline.

Table D.1: ROA and ROE ratio

Earnings (percent)	2012	2013	2014	2015	2016
Return on Assets ratio (ROA)	2.0	2.1	2.4	2.5	2.3
Return on Equity ratio (ROE)	21.0	20.9	24.0	24.5	24.1

The banking sector continued to extend their branch network in 2016. Thirteen branches were established during 2016, while seven agencies were closed during the period under review (Table D.2).

Table D.2: Bank Branch Network

Description	2011	2012	2013	2014	2015	2016
Branches	99	99	105	111	126	139
Agencies	72	72	73	73	68	61
Total	**171**	**171**	**178**	**181**	**194**	**200**

The banking industry increased its permanent personnel complement during the reporting year. The total number of personnel employed by the banking industry increased by 5.7 percent to 6 233 as at 31 December 2016. Temporary personnel decreased by 11.7 percent to 331 as more staff got permanent employment, while permanent personnel increased by 6.8 percent to 5 902 during 2016 compared to 5 524 staff in 2015 (Table D.3).

Table D.3: Bank Staffing Levels

Description (Number of Employees)	2012	2013	2014	2015	2016
Permanent Personnel	4 858	5 122	5 231	5 524	5 902
Temporary Personnel	301	204	357	375	331
Total	**5 159**	**5 226**	**5 422**	**5 899**	**6 233**

FRAUD AND OTHER ECONOMIC CRIME

The banking sector experienced a significant decline in the levels of fraud and other related economic crimes during 2016. Banks implemented fraud awareness campaigns to inform the public to be more vigilant and guard against fraud. This tactic worked well during the reporting year, since the amount involved in fraudulent activities decreased from N$38.8 million in 2015 to N$30.9 million in 2016, while the actual amount of financial loss fell to N$13.6 million in 2016 from N$15.6 million, a year ago (Figure D.8). The banking sector indicated that N$2.8 million, i.e. 9.3 percent of the amount of fraud involved could potentially be recovered. This potentially recovery is in addition to N$7.8 million that was actually recovered during the year. The likelihood of recovering the remainder, namely N$2.9 million, will be determined once investigations have been finalised.

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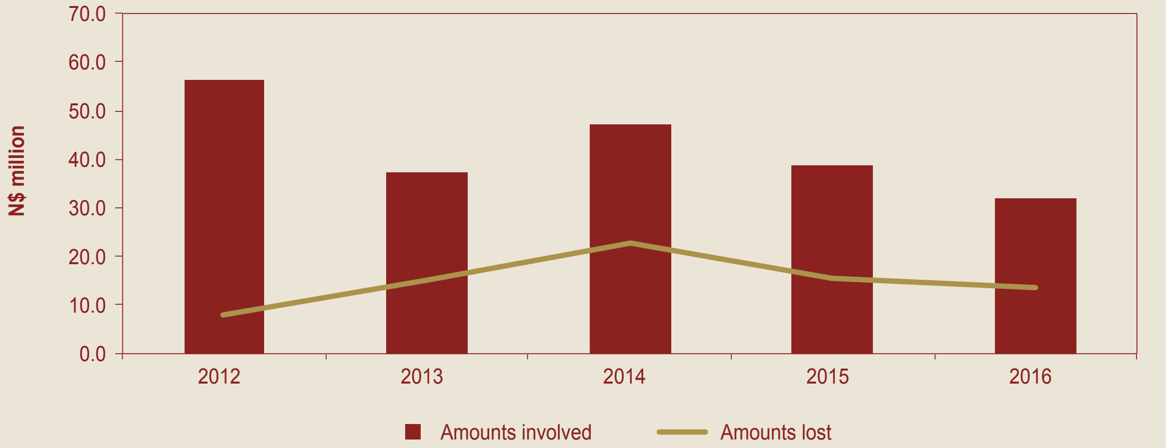
Figure D.8: Fraud and other economic crime

The incidents of fraud reported decreased, resulting in lower fraud volumes. This positive development was assisted by enhanced customer awareness.



During 2016, the categories of fraud experienced by banking institutions included ATM fraud, credit-card fraud, cheque fraud, currency counterfeit fraud and theft of cash. The fraud occurred as a result of actions by outsiders, inadequate internal controls, failure to adhere to bank procedures, manipulation of authorised signatories, manipulation of negotiable instruments and manipulation of accounting records. However, since the level of fraud showed a decline since 2015, this could indicate that banking institutions' education campaigns for their customers to be more vigilant are bearing fruits. Fraud remains a global concern; thus, banking institutions are mandated to strengthen their operational risk management through proper monitoring systems and adequate internal controls.

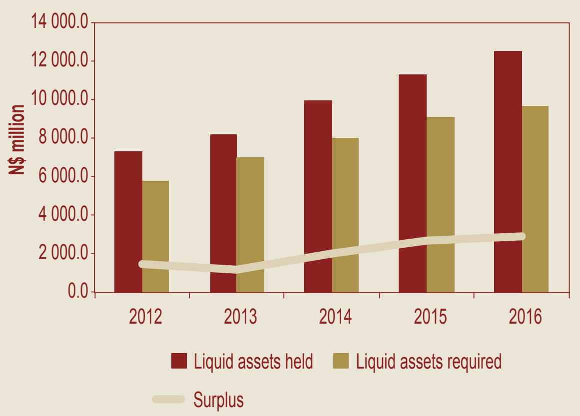
LIQUIDITY

The banking industry maintained liquid assets above the minimum prudential limit of 10.0 percent during the year under review (Figure D.9). Thus, the industry remained fairly liquid.

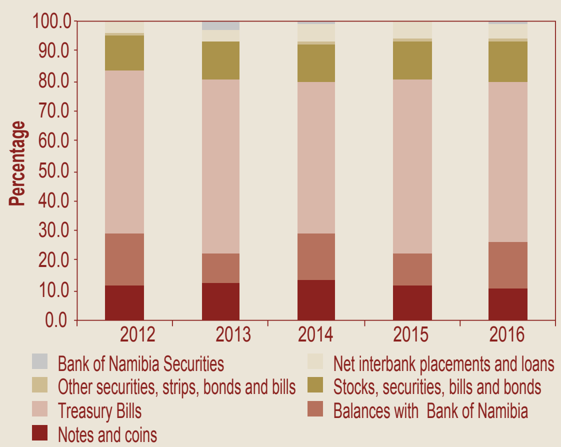
Figure D.9: Liquidity

The banking sector complied with the statutory minimum in respect of liquid assets in 2016. Treasury bills held the dominant share in these assets during the reporting year.

Liquid assets held and statutory required



Composition of liquid assets



For 2016, the banking sector's liquid assets held remained adequate and above the minimum amount required by statute. The banking industry liquid assets stood at N$12.5 billion against the required minimum of N$9.7 billion, which represents a surplus of N$2.8 billion (Figure D.6). The portfolio of liquid assets held by the industry increased by N$1.2 billion during the reporting year, exhibiting a slight rise in the ratio to 11.4 percent, up from 11.3 percent recorded a year ago.

The loan-to-asset ratio declined during 2016, but remained above the international benchmark. The higher the ratio the more exposed all banking institutions are to liquidity risk, because the asset base is dominated by loans and advances. The year's ratio decreased from 77.4 percent to 76.5 percent, and was attributable to a rise in liquid asset volumes in the form of cash and balances as well as short-term negotiable securities. At 76.5 percent, the loan-to-asset ratio therefore remained above the international benchmark of 75.0 percent.

Total deposits increased at a slower pace than net loans and advances during the year under review. Consequently, the loan-to-deposit ratio increased from 100.5 percent in 2015 to 101.4 percent in 2016. The higher ratio is an indication of deposits being tied up, and hence loans and advances will have to be financed by more expensively borrowed funds to continue lending. The faster growth in loans and advances as opposed to deposits exerted pressure on banking institutions' liquidity levels.

Liquidity pressures by the banking sector is caused by limitation in funding structures. Although, the total loan to funding ratio declined from 90.3 percent in 2015 to 89.9 percent in 2016, this indicates that the banking institutions have little additional resources available beyond deposits to fund their credit growth. As market liquidity is concentrated within one or two banks, it resulted in liquidity pressure on the rest of the banking sector.

Treasury Bills continued to dominate the banking industry's qualifying liquid assets. Treasury bills constitute the largest proportion of qualifying liquid assets of the industry at 53.5 percent. Clearing account balances with the Bank of Namibia followed in second place and constituted 16 percent and stocks, securities, bills and bonds constituted the next largest component at 13 percent. Notes and coins accounted for 10.7 percent and net interbank placements and loans accounted for 5.4 percent, and Bank of Namibia securities for 0.4 percent (Figure D.6). In terms of composition, the clearing account balances with the Bank of Namibia recorded the largest increase since 2015, while Treasury Bills recorded the largest decline for the same period.

The banking industry's holdings of Treasury Bills increased marginally during the reporting period. Treasury Bills increased from N$6.6 billion to N$6.7 billion, consequently reducing their share in the industry's liquid asset composition from the 58.4 percent recorded in 2015 to 53.5 percent in 2016. Also broadening their share of total liquid assets during the year under review were the industry's balances with the Bank of Namibia; stocks, securities, bills and bonds; net interbank placements; and loans and other securities with the Bank of Namibia.

In comparison, the top ten depositors' share of the banking industry's total funding-related liabilities increased during the period under review owing to industry funding and concentration. The top ten depositors' share increased to 28.8 percent of total funding related liabilities in 2016, compared with 20.6 percent reported a year ago. Funding from large depositors in the 1-7 days' time bucket stood at N$13.2 billion, constituting 13.8 percent of total funding-related liabilities as at 31 December 2016. The exposures were primarily from the financial and investment managers (38 percent), insurance (35.2 percent), the public sector (23.2 percent) and mining (3.6 percent) sectors. If the top-ten-depositors' ratio keeps increasing, it can expose the banking industry to funding risks, since any problem in a particular sector may lead to a sudden withdrawal of funds by these depositors. In 2016, banking institutions managed the concentration risk by holding excess funding facilities to serve as contingency funding in case there is a need to repay these depositors at short notice. As at 31 December 2016, the industry reported available sources of stress funding of N$11.9 billion held in available for sale securities, unencumbered trading securities, available repo facilities, unutilised interbank funding capacity and secured funding lines.

The banking industry recorded an asset-sensitive position in foreign exchange exposures in the short-term bands (1-3 months). This position implies that in the event that local currency depreciates, the banking industry will record a gain. The currencies traded frequently are the USD and the EUR.

INTEREST RATE RISK

The banking industry recorded an increase in the net asset sensitive position, which resulted in a positive impact on the net interest margin. Liabilities repricing in 30 days increased from N$55.8 billion in 2015 to N$57.7 billion in 2016, while assets repricing in 30 days increased from N$84.0 billion in the previous reporting period to N$92.0 billion for 2016.

Liabilities subjected to variable interest rates continued to dominate the funding side of the balance sheet during the reporting year. These liabilities constituted 59.3 percent of funding compared to 62.6 percent in 2015. The remainder was shared between capital and non-rate-sensitive liabilities. Fixed-rate liabilities constituted 18.9 percent of total liabilities and capital for the reporting period, compared with the level of 16.9 percent recorded for 2015.

Variable-rate-sensitive assets lost ground to fixed-rate-sensitive assets in 2016, but dominated the asset side of the balance sheet. Assets subjected to variable interest rates constituted the largest share of total assets, but slipped slightly from the 85.6 percent level reached in 2015 to settle at 84.9 percent in 2016. This decrease resulted in an asset sensitive net repricing gap of N$34.4 billion for the 0-31-day-maturity bucket after interest rate changes. This gap indicates that assets in the particular time bucket will reprice faster to exceed liabilities and will provide opportunity for the banking industry to increase its interest income. During 2016, stress results showed that the impact of a 200 basis point interest rate shock on qualifying capital was minimal at 0.7 percent.

CUSTOMER COMPLAINTS

During the period under review, a total number of 806 complaints were reported against the banking institutions. Of these cases, 691 represented complaints that were directly lodged at the respective banking institutions, whereas the remaining 115 accounted for the disputes escalated to the Bank of Namibia for resolution (Figure D4). Furthermore, 95.2 percent of the complaints received during the reporting year were resolved whilst 4.8 percent of the complaints remained pending as at 31 December 2016.

Table D.4: Total number of complaints

Description	BON	Banking institutions	Total
Received	115	691	806
Resolved	93	674	767
Pending	22	17	39

In terms of the nature of complaints received, the majority of complaints focused on poor customer service provided by banking institutions. Poor service complaints included concerns relating to the unprofessional service by bank tellers, and delays in processing of customer's instructions. The other type of complaints received related to the Automated Teller Machine (ATM) cards and personal identification numbers (PINs) being compromised and resulting in unauthorized deductions; the process pertaining to the auctioning of assets, particularly in respect of mortgages; the bank charges and fees; and the credit-bureau-related queries.

Engagements with the banking sector on the complaint raised are scheduled for 2017, and aim to enhance banking industry efforts to provide good customer service. Poor customer service has a systematic effect on the categories raised, and once addressed, it could significantly mitigate majority of the issues reported.

Table D.5 Composition of the balance sheet

(N$ '000)	2012	2013	2014	2015	2016
Interbank Funding	1,931,426	2,524,918	3,513,308	4,073,676	4,708,167
Non-bank Funding:	**55,334,033**	**62,214,004**	**69,661,708**	**77,762,133**	**83,855,085**
Demand	28,605,507	33,676,364	37,745,044	39,164,503	40,200,591
Savings	2,375,776	2,738,872	3,200,052	3,501,871	3,383,305
Fixed & notice deposits	9,904,067	7,411,996	9,474,329	11,198,142	16,379,879
Negotiable Certificate of Deposits	12,922,602	15,822,443	16,631,306	20,566,976	21,171,093
Foreign Funding	1,526,081	2,564,329	2,610,978	3,330,641	2,720,217
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	1,010,527	1,783,257	3,028,686	3,437,993	4,189,830
Other borrowings	655,172	664,552	4,070	1,180,719	1,721,937
Other liabilities	1,609,038	2,024,140	1,999,034	2,852,231	3,418,723
Capital & Reserves	6,528,521	7,778,365	8,962,590	10,626,209	12,166,369
TOTAL FUNDING	**67,068,717**	**76,989,236**	**87,169,395**	**99,932,962**	**110,060,112**
Cash and Balances	6,568,885	7,112,890	8,271,422	8,030,748	8,759,938
Short term negotiable securities	6,979,012	7,362,334	6,431,131	7,842,418	8,910,467
Interbank Loans and Advances	1	-	-	-	-
Foreign currency loans and advances	636,005	1,170,564	968,216	1,194,043	726,207
Instalment debtors and leases	8,038,539	9,283,690	11,027,937	12,476,395	13,123,858
Mortgage loans	27,248,392	30,738,321	35,541,479	40,065,538	43,696,678
Other fixed term loans	3,724,441	4,342,456	6,521,757	8,375,449	9,939,039
Personal loans	2,912,261	3,897,957	3,578,410	3,940,908	4,569,454
Overdraft	6,321,038	6,723,390	8,454,621	9,955,822	10,831,391
Credit card debtors	314,855	522,619	420,135	462,956	522,564
Acknowledgement of debts discounted	-	-	-	-	-
Loans granted under resale agreement	-	-	-	32,933	43,796
Investment in Preference Shares	317,121	485,585	551,317	652,219	569,685
Other loans and advances	1,038,375	1,015,915	917,427	1,016,296	1,041,241
Total loans and advances	50,551,028	58,180,498	67,981,300	78,172,558	85,063,912
Less: Specific provisions	198,430	220,985	256,406	354,359	271,444
Less: General provisions	420,833	473,130	556,555	627,835	657,545
Less: Interest- in- suspense	91,105	106,367	118,632	113,372	159,695
Investment portfolio	1,857,418	2,416,589	2,609,096	3,781,590	4,348,061
Trading securities	1,446,986	2,003,945	1,704,269	2,244,822	2,827,188
Available for sale securities	220,670	268,533	352,896	1,520,885	1,500,512
Held to maturity securities	169,078	121,215	538,033	-	-
Unconsolidated subsidiaries, associates	20,684	22,896	13,899	15,883	20,361
Property, plant and equipment	745,658	1,033,290	1,410,365	1,720,398	1,848,851
Other assets	1,077,084	1,684,118	1,397,674	1,480,816	2,217,566
TOTAL ASSETS	**67,068,717**	**76,989,236**	**87,169,395**	**99,932,961**	**110,060,111**
Average Assets	**63,520,080**	**76,989,236**	**82,079,315**	**84,604,076**	**104,996,536**
Average Equity	**6,405,980**	**7,778,365**	**8,962,590**	**9,794,400**	**11,396,289**

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Table D.6 Capital adequacy - N$ '000

		2013	2014	2015	2016
Tier 1 capital	**5,395,064**	**6,596,005**	**7,781,426**	**9,269,847**	**10,320,048**
Paid up shares	23,841	23,861	23,861	23,860	23,861
Share premium	1,912,574	2,112,553	2,112,553	2,262,554	2,262,554
Retained profits/(accumulated losses)	1,346,202	3,013,465	2,682,069	3,733,820	3,705,283
General Reserves	2,285,721	1,612,070	3,111,760	3,382,818	4,449,763
Current Unaudited losses	-	-	-	-	-
Less: Intangible Asset	173,274	165,943	148,817	133,205	121,413
Tier 2 capital	**1,658,628**	**1,677,599**	**1,812,803**	**1,893,492**	**2,327,928**
Hybred Debt*	-	-	-	-	-
Subordinated-term Debt	705,126	705,320	701,457	782,419	783,169
Current Unaudited losses**	411,237	339,330	348,209	281,548	657,702
General Provisions	523,589	613,367	717,153	809,943	867,475
Revaluation Reserves	18,676	19,582	45,985	19,582	19,582
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**7,053,692**	**8,273,604**	**9,594,229**	**11,163,339**	**12,647,976**
Aggregated Risk-weighted Assets	**49,619,097**	**57,311,215**	**65,451,395**	**78,321,755**	**81,507,641**
Total Risk-weighted amount for Credit Risk	43,804,645	50,606,374	57,477,992	68,421,031	73,011,286
Calibrated Risk-weighted amount for Operational Risk	5,558,083	6,269,197	7,141,645	9,146,259	7,850,340
Calibrated Risk-weighted amount for Market Risk	256,368	435,644	831,758	754,464	646,015
Gross Assets	**67,511,723**	**77,517,409**	**87,833,538**	**98,620,998**	**110,867,690**

*** Hybrid debt is an addition under the new Basel II Capital Accord.**

**** Current unaudited losses are part of Tier 2 capital und the new Basel II Capital Accord.**

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Table D.7 Analysis of overdue and non-performing loans - N$ '000

		2012	2013	2014	2015	2016
Overdue loans*		**1,809,549**	**2,400,758**	**2,331,947**	**2,798,418**	**2,493,720**
Amounts overdue:	<1 month	376,347	544,499	616,547	708,559	359,286
Amounts overdue:	1 to < 3 months	757,160	1,108,313	727,599	879,935	823,363
Amounts overdue:	3 to < 6 months	129,771	215,771	345,488	331,466	363,027
Amounts overdue:	6 to <12 months	151,074	160,890	106,004	150,113	167,687
Amounts overdue:	12 to <18 months	332,747	324,709	536,309	728,346	780,356
Amounts overdue:	18 months and above	62,450	46,576	0	0	0
Total Non-performing loans		**676,046**	**747,946**	**987,801**	**1,209,772**	**1,311,071**
Instalment sales		85,476	102,875	124,702	193,930	183,381
Mortgages		380,203	402,043	546,215	654,651	775,291
Personal loans/ Other fixed loans		63,955	65,994	81,647	73,350	70,916
Overdraft		93,755	111,422	123,418	148,971	160,145
Other loans & advances		43,106	51,714	95,736	124,092	105,774
Credit cards		9,551	13,899	16,083	14,779	15,565
Realizable Security		391,822	441,116	508,057	849,150	1,009,911
Specific Provisions		241,074	263,571	256,405	368,217	288,106

*** During 2014, the overdue loans categories were revised.**

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Table D.8 Sectoral distribution of loans and advances - N$ '000

	2012	2013	2014	2015	2016
Total loans and advances	**50,551,028**	**58,180,497**	**67,981,300**	**78,172,557**	**85,063,910**
Agriculture and Forestry	2,059,280	2,409,188	2,759,006	2,967,529	3,168,669
Fishing	928,336	618,205	707,357	633,924	528,978
Mining	1,102,948	1,135,565	1,188,487	1,717,518	1,280,165
Manufacturing	1,260,633	1,256,908	1,589,895	1,974,747	1,891,542
Construction	1,642,809	2,179,852	3,558,795	3,737,230	3,477,639
Electricity , Gas and Water	410,283	472,872	488,006	822,624	758,748
Trade and Accommodation	10,790,577	12,694,213	13,900,011	15,175,448	15,804,622
Transportand Communication	1,166,495	1,223,429	1,140,782	1,191,558	1,287,591
Finance and Insurance	1,102,760	1,368,515	1,515,682	2,491,898	3,834,884
Real Estate and Business Services	5,627,413	6,092,015	8,220,319	9,751,112	10,631,763
Government Services	511,232	1,399,121	1,568,213	5,508,926	2,293,339
Individuals	22,843,338	26,157,065	29,919,664	30,178,869	37,886,843
Other	1,104,924	1,173,548	1,425,083	2,021,174	2,219,127

Table D.9 Composition of income statement - N$ ‘000

	2012	2013	2014	2015	2016
Interest Income	**4,931,535**	**5,478,392**	**6,609,787**	**8,174,383**	**9,636,017**
Balances with banks	141,610	140,875	194,419	231,535	203,797
Installment debtors , hire purchase , etc	733,886	806,162	974,622	1,206,936	1,355,517
Mortgage loans: Residential	1,850,599	2,040,725	2,365,134	2,860,417	3,380,145
Mortgage Loans: Commercial	508,165	591,686	708,089	943,188	1,086,612
Personal loans	341,568	388,668	455,802	524,721	624,088
Fixed term loans	310,443	356,372	500,304	746,005	968,009
Overdraft	598,997	668,338	805,181	1,010,026	1,122,997
Other interest related income	446,267	485,567	606,235	651,555	894,852
Interest Expenses	**2,291,295**	**2,472,612**	**2,964,368**	**3,811,683**	**4,856,556**
Demand deposits	587,275	615,187	668,778	761,385	773,669
Current Accounts	298,843	318,449	401,613	464,088	597,664
Savings deposits	30,940	33,261	45,563	58,065	78,653
Fixed and notice deposits	466,656	408,042	462,396	660,475	927,884
Negotiable certificates of deposits	751,262	871,304	1,062,159	1,388,620	1,769,524
Debt instruments issued	77,068	89,377	159,370	217,058	327,471
Other interest related expenses	79,251	136,992	164,488	261,993	381,691
Interest Margin	**2,640,240**	**3,005,780**	**3,645,419**	**4,362,700**	**4,779,461**
Less: Provisions	60,990	146,196	214,429	279,858	226,371
Total operating Income	2,073,005	2,391,510	2,775,799	3,352,068	3,515,867
Trading Income	341,997	382,123	379,086	628,392	580,268
Investment Income	56,929	59,561	73,571	158,320	132,593
Transaction-based Fee Income	1,453,897	1,710,953	2,098,591	2,333,504	2,561,890
Knowledge-based Fee Income	81,344	93,182	124,468	158,320	146,029
Other income	138,838	145,691	100,083	73,533	95,088
Total Income	**4,713,245**	**5,397,290**	**6,421,218**	**7,714,768**	**8,295,328**
Total Operating Expenses	**2,666,424**	**3,004,450**	**3,389,534**	**3,871,719**	**4,395,144**
Staff costs	1,438,525	1,568,785	1,748,754	2,000,350	2,271,230
Administration & Overheads	659,927	794,425	882,992	935,376	1,087,884
Depreciation and amortisation	118,750	138,777	159,410	194,854	232,308
Occupancy expenses	190,855	216,320	241,022	268,758	291,762
Other operating expenses	258,367	286,144	357,356	472,381	511,960
Net Income Before Tax	**1,985,831**	**2,246,643**	**2,817,255**	**3,563,192**	**3,673,813**
Taxation	642,389	697,862	911,969	1,094,835	1,161,642
Net Income After Tax	**1,343,442**	**1,548,782**	**1,905,286**	**2,468,356**	**2,512,171**

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Table D.10 Selected key ratios

	2012	2013	2014	2015	2016
Capital					
Tier 1 Leverage	8.0%	8.5%	8.9%	9.4%	9.3%
Tier 1 Risk-weighted Capital	10.9%	11.5%	11.9%	11.8%	12.7%
Total Risk-weighted Capital	14.2%	14.4%	14.7%	14.3%	15.5%
Asset Quality					
Non-performing loans to Total loans	1.34%	1.29%	1.46%	1.6%	1.5%
Overdue loans to Total loans	3.6%	4.1%	3.4%	3.6%	2.5%
Total Provisions to Total loans	1.2%	1.2%	1.2%	1.1%	1.0%
Specific Provisions to Non-performing loans	29.4%	29.5%	26.0%	29.3%	20.7%
Earnings					
Return on Assets	2.0%	2.1%	2.4%	2.5%	2.3%
Return on Equity	21.0%	20.9%	24.0%	24.5%	24.1%
Net Interest Margin	4.2%	4.1%	5.9%	6.1%	5.9%
Other Operating Income: Total Assets	3.1%	3.1%	3.2%	3.4%	2.4%
Other Operating Income: Total Income	44.0%	44.3%	43.2%	36.1%	39.5%
Other Exp: Total Income	56.6%	55.7%	52.7%	51.6%	51.0%
Liquidity					
Liquid Assets / Total Assets	21.2%	10.7%	11.5%	11.3%	11.4%
Liquid Assets / Average total liabilities	12.5%	12.2%	13.2%	13.1%	13.3%
Total Loans / Total Assets	10.9%	74.8%	77.1%	77.4%	76.5%
Total Loans / Total Deposits	12.5%	86.4%	97.6%	100.5%	97.6%
Growth Rates					
Total Assets	11.8%	14.8%	13.2%	14.6%	10.1%
Total Qualifying Capital	4.0%	4.1%	16.0%	16.4%	13.3%
Tier 1 Capital	-2.2%	3.2%	18.0%	19.1%	11.3%
Total Loans	17.2%	15.1%	16.8%	15.0%	8.8%
Total Deposits	9.5%	12.4%	12.0%	11.6%	7.8%
Overdue loans	18.2%	32.7%	-2.9%	20.0%	-10.9%
Non-performing loans	5.4%	10.6%	32.1%	22.5%	8.4%
Liquid Assets	-0.2%	12.4%	22.0%	13.0%	10.5%
Large Exposures	-9.8%	0.0%	15.8%	3.9%	1.9%
Off-Balance Sheet Items	29.2%	20.4%	-76.2%	29.5%	0.3%

Part E
Statistical Appendix

Content

E

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.

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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.

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.

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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.

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STATISTICAL TABLES

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Table 1.1 Aggregate economic indicators

	2011	2012	2013	2014	2015
Current prices					
GDP (N$ mil.)	90,108	106,864	122,749	139,500	146,619
% Change	9.1	18.6	14.9	13.6	5.1
GNI (N$ mil.)	87,679	102,585	121,919	139,212	146,160
% Change	10.4	17.0	18.8	14.2	5.0
GDP per capita (N$)	42,582	49,579	55,894	62,335	64,286
% Change	7.5	16.4	12.7	11.5	3.1
GNI per capita (N$)	41,435	47,593	55,517	62,207	64,085
% Change	8.8	14.9	16.6	12.1	3.0
Constant 2004 prices					
GDP (N$ mil.)	86,804	91,198	96,355	102,578	108,010
% Change	5.1	5.1	5.7	6.5	5.3
GNI (N$ mil.)	85,638	91,816	100,367	107,060	124,894
% Change	7.8	7.2	9.3	6.7	16.7
GDP per capita (N$)	41,021	42,311	43,876	45,837	47,358
% Change	3.5	3.1	3.7	4.5	3.3
GNI per capita (N$)	40,470	42,597	45,703	47,840	54,761
% Change	6.2	5.3	7.3	4.7	14.5

Source: NSA

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Table I.2 Gross Domestic Product and Gross National Income

Current prices - N$ million

	2011	2012	2013	2014	2015
Compensation of employees	38,394	45,406	51,933	57,846	62,796
Consumption of fixed capital	10,039	11,032	12,455	14,491	15,792
Net operating surplus	33,893	41,700	47,869	55,229	54,230
Gross domestic product at factor cost	**82,326**	**98,138**	**112,257**	**127,567**	**132,818**
Taxes on production and imports	7,782	8,726	10,492	11,934	13,801
Gross domestic product at market prices	**90,108**	**106,864**	**122,749**	**139,500**	**146,619**
Primary incomes					
- receivable from the rest of the world	2,201	2,230	3,036	3,426	3,729
- payable to rest of the world	-4,630	-6,509	-3,865	-3,713	-4,187
Gross national income at market prices	**87,679**	**102,585**	**121,919**	**139,212**	**146,160**
Current prices					
- receivable from the rest of the world	8,910	13,839	16,218	19,797	20,128
- payable to rest of the world	-573	-865	-1,006	-1,005	-1,175
Gross national disposable income	**96,015**	**115,559**	**137,132**	**158,005**	**165,113**
Current prices - N$ per capita					
Gross domestic product at market prices	42,582	49,579	55,894	62,335	64,286
Gross national income at market prices	41,435	47,593	55,517	62,207	64,085
Constant 2010 prices - N$ millions					
Gross domestic product at market prices	**86,804**	**91,198**	**96,355**	**102,578**	**108,010**
- Annual percentage change	5.1	5.1	5.7	6.5	5.3
Real gross national income	**85,638**	**91,816**	**100,367**	**107,060**	**124,894**
- Annual percentage change	7.8	7.2	9.3	6.7	16.7
Constant 2010 prices - N$ per capita					
Gross domestic product at market prices	41,021	42,311	43,876	45,837	47,358
- Annual percentage change	3.5	3.1	3.7	4.5	3.3
Real gross national income	40,470	42,597	45,703	47,840	54,761
- Annual percentage change	6.2	5.3	7.3	4.7	14.5

Source: NSA

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Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

Current prices - N$ million

	2011	2012	2013	2014	2015
Disposable income and saving					
Gross national disposable income	**96,015**	**115,559**	**137,132**	**158,005**	**165,113**
Consumption of fixed capital	10,039	11,032	12,455	14,491	15,792
Net national disposable income	**85,976**	**104,527**	**124,677**	**143,513**	**149,321**
All other sectors	65,761	80,652	94,148	106,385	110,847
General government	20,216	23,875	30,529	37,128	38,474
Final consumption expenditure	**80,712**	**96,198**	**111,366**	**122,596**	**131,399**
Private	59,817	69,514	79,484	86,109	91,616
General government	20,895	26,684	31,882	36,488	39,783
Saving, net	**5,264**	**8,329**	**13,311**	**20,917**	**17,922**
All other sectors	5,944	11,138	14,664	20,277	19,231
General government	-679	-2,809	-1,353	640	-1,309
Financing of capital formation					
Saving, net	5,264	8,329	13,311	20,917	17,922
Capital transfers receivable from abroad	1,426	1,293	1,321	1,570	1,825
Capital transfers payable to foreign countries	-73	-75	-75	-75	-75
Total	**6,617**	**9,547**	**14,557**	**22,412**	**19,673**
Capital formation					
Gross fixed capital formation	**20,453**	**27,514**	**32,728**	**45,759**	**49,248**
All other sectors	17,307	24,282	27,887	38,905	40,662
General government	3,146	3,233	4,841	6,853	8,587
Consumption of fixed capital	**-10,039**	**-11,032**	**-12,455**	**-14,491**	**-15,792**
All other sectors	**-9,032**	**-9,931**	**-11,217**	**-13,218**	**-14,603**
General government	-1,008	-1,101	-1,238	-1,273	-1,189
Changes in inventories	-291	1,044	-1,784	251	874
Net lending (+) / Net borrowing(–)	-3,506	-7,979	-3,932	-9,106	-14,658
All other sectors	2,056	-206	3,273	-1,830	-3,997
General government	-5,562	-7,773	-7,206	-7,277	-10,661
Discrepancy on GDP 1)	**1.0**	**0 .0**	**0 .0**	**0 .0**	**0 .0**
Net lending/borrowing in external transactions 2)	**-3,505**	**-7,979**	**-3,932**	**-9,106**	**-14,658**
Total	**6,617**	**9,547**	**14,557**	**22,412**	**19,673**

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Table I.4 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - N$ Million

Industry	2011	2012	2013	2014	2015
Agriculture and forestry	4,496	5,279	4,132	5,330	4,673
Livestock farming	2,846	3,227	2,350	3,160	2,767
Crop farming and forestry	1,650	2,052	1,781	2,170	1,906
Fishing and fish processing on board	2,921	3,329	3,659	3,838	4,297
Mining and quarrying	7,833	13,562	16,218	17,849	18,381
Diamond mining	4,255	8,148	10,683	13,343	13,238
Uranium	1,505	2,223	1,900	1,459	1,414
Metal Ores	909	1,066	1,387	1,529	2,794
Other mining and quarrying	1,164	2,124	2,247	1,518	935
Primary industries	**15,251**	**22,169**	**24,009**	**27,017**	**27,352**
Manufacturing	12,303	13,027	13,511	13,698	12,162
Meat processing	426	492	683	563	593
Diamond processing	698	814	871	1,212	1,115
Basic non-ferrous metals	1,635	1,552	2,172	2,231	1,714
Fabricated Metals	1,661	1,930	2,178	2,374	2,388
Beverages	451	511	386	237	139
Grain Mill products	93	116	128	154	146
Other food products	276	284	314	350	370
Textile and wearing apparel	208	188	219	235	263
Leather and related products	916	1,027	1,131	1,281	1,431
Publishing and Printing	292	282	360	424	461
Rubber and Plastics products	408	445	472	604	664
Non-metallic minerals products	3,555	3,613	2,725	1,982	1,117
Wood and Wood product	482	563	623	693	753
Chemical and related products	770	722	699	778	465
Other manufacturing	431	488	550	580	542
Electricity and water	1,795	1,997	2,327	2,401	2,056
Construction	3,126	3,515	4,741	7,006	8,947
Secondary industries	**17,224**	**18,539**	**20,579**	**23,104**	**23,165**
Wholesale and retail trade, repairs	10,305	11,439	14,212	17,263	17,283
Hotels and restaurants	1,590	1,787	1,929	2,505	3,107
Transport, and communication	4,606	5,012	5,765	6,838	7,182
Transport	1,637	1,806	2,438	2,730	2,939
Storage	835	867	969	1,055	1,093
Post and telecommunications	2,133	2,339	2,358	3,054	3,150
Financial intermediation	4,692	5,463	7,611	7,964	8,277
Real estate and business services	8,040	8,767	9,469	10,023	10,659
Real estate activities	5,896	6,525	7,048	7,407	7,794
Other business services	2,144	2,242	2,422	2,616	2,865
Community, social and personal service activities	2,626	2,336	2,153	2,499	2,919
Public administration and defence	8,769	11,770	13,938	15,289	16,743
Education	7,403	8,827	10,524	12,863	13,685
Health	2,923	3,200	3,571	3,957	4,282
Private household with employed persons	972	1,126	1,110	1,234	1,298
Tertiary industries	**51,927**	**59,726**	**70,282**	**80,435**	**85,435**
Less: Financial intermediation services indirectly measured	1,100	1,315	1,525	1,774	1,800
All industries at basic prices	**83,303**	**99,119**	**113,346**	**128,782**	**134,152**
Taxes less subsidies on products	6,805	7,745	9,403	10,718	12,467
GDP at market prices	**90,108**	**106,864**	**122,749**	**139,500**	**146,619**

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Table I.4 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Percentage Contribution

Industry	2011	2012	2013	2014	2015
Agriculture and forestry	5.0	4.9	3.4	3.8	3.2
Livestock farming	3.2	3.0	1.9	2.3	1.9
Crop farming and forestry	1.8	1.9	1.5	1.6	1.3
Fishing and fish processing on board	3.2	3.1	3.0	2.8	2.9
Mining and quarrying	8.7	12.7	13.2	12.8	12.5
Diamond mining	4.7	7.6	8.7	9.6	9.0
Uranium	1.7	2.1	1.5	1.0	1.0
Metal Ores	1.0	1.0	1.1	1.1	1.9
Other mining and quarrying	1.3	2.0	1.8	1.1	0.6
Primary industries	**16.9**	**20.7**	**19.6**	**19.4**	**18.7**
Manufacturing	13.7	12.2	11.0	9.8	8.3
Meat processing	0.5	0.5	0.6	0.4	0.4
Diamond processing	0.8	0.8	0.7	0.9	0.8
Basic non-ferrous metals	1.8	1.5	1.8	1.6	1.2
Fabricated Metals	1.8	1.8	1.8	1.7	1.6
Beverages	0.5	0.5	0.3	0.2	0.1
Grain Mill products	0.1	0.1	0.1	0.1	0.1
Other food products	0.3	0.3	0.3	0.3	0.3
Textile and wearing apparel	0.2	0.2	0.2	0.2	0.2
Leather and related products	1.0	1.0	0.9	0.9	1.0
Publishing and Printing	0.3	0.3	0.3	0.3	0.3
Rubber and Plastics products	0.5	0.4	0.4	0.4	0.5
Non-metallic minerals products	3.9	3.4	2.2	1.4	0.8
Wood and Wood product	0.5	0.5	0.5	0.5	0.5
Chemical and related products	0.9	0.7	0.6	0.6	0.3
Other manufacturing	0.5	0.5	0.4	0.4	0.4
Electricity and water	2.0	1.9	1.9	1.7	1.4
Construction	3.5	3.3	3.9	5.0	6.1
Secondary industries	**19.1**	**17.3**	**16.8**	**16.6**	**15.8**
Wholesale and retail trade, repairs	11.4	10.7	11.6	12.4	11.8
Hotels and restaurants	1.8	1.7	1.6	1.8	2.1
Transport, and communication	5.1	4.7	4.7	4.9	4.9
Transport	1.8	1.7	2.0	2.0	2.0
Storage	0.9	0.8	0.8	0.8	0.7
Post and telecommunications	2.4	2.2	1.9	2.2	2.1
Financial intermediation	5.2	5.1	6.2	5.7	5.6
Real estate and business services	8.9	8.2	7.7	7.2	7.3
Real estate activities	6.5	6.1	5.7	5.3	5.3
Other business services	2.4	2.1	2.0	1.9	2.0
Community, social and personal service activities	2.9	2.2	1.8	1.8	2.0
Public administration and defence	9.7	11.0	11.4	11.0	11.4
Education	8.2	8.3	8.6	9.2	9.3
Health	3.2	3.0	2.9	2.8	2.9
Private household with employed persons	1.1	1.1	0.9	0.9	0.9
Tertiary industries	**57.6**	**55.9**	**57.3**	**57.7**	**58.3**
Less: Financial intermediation services indirectly measured	1.2	1.2	1.2	1.3	1.2
All industries at basic prices	**92.4**	**92.8**	**92.3**	**92.3**	**91.5**
Taxes less subsidies on products	7.6	7.2	7.7	7.7	8.5
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table I.5 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2004 Prices - N$ millions

Industry	2012	2013	2014	2015	
Agriculture and forestry	4,258	4,603	3,714	4,126	3,701
Livestock farming	2,648	2,806	2,090	2,379	2,045
Crop farming and forestry	1,610	1,797	1,624	1,747	1,656
Fishing and fish processing on board	2,733	2,525	2,602	2,537	2,467
Mining and quarrying	8,132	10,170	10,438	9,788	9,757
Diamond mining	4,580	5,176	5,695	6,047	5,841
Uranium	1,335	1,697	1,579	1,424	1,167
Metal Ores	1,021	1,352	1,004	1,010	1,616
Other mining and quarrying	1,196	1,945	2,159	1,308	1,133
Primary industries	**15,123**	**17,299**	**16,753**	**16,451**	**15,925**
Manufacturing	10,892	10,147	10,612	10,385	9,695
Meat processing	358	354	461	382	347
Diamond processing	607	598	674	766	824
Basic non-ferrous metals	1,371	1,141	1,180	1,321	1,167
Fabricated Metals	1,357	1,561	1,772	1,479	1,430
Beverages	473	502	535	498	434
Grain Mill products	92	102	94	105	103
Other food products	268	255	263	268	279
Textile and wearing apparel	180	158	168	186	196
Leather and related products	860	896	935	945	989
Publishing and Printing	287	265	280	295	321
Rubber and Plastics products	397	399	414	438	473
Non-metallic minerals products	3,156	2,431	2,333	2,258	1,950
Wood and Wood product	429	459	485	503	515
Chemical and related products	668	623	577	513	272
Other manufacturing	389	404	440	427	395
Electricity and water	1,564	1,805	1,726	1,722	1,890
Construction	3,034	3,261	4,190	5,988	8,006
Secondary industries	**15,490**	**15,213**	**16,528**	**18,095**	**19,591**
Wholesale and retail trade, repairs	9,827	10,245	11,719	13,426	14,192
Hotels and restaurants	1,555	1,681	1,835	2,033	2,115
Transport, and communication	4,444	4,800	5,109	5,408	5,626
Transport	1,854	2,039	2,301	2,383	2,483
Storage	765	823	854	904	898
Post and telecommunications	1,826	1,938	1,954	2,121	2,245
Financial intermediation	4,863	5,194	6,123	6,791	7,053
Real estate and business services	7,531	7,882	8,248	8,491	8,812
Real estate activities	5,487	5,852	6,138	6,332	6,559
Other business services	2,044	2,030	2,111	2,160	2,253
Community, social and personal service activities	2,488	2,076	1,872	1,936	2,001
Public administration and defence	9,579	9,838	10,169	10,097	11,424
Education	6,894	7,200	7,438	8,330	8,534
Health	2,674	2,825	3,078	3,393	3,421
Private household with employed persons	926	1,005	938	990	1,007
Tertiary industries	**50,781**	**52,748**	**56,529**	**60,896**	**64,186**
Less: Financial intermediation services indirectly measured	1,119	1,169	1,389	1,463	1,473
All industries at basic prices	**80,276**	**84,091**	**88,421**	**93,980**	**98,230**
Taxes less subsidies on products	6,529	7,108	7,934	8,598	9,780
GDP at market prices	**86,804**	**91,198**	**96,355**	**102,578**	**108,010**

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Table I.5 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Annual Percentage Changes

Industry	2011	2012	2013	2014	2015
Agriculture and forestry	1.0	8.1	-19.3	11.1	-10.3
Livestock farming	6.1	6.0	-25.5	13.9	-14.0
Crop farming and forestry	-6.3	11.6	-9.6	7.6	-5.2
Fishing and fish processing on board	-4.8	-7.6	3.0	-2.5	-2.8
Mining and quarrying	-5.4	25.1	2.6	-6.2	-0.3
Diamond mining	-3.4	13.0	10.0	6.2	-3.4
Uranium	-24.9	27.1	-6.9	-9.9	-18.1
Metal Ores	-10.7	32.4	-25.8	0.6	60.1
Other mining and quarrying	28.0	62.6	11.0	-39.4	-13.4
Primary industries	**-3.6**	**14.4**	**-3.2**	**-1.8**	**-3.2**
Manufacturing	5.7	-6.8	4.6	-2.1	-6.6
Meat processing	-2.7	-1.1	30.4	-17.2	-9.1
Diamond processing	6.5	-1.6	12.8	13.7	7.6
Basic non-ferrous metals	-10.3	-16.8	3.4	12.0	-11.7
Fabricated Metals	0.4	15.0	13.5	-16.5	-3.3
Beverages	4.7	6.1	6.5	-6.9	-12.8
Grain Mill products	12.7	11.3	-7.3	10.7	-1.3
Other food products	-1.0	-4.5	3.1	1.6	4.2
Textile and wearing apparel	10.9	-12.6	6.8	10.6	5.0
Leather and related products	12.0	4.1	4.3	1.2	4.6
Publishing and Printing	4.6	-7.6	5.6	5.4	8.5
Rubber and Plastics products	72.3	0.6	3.8	5.6	8.1
Non-metallic minerals products	15.5	-23.0	-4.0	-3.2	-13.7
Wood and Wood product	-7.1	7.0	5.6	3.7	2.6
Chemical and related products	5.5	-6.8	-7.3	-11.1	-47.0
Other manufacturing	-8.1	3.8	8.9	-2.9	-7.5
Electricity and water	1.7	15.4	-4.4	-0.2	9.7
Construction	15.9	7.5	28.5	42.9	33.7
Secondary industries	**7.1**	**-1.8**	**8.6**	**9.5**	**8.3**
Wholesale and retail trade, repairs	5.8	4.3	14.4	14.6	5.7
Hotels and restaurants	9.5	8.1	9.1	10.8	4.1
Transport, and communication	4.9	8.0	6.4	5.9	4.0
Transport	10.0	10.0	12.8	3.6	4.2
Storage	8.3	7.7	3.8	5.8	-0.7
Post and telecommunications	-1.1	6.2	0.8	8.6	5.9
Financial intermediation	5.7	6.8	17.9	10.9	3.9
Real estate and business services	5.7	4.7	4.6	2.9	3.8
Real estate activities	2.6	6.7	4.9	3.2	3.6
Other business services	15.0	-0.7	4.0	2.3	4.3
Community, social and personal service activities	11.2	-16.6	-9.8	3.5	3.4
Public administration and defence	5.3	2.7	3.4	-0.7	13.1
Education	17.4	4.4	3.3	12.0	2.4
Health	5.7	5.7	8.9	10.2	0.8
Private household with employed persons	8.6	8.6	-6.7	5.5	1.7
Tertiary industries	**7.4**	**3.9**	**7.2**	**7.7**	**5.4**
Less: Financial intermediation services indirectly measured	10.6	4.5	18.8	5.3	0.7
All industries at basic prices	**5.1**	**4.8**	**5.1**	**6.3**	**4.5**
Taxes less subsidies on products	5.3	8.9	11.6	8.4	13.7
GDP at market prices	**5.1**	**5.1**	**5.7**	**6.5**	**5.3**

Table I.6 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Current prices - N$ million

Expenditure category	2011	2012	2013	2014	2015
Final consumption expenditure	80,712	96,198	111,366	122,596	131,399
Private	59,817	69,514	79,484	86,109	91,616
General government	20,895	26,684	31,882	36,488	39,783
Gross fixed capital formation	20,453	27,514	32,728	45,759	49,248
Changes in inventories	-291	1,044	-1,784	251	874
Gross domestic expenditure	100,874	124,756	142,310	168,606	181,521
Exports of goods and services	41,023	46,391	52,241	58,339	64,685
Imports of goods and services	51,789	64,284	71,803	87,444	99,587
Discrepancy	1.0	0.0	0.0	0.0	0.0
Gross domestic product at market prices	**90,108**	**106,864**	**122,749**	**139,500**	**146,619**

Source: NSA

Table I.6 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Percentage contribution

Expenditure category	2011	2012	2013	2014	2015
Final consumption expenditure	89.6	90.0	90.7	87.9	89.6
Private	66.4	65.0	64.8	61.7	62.5
General government	23.2	25.0	26.0	26.2	27.1
Gross fixed capital formation	22.7	25.7	26.7	32.8	33.6
Changes in inventories	-0.3	1.0	-1.5	0.2	0.6
Gross domestic expenditure	**111.9**	**116.7**	**115.9**	**120.9**	**123.8**
Exports of goods and services	45.5	43.4	42.6	41.8	44.1
Imports of goods and services	57.5	60.2	58.5	62.7	67.9
Discrepancy	0.0	0.0	0.0	0.0	0.0
Gross domestic product at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

Table I.7 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Constant 2010 prices - N$ million

Expenditure category	2011	2012	2013	2014	2015
Final consumption expenditure	79,370	85,561	91,218	95,303	99,792
Private	56,854	62,310	66,876	69,797	71,763
General government	22,516	23,251	24,342	25,506	28,029
Gross fixed capital formation	19,973	26,205	30,008	39,838	43,760
Changes in inventories	-950	388	-2,020	-360	-414
Gross domestic expenditure	98,393	112,154	119,207	134,781	143,138
Exports of goods and services	38,148	38,531	41,199	42,624	37,746
Imports of goods and services	49,736	59,486	64,051	74,827	72,874
Discrepancy					
Gross domestic product at market prices	**86,804**	**91,198**	**96,355**	**102,578**	**108,010**

Source: NSA

Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Constant 2010 Prices - Percent

Expenditure category	2011	2012	2013	2014	2015
Final consumption expenditure	8.2	7.8	6.6	4.5	4.7
Private	8.9	9.6	7.3	4.4	2.8
General government	6.7	3.3	4.7	4.8	9.9
Gross fixed capital formation	-4.4	31.2	14.5	32.8	9.8
Changes in inventories	0.0	1.5	-2.6	1.7	-0.1
Gross domestic expenditure	**5.5**	**14.0**	**6.3**	**13.1**	**6.2**
Exports of goods and services	-3.3	1.0	6.9	3.5	-11.4
Imports of goods and services	-0.7	19.6	7.7	16.8	-2.6
Discrepancy					
Gross domestic product at market prices	**5.1**	**5.1**	**5.7**	**6.5**	**5.3**

Source: NSA

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Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY
Current prices - N$ Million

Industry	2011	2012	2013	2014	2015
Agriculture	663	1,716	1,045	2,218	2,093
Fishing	45	2,000	169	638	1,702
Mining and quarrying	6,499	6,490	13,902	18,897	18,116
Manufacturing	1,944	3,116	3,140	4,286	4,708
Electricity and water	1,869	1,255	810	928	1,009
Construction	694	845	749	741	648
Wholesale and retail trade; hotels, restaurants	844	851	641	1,173	1,433
Transport, and communication	2,660	3,917	3,573	6,171	5,949
Finance, real estate, business services	2,201	3,817	3,595	3,086	3,914
Community, social and personal services	91	167	170	266	279
Producers of government services	2,944	3,339	4,933	7,354	9,397
Total	**20,453**	**27,514**	**32,728**	**45,759**	**49,248**
Percent of GDP	22.7	25.7	26.7	32.8	33.6

Source: NSA

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVTY
Constant 2004 prices - N$ million

Industry	2011	2012	2013	2014	2015
Agriculture	661	1,647	1,053	1,946	1,991
Fishing	45	1,933	155	524	1,191
Mining and quarrying	6,383	6,354	13,164	17,105	17,201
Manufacturing	1,878	2,888	2,771	3,487	3,578
Electricity and water	1,827	1,188	751	833	911
Construction	684	847	684	614	524
Wholesale and retail trade; hotels, restaurants	819	792	565	948	1,094
Transport, and communication	2,593	3,737	3,157	5,211	5,205
Finance, real estate, business services	2,119	3,493	3,074	2,477	3,209
Community, social and personal services	89	164	155	224	236
Producers of government services	2,878	3,160	4,478	6,470	8,620
Total	**19,973**	**26,205**	**30,008**	**39,838**	**43,760**
Annual change, percent	-4.4	31.2	14.5	32.8	9.8

Source: NSA

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Table I.10 GROSS FIXED CAPITAL FORMATION BY THE TYPE OF ASSET

Current prices - N$ million

Type of Asset	2011	2012	2013	2014	2015
Buildings	6,121	7,725	7,806	7,815	8,321
Construction works	5,097	4,876	8,589	15,600	20,498
Transport equipment	3,002	6,019	5,117	7,944	9,205
Machinery and other equipment	4,987	5,892	8,064	12,509	10,374
Mineral exploration	1,246	3,002	3,153	1,890	851
Total	**20,453**	**27,514**	**32,728**	**45,759**	**49,248**

Source: NSA

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Constant 2004 prices - N$ million

Type of Asset	2011	2012	2013	2014	2015
Buildings	5,890	7,066	6,671	6,260	6,644
Construction works	4,979	4,585	7,741	13,617	18,868
Transport equipment	2,990	5,935	4,686	6,574	7,730
Machinery and other equipment	4,904	5,675	7,837	11,780	9,085
Mineral exploration	1,209	2,944	3,074	1,607	1,432
Total	**19,973**	**26,205**	**30,008**	**39,838**	**43,760**

Source: NSA

Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Current prices - N$ million

Ownership	2011	2012	2013	2014	2015
Public	7,431	7,477	7,888	10,206	11,792
Producers of government services	2,944	3,339	4,933	7,354	9,397
Public corporations and enterprises	4,487	4,138	2,955	2,852	2,395
Private	13,022	20,037	24,840	35,553	37,456
Total	**20,453**	**27,514**	**32,728**	**45,759**	**49,248**

Source: NSA

Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Constant 2004 prices - N$ million

Ownership	2011	2012	2013	2014	2015
Public	7,244	7,055	7,089	8,880	10,706
Producers of government services	2,878	3,160	4,478	6,470	8,620
Public corporations and enterprises	4,367	3,895	2,610	2,410	2,087
Private	12,729	19,150	22,919	30,958	33,053
Total	**19,973**	**26,205**	**30,008**	**39,838**	**43,760**

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Table I.14 FIXED CAPITAL STOCK BY ACTIVITY

Current prices - N$ million

Industry	2011	2012	2013	2014	2015
Agriculture	8,684	8,906	9,370	10,073	9,841
Fishing	1,923	1,895	1,899	1,946	2,188
Mining and quarrying	34,408	38,460	49,088	63,059	73,430
Manufacturing	16,462	18,461	20,620	23,224	24,787
Electricity and water	13,725	14,866	15,572	16,347	15,668
Construction	3,407	3,815	4,403	4,965	5,471
Wholesale and retail trade; hotels, restaurants	8,227	8,552	8,842	9,805	10,690
Transport, and communication	20,412	23,337	26,636	30,437	32,293
Finance, real estate, business services	34,165	38,455	43,350	47,778	50,008
Community, social and personal services	1,027	1,100	1,198	1,317	1,369
Producers of government services	35,771	39,295	44,735	52,053	57,362
Total	**178,212**	**197,143**	**225,714**	**261,006**	**283,106**

Source: NSA

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY

Constant 2004 prices - N$ million

Industry	2011	2012	2013	2014	2015
Agriculture	8,556	8,696	8,810	8,852	8,958
Fishing	1,855	1,826	1,823	1,816	1,795
Mining and quarrying	33,268	36,690	45,717	54,766	63,456
Manufacturing	15,804	16,857	17,821	18,625	19,328
Electricity and water	13,396	13,968	13,918	13,885	13,862
Construction	3,339	3,642	3,925	4,069	4,201
Wholesale and retail trade; hotels, restaurants	7,914	7,940	7,759	7,885	8,155
Transport, and communication	19,782	21,685	23,040	25,469	27,767
Finance, real estate, business services	32,902	35,216	37,075	38,298	40,008
Community, social and personal services	999	1,032	1,067	1,106	1,148
Producers of government services	34,828	36,834	40,086	44,974	51,795
Total	**172,644**	**184,387**	**201,040**	**219,744**	**240,476**

Source: NSA

Table 1.16 (a) NATIONAL CONSUMER PRICE INDEX (December 2012 = 100)

	Food & non alcoholic beverages	Alcoholic Beverages & tabacco	Clothing and foodwear	Housing,water, electricity, gas & others	Furnitures, household equipment & maintenance	Health	Transport	Communications	Recreation & culture	Education	Hotels, cafes & restaurands	Miscellaneous goods & services	All items	All Items Annual percentage changes
weights	16.45	12.59	3.05	28.36	5.47	2.01	14.28	3.81	3.55	3.65	1.39	5.39	100.0	
2010	84.4	84.5	96.9	85.3	89.9	92.1	87.4	96.1	88.9	91.5	87.9	94.8	87.1	4.9
2011	88.5	89.9	98.0	91.8	91.4	96.7	91.9	97.4	91.8	95.6	91.9	97.1	91.5	5.0
2012	96.5	97.7	98.5	97.2	96.8	100.0	98.4	98.1	98.7	100.0	96.4	99.5	97.6	6.7
2013														
Jan-13	100.3	100.8	100.3	101.5	101.0	101.5	100.0	100.0	101.0	104.0	103.2	100.7	100.9	6.2
Feb-13	100.9	101.6	100.8	101.6	101.5	102.1	100.9	100.0	101.3	104.0	103.8	100.7	101.4	5.8
Mar-13	101.4	104.2	100.8	101.6	101.6	102.2	101.9	100.0	101.5	104.0	104.0	100.8	101.9	5.9
Apr-13	101.8	105.5	101.4	101.6	101.7	102.6	102.3	100.3	101.8	104.0	104.0	100.8	102.3	5.9
May-13	102.0	106.7	101.7	101.5	102.2	102.8	101.6	100.3	102.2	104.0	104.2	100.9	102.4	5.8
Jun-13	102.3	107.3	101.7	101.7	102.4	103.2	101.6	100.2	103.0	104.0	105.0	101.1	102.7	6.2
Jul-13	102.4	107.8	102.2	102.6	102.9	103.3	103.8	100.2	103.3	104.0	105.4	101.3	103.4	5.9
Aug-13	103.1	108.0	102.2	102.7	103.3	103.4	105.1	100.3	103.7	104.0	106.5	101.3	103.8	6.0
Sep-13	103.5	108.0	102.4	103.1	103.4	103.4	105.5	100.7	104.1	104.0	106.5	101.6	104.1	5.4
Oct-13	104.6	108.0	103.1	103.1	103.4	103.9	106.8	100.9	104.6	104.0	105.6	101.8	104.5	4.9
Nov-13	105.4	108.0	103.5	102.9	104.5	104.4	107.3	101.1	104.9	104.0	105.3	102.0	104.7	4.4
Dec-13	106.1	108.4	103.9	102.9	104.9	104.4	106.9	99.9	105.2	104.0	106.1	102.3	104.9	4.9
Average 2013	**102.8**	**106.2**	**102.0**	**102.2**	**102.7**	**103.1**	**103.6**	**100.3**	**103.0**	**104.0**	**105.0**	**101.3**	**103.1**	**5.6**
2014														
Jan-14	107.3	108.5	104.0	104.0	105.4	106.2	106.9	99.5	105.2	112.3	109.4	103.9	105.9	4.9
Feb-14	108.2	108.5	104.4	104.9	106.1	106.4	108.2	99.7	106.4	112.3	110.4	104.2	106.6	5.2
Mar-14	110.1	109.4	105.3	104.9	106.0	104.6	109.4	100.0	106.4	112.4	110.8	105.1	107.3	5.2
Apr-14	110.8	112.6	104.6	105.1	106.4	104.8	111.8	100.0	108.7	112.4	110.7	105.2	108.3	5.9
May-14	112.1	113.0	104.7	105.1	106.3	105.0	112.2	99.8	109.2	112.4	110.8	105.2	108.6	6.1
Jun-14	112.6	113.8	104.1	105.2	107.1	104.9	112.5	99.9	109.6	112.4	111.2	105.7	108.9	6.1
Jul-14	111.6	114.4	104.8	105.9	107.4	104.8	112.6	99.7	109.7	112.4	111.6	105.9	109.1	5.6
Aug-14	111.9	115.1	105.7	106.0	108.7	105.0	112.5	99.8	109.9	112.4	112.1	105.9	109.4	5.4
Sep-14	112.2	115.4	106.5	106.1	109.1	105.1	112.4	99.8	109.9	112.4	112.1	106.2	109.6	5.3
Oct-14	112.4	115.6	107.0	106.2	109.1	105.2	112.4	99.8	110.5	112.4	112.3	106.8	109.7	5.0
Nov-14	113.0	116.5	107.1	106.5	109.7	105.5	111.5	99.7	110.6	112.4	112.5	107.1	109.9	5.0
Dec-14	113.5	116.1	107.4	106.6	109.3	105.5	110.0	100.1	110.6	112.4	110.2	107.1	109.8	4.6
Average 2014	**111.3**	**113.2**	**105.5**	**105.5**	**107.5**	**105.3**	**111.0**	**99.8**	**108.9**	**112.4**	**111.2**	**105.7**	**108.6**	**5.4**
2015														
Jan-15	114.3	116.6	106.6	107.7	109.9	109.2	108.4	101.7	110.4	117.3	113.9	110.7	110.6	4.5
Feb-15	115.3	116.9	106.2	107.9	109.9	109.4	105.3	100.1	110.4	117.3	116.2	111.7	110.4	3.6
Mar-15	116.1	118.8	106.7	107.9	110.5	109.5	105.4	100.0	111.3	117.3	117.0	111.8	110.9	3.4
Apr-15	116.6	120.6	106.4	107.8	110.3	110.0	107.1	100.0	111.9	117.3	117.6	112.0	111.5	2.9
May-15	117.1	121.1	107.1	107.7	111.4	110.2	108.5	100.0	112.7	117.3	116.6	111.8	111.9	3.0
Jun-15	117.3	122.0	107.6	107.8	111.7	110.5	109.2	100.0	113.8	117.3	117.9	112.2	112.3	3.0
Jul-15	117.5	122.3	107.5	108.1	112.3	110.8	110.7	100.0	114.1	117.3	120.0	112.4	112.7	3.3
Aug-15	118.1	123.4	106.0	108.6	112.5	111.0	111.0	100.1	113.8	117.3	119.0	112.4	113.1	3.4
Sep-15	118.6	124.0	106.7	108.6	112.7	110.7	109.9	101.7	114.5	117.3	118.7	112.8	113.2	3.3
Oct-15	119.5	123.7	107.2	109.1	111.6	111.2	109.7	101.1	114.3	117.3	119.5	113.0	113.4	3.4
Nov-15	120.4	123.8	106.4	109.1	112.1	111.6	109.7	101.2	114.7	117.3	119.6	112.9	113.6	3.3
Dec-15	120.2	124.9	107.6	109.4	112.5	111.8	109.7	101.2	114.9	117.3	117.8	112.9	113.8	3.7
Average 2015	**117.6**	**121.5**	**106.8**	**108.3**	**111.4**	**110.5**	**108.7**	**100.6**	**113.1**	**117.3**	**117.8**	**112.2**	**112.3**	**3.4**
2016														
Jan-16	121.3	125.4	108.1	115.9	113.6	117.0	109.4	100.7	116.4	125.6	120.8	114.9	116.5	5.3
Feb-16	123.6	126.2	107.1	115.9	114.0	117.1	110.3	100.9	116.5	126.2	122.9	115.3	117.2	6.1
Mar-16	127.4	128.0	105.9	116.0	114.9	117.5	109.9	101.0	117.5	126.2	123.7	115.6	118.1	6.5
Apr-16	129.5	129.1	106.7	115.9	116.5	118.2	110.1	100.9	117.8	126.2	126.2	116.4	118.8	6.6
May-16	131.3	130.0	104.8	115.9	117.6	118.3	110.2	102.2	119.9	126.2	127.2	117.0	119.4	6.7
Jun-16	130.5	130.7	105.8	116.0	118.7	117.8	112.5	102.4	119.8	126.2	126.9	117.0	119.8	6.7
Jul-16	131.9	130.3	106.2	117.0	118.6	118.0	114.3	102.9	120.1	126.2	126.5	117.4	120.6	7.0
Aug-16	131.6	130.2	106.9	117.2	117.9	118.5	114.8	102.8	120.3	126.2	129.1	118.6	120.8	6.8
Sep-16	132.8	130.4	107.9	117.3	119.6	118.7	113.6	103.0	121.1	126.2	130.1	119.2	121.0	6.9
Oct-16	133.5	131.1	108.4	117.6	120.5	119.1	113.7	107.2	121.8	126.2	130.6	119.7	121.6	7.3
Nov-16	134.3	131.9	108.0	117.7	120.8	119.3	113.8	107.2	121.9	126.2	130.7	119.8	121.9	7.3
Dec-16	135.2	131.9	108.0	117.7	121.4	119.9	114.0	107.1	122.4	126.2	129.9	119.4	122.1	7.3
Average 2016	**130.2**	**129.6**	**107.0**	**116.7**	**117.8**	**118.3**	**112.2**	**103.2**	**119.6**	**126.1**	**127.0**	**117.5**	**119.8**	**6.7**

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Table 1.16 (b) NATIONAL CONSUMER PRICE INDEX (December 2012=100)

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
2012	**98.2**	**0.5**	**5.4**	**97.3**	**0.5**	**7.4**
2013	**102.0**	**0.2**	**3.9**	**103.9**	**0.5**	**6.8**
2014						
Jan-14	104.2	1.7	2.6	107.2	0.4	6.7
Feb-14	104.7	0.5	3.0	108.1	0.8	6.9
Mar-14	104.8	0.1	3.0	109.1	1.0	6.9
Apr-14	105.6	0.7	3.8	110.4	1.1	7.5
May-14	105.6	0.1	3.8	110.9	0.5	7.8
Jun-14	105.7	0.0	3.4	111.4	0.5	7.9
Jul-14	106.1	0.4	4.0	111.4	0.0	6.8
Aug-14	106.2	0.1	4.0	111.8	0.4	6.5
Sep-14	106.2	0.0	3.7	112.1	0.3	6.4
Oct-14	106.2	0.0	3.8	112.3	0.2	5.9
Nov-14	106.3	0.0	3.7	112.7	0.4	5.9
Dec-14	106.3	0.0	3.7	112.4	-0.3	5.3
2014 Average	**105.7**	**0.3**	**3.5**	**110.8**	**0.4**	**6.7**
2015						
Jan-15	108.4	2.0	3.5	112.3	(0.1)	3.9
Feb-15	108.5	0.1	3.6	111.9	(0.4)	3.5
Mar-15	108.6	0.1	3.6	112.7	0.7	3.2
Apr-15	108.7	0.1	3.0	113.6	0.8	2.9
May-15	108.7	0.0	2.9	114.3	0.7	3.1
Jun-15	108.8	0.1	2.4	114.9	0.5	2.8
Jul-15	109.0	0.2	2.7	115.5	0.6	3.7
Aug-15	109.3	0.3	2.9	116.0	0.3	3.7
Sep-15	109.4	0.1	3.0	116.1	0.1	3.5
Oct-15	109.5	0.0	3.0	116.4	0.3	3.6
Nov-15	109.5	0.1	3.1	116.7	0.2	3.5
Dec-15	109.5	0.0	3.1	117.1	0.4	4.1
2015 Average	109.0	0.3	3.1	114.8	0.3	3.5
2016						
Jan-16	115.0	4.9	6.1	117.7	0.5	4.8
Feb-16	115.2	0.2	6.2	118.7	0.9	6.1
Mar-16	115.2	0.0	6.1	120.3	1.4	6.8
Apr-16	115.4	0.1	6.1	121.5	0.9	7.0
May-16	115.6	0.2	6.3	122.4	0.7	7.1
Jun-16	115.6	0.0	6.2	123.0	0.6	7.1
Jul-16	116.0	0.4	6.5	124.1	0.8	7.4
Aug-16	116.2	0.2	6.4	124.2	0.1	7.1
Sep-16	116.4	0.1	6.3	124.6	0.3	7.3
Oct-16	116.4	0.3	6.7	124.6	0.6	7.7
Nov-16	116.8	0.0	6.6	125.8	0.4	7.9
Dec-16	116.8	0.0	6.6	126.2	0.3	7.8
2016 Average	115.9	0.5	6.3	122.8	0.6	7.0

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Table II.1(a) Central bank survey (end of period in N$ million)

Assets	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Net foreign assets	**16693.2**	**14688.3**	**12628.8**	**15870.0**	**13692.8**	**13932.6**	**12923.2**	**11913.1**	**14494.1**	**13201.8**	**11316.3**	**11841.9**
Claims on non residents	**18 919.0**	**16 814.6**	**14 732.3**	**17 967.4**	**15 763.3**	**16 034.0**	**15041.4**	**14023.6**	**16747.0**	**15365.4**	**13485.2**	**14134.1**
Monetary gold and SDR holdings	94.5	92.3	91.1	95.8	95.6	94.4	96.1	98.9	105.8	101.6	100.6	100.8
Foreign currency	91.0	158.3	103.2	119.9	135.8	4.6	113.3	109.6	102.3	106.9	6.7	52.1
Deposits	6 458.1	4 705.9	4 330.4	5 797.4	5 249.3	4 803.2	4774.6	5139.0	4605.8	4622.6	3557.6	3657.2
Securities other than shares	12 030.4	11 815.8	10 144.9	11 871.3	10 179.2	11 007.9	9913.2	8511.3	11747.8	10328.7	9594.2	10077.6
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	245.0	42.3	62.6	83.0	103.4	123.9	144.3	164.7	185.2	205.6	226.0	246.5
less: Liabilities to nonresidents	2225.8	2126.2	2103.5	2097.4	2070.4	2101.4	2118.3	2110.5	2252.8	2163.6	2168.9	2292.2
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	2225.8	2126.2	2103.5	2097.4	2070.4	2101.4	2,118.26	2,110.50	2,252.84	2,163.55	2,168.94	2,292.24
Claims on other depository corporations	**46.8**	**47.0**	**47.2**	**47.4**	**47.2**	**47.8**	**48.0**	**48.2**	**48.4**	**48.6**	**48.8**	**407.4**
Net claims on central government	**- 8 036.5**	**- 6 097.0**	**- 3 362.9**	**- 6 988.0**	**- 4 987.9**	**- 4 861.8**	**-2675.8**	**-957.7**	**-847.8**	**-2662.6**	**-308.8**	**-945.8**
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	8 036.5	6 097.0	3 362.9	6 988.0	4 987.9	4 861.8	2675.8	957.7	847.8	2662.6	308.8	945.8
Deposits	8 036.5	6 097.0	3 362.9	6 988.0	4 987.9	4 861.8	2675.8	957.7	847.8	2662.6	308.8	945.8
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	41.3	56.6	56.0	41.8	40.5	41.5	41.0	41.4	41.7	41.2	41.0	39.2
Other financial corporations	0.0	14.7	14.7	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	41.3	42.0	41.4	41.8	40.5	41.5	41.0	41.4	41.7	41.2	41.0	39.2

Assets	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Net foreign assets	**14310.6**	**12740.1**	**9888.7**	**12890.2**	**11290.0**	**12887.6**	**14017.3**	**13217.6**	**12248.0**	**22838.9**	**24308.0**	**23999.1**
Claims on non residents	**16596.3**	**15026.4**	**12300.3**	**15232.8**	**13701.2**	**15315.2**	**16543.5**	**15942.1**	**15005.3**	**25583.0**	**27162.2**	**27083.1**
Monetary gold and SDR holdings	98.9	100.7	100.7	99.1	103.0	99.2	98.5	103.0	99.9	100.3	103.5	101.5
Foreign currency	130.7	99.6	-0.4	42.1	77.6	536.3	2219.9	1240.5	1827.0	1749.1	2384.3	958.8
Deposits	3736.5	2954.6	2980.1	3106.8	2507.8	2645.6	2942.5	3705.4	3100.5	13248.7	11376.5	11583.8
Securities other than shares	12628.8	11870.1	9218.4	11983.4	11011.4	12032.7	11281.1	10245.1	9609.5	9310.4	12123.3	11985.6
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	1.2	1.4	1.4	1.4	1.4	1.4	1.5	648.0	368.4	1174.5	1174.5	2453.3
less: Liabilities to nonresidents	2285.7	2286.3	2411.6	2342.6	2411.1	2427.7	2526.2	2724.5	2757.3	2744.1	2854.2	3084.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	2,285.69	2,286.32	2,411.56	2,342.57	2,411.13	2,427.68	2,526.23	2,724.49	2,757.28	2,744.08	2,854.23	3,084.06
Claims on other depository corporations	**49.2**	**49.4**	**49.6**	**301.5**	**50.0**	**99.2**	**50.9**	**51.2**	**50.8**	**197.4**	**51.9**	**835.8**
Net claims on central government	**-3916.7**	**-2860.3**	**1300.5**	**-3201.5**	**-916.0**	**-3345.3**	**-3303.8**	**-2418.2**	**-1821.1**	**-12000.3**	**-9938.9**	**-10323.1**
Claims on central government	0.0	0.0	2223.3	0.0	266.4	0.0	0.0	0.0	0.0	0.0	293.0	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	2,223.33	0.0	266.43	0.0	0.0	0.0	0.0	0.0	292.99	0.0
less: Liabilities to central government	3916.7	2860.3	922.9	3201.5	1182.4	3345.3	3303.8	2418.2	1821.1	12000.3	10231.9	10323.1
Deposits	3916.7	2860.3	922.9	3201.5	1182.4	3345.3	3303.8	2418.2	1821.1	12000.3	10231.9	10323.1
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	39.3	39.6	40.1	40.8	41.1	40.2	41.4	40.9	41.1	41.1	40.3	41.8
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	39.3	39.6	40.1	40.8	41.1	40.2	41.4	40.9	41.1	41.1	40.3	41.7

Assets	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Net foreign assets	**25514.5**	**25423.2**	**27050.0**	**27457.8**	**27729.5**	**23645.0**	**24678.4**	**23047.9**	**20278.0**	**24201.2**	**26816.2**	**24052.7**
Claims on non residents	**28706.8**	**28621.7**	**30013.2**	**30273.8**	**30861.8**	**26599.1**	**27487.0**	**25916.5**	**23032.8**	**27154.2**	**29967.5**	**26753.9**
Monetary gold and SDR holdings	104.0	105.7	109.3	115.5	120.0	118.6	121.7	132.7	137.0	137.8	129.4	123.5
Foreign currency	994.9	984.2	959.5	131.9	170.5	99.9	170.2	69.0	126.5	90.5	115.8	58.5
Deposits	11847.4	14036.9	11065.1	9721.6	11431.4	7821.1	7852.6	8073.3	6878.9	11609.0	10440.7	9372.0
Securities other than shares	13307.2	11041.5	13715.6	14816.5	13351.0	13099.9	14151.8	12339.9	13864.3	13342.8	14740.4	14976.8
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	2453.4	2453.4	4163.6	5488.4	5788.8	5459.6	5190.7	5301.6	2026.2	1974.2	4541.3	2223.1
less: Liabilities to nonresidents	3192.2	3198.5	2963.2	2816.0	3132.3	2954.1	2808.6	2868.6	2754.8	2953.0	3151.3	2701.2
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	3,192.24	3,198.48	2,963.21	2,816.00	3,132.26	2,954.10	2,808.61	2,868.63	2,754.77	2,953.03	3,151.29	2,701.16
Claims on other depository corporations	**503.7**	**52.0**	**52.1**	**52.4**	**228.1**	**724.7**	**207.9**	**101.1**	**776.0**	**486.6**	**392.0**	**772.8**
Net claims on central government	**-11363.1**	**-9196.9**	**-6008.6**	**-8569.6**	**-7158.1**	**-6731.0**	**-6705.9**	**-5167.8**	**-5619.1**	**-5264.6**	**-3472.8**	**-4556.3**
Claims on central government	0.0	82.9	1896.8	0.0	0.0	0.0	0.0	257.1	0.0	230.7	1329.9	169.9
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	82.92	1,896.78	0.0	0.0	0.0	0.0	257.08	0.0	230.70	1,329.94	169.93
less: Liabilities to central government	11363.1	9279.8	7905.4	8569.6	7158.1	6731.0	6705.9	5424.9	5619.1	5495.3	4802.7	4726.3
Deposits	11363.1	9279.8	7905.4	8569.6	7158.1	6731.0	6705.9	5424.9	5619.1	5495.3	4802.7	4726.3
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	43.4	41.1	40.5	41.7	39.9	39.8	40.1	40.9	41.8	41.6	42.8	43.4
Other financial corporations	1.8	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	41.5	41.1	40.5	41.7	39.9	39.8	40.1	40.9	41.8	41.6	42.8	43.4

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Table II.1(b) Central bank survey (end of period in N$ million)

Liabilities	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Monetary base	4583.0	4935.7	5434.5	5252.9	5154.3	5011.8	6018.1	6167.3	8721.9	6098.1	6655.7	6707.3
Currency in circulation	3031.9	3032.6	3082.9	3146.5	3191.7	3290.4	3388.7	3540.0	3477.8	3589.5	3717.4	4118.0
Liabilities to other depository corporations	1551.2	1903.1	2351.5	2106.5	1962.6	1721.4	2629.4	2627.3	5244.1	2508.6	2938.3	2589.3
Reserve deposits	1551.2	1903.1	2351.5	2106.5	1962.6	1721.4	2629.4	2627.3	5244.1	2508.6	2938.3	2589.3
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, included in broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Deposits excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Shares and other equity	**4315.2**	**4050.1**	**4013.6**	**3985.5**	**3911.7**	**4068.7**	**4146.9**	**4122.6**	**4535.3**	**4283.0**	**4662.2**	**5073.3**
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	34.0	32.6	32.6	0.0	0.0	0.0	30.7	30.7	0.0	0.0	0.0	0.0
General and speciareserves	4166.6	3850.6	3774.4	3774.0	3666.7	3783.3	3824.0	3769.3	4160.4	3900.7	4250.0	4629.7
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	74.6	126.9	166.6	171.5	205.0	245.5	252.2	282.5	334.9	342.2	372.3	403.6
Other items (net)	**-294.5**	**-291.1**	**-179.2**	**-268.1**	**-274.2**	**-270.0**	**-278.0**	**-324.0**	**-410.5**	**-395.3**	**-402.5**	**-440.3**
Unclassified Assets	-595.1	-610.3	-502.7	-608.0	-605.6	-602.9	-598.9	-632.3	-642.1	-622.2	-603.2	-616.3
Unclassified Liabilities	300.5	319.1	323.5	339.8	331.4	332.9	320.9	308.3	231.6	226.9	200.7	176.0

Liabilities	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Monetary base	6492.6	5761.3	6772.2	5841.0	6105.1	5200.6	6148.3	6570.0	5853.4	6454.5	6636.8	6372.3
Currency in circulation	3595.9	3421.5	3597.0	3691.0	3681.2	3752.1	4006.3	4261.3	4137.9	4111.6	4359.6	4495.0
Liabilities to other depository corporations	2896.8	2339.8	3175.1	2150.0	2423.9	1448.5	2142.0	2308.7	1715.5	2342.8	2277.2	1877.4
Reserve deposits	2896.8	2339.8	3175.1	2150.0	2423.9	1448.5	2142.0	2308.7	1715.5	2342.8	2277.2	1877.4
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**	**3045.1**	**2910.8**
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3045.1	2910.8
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	3045.1	2910.8
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
Shares and other equity	**4712.7**	**4739.4**	**5114.6**	**4803.4**	**5004.5**	**5063.8**	**5376.9**	**5125.3**	**5433.9**	**5415.5**	**5641.1**	**6122.6**
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	291.9	320.1	320.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and speciareserves	4247.3	4235.1	4618.4	4590.3	4792.4	4861.8	5177.7	4889.7	5188.2	5144.6	5362.4	5866.7
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	133.5	144.2	136.1	173.1	172.1	162.0	159.2	195.6	205.7	230.9	238.7	215.8
Other items (net)	**-723.4**	**-532.4**	**-608.2**	**-613.3**	**-644.9**	**-653.1**	**-719.3**	**-804.9**	**-770.8**	**-798.1**	**-861.7**	**-866.6**
Unclassified Assets	-850.5	-671.2	-716.5	-716.9	-737.7	-758.4	-801.2	-819.8	-844.7	-860.4	-889.8	-889.3
Unclassified Liabilities	127.1	138.8	108.3	103.6	92.8	105.2	81.9	14.8	73.9	62.3	28.1	22.7

Liabilities	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Monetary base	6194.8	7662.1	11104.4	8089.6	8385.4	6888.4	7168.2	6754.7	7021.5	6813.7	8528.3	7945.0
Currency in circulation	4031.8	3797.7	4015.9	3974.7	3999.7	3921.8	3974.8	4123.3	3960.0	4002.5	4318.5	4393.8
Liabilities to other depository corporations	2163.0	3864.3	7088.6	4114.9	4385.7	2966.6	3193.4	2631.5	3061.5	2811.2	4209.8	3551.1
Reserve deposits	2163.0	3864.3	7088.6	4114.9	4385.7	2966.6	3193.4	2631.5	3061.5	2811.2	4209.8	3551.1
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	**2910.8**	**2910.8**	**2910.8**	**2910.8**	**3060.6**	**3164.1**	**3917.7**	**3897.0**	**3922.4**	**8864.1**	**8795.9**	**7772.5**
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	2910.8	2910.8	2910.8	2910.8	3060.6	3164.1	3917.7	3897.0	3922.4	8864.1	8795.9	7772.5
Of which: Other financial corporations	2910.8	2910.8	2910.8	2910.8	3060.6	3164.1	3184.8	3157.7	3203.1	8138.9	8145.6	7106.5
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
Shares and other equity	**6401.7**	**6430.2**	**7740.1**	**7819.4**	**8999.0**	**8339.6**	**7867.1**	**8105.1**	**7703.4**	**7611.2**	**7740.3**	**5510.8**
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	160.0	160.0	160.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and speciareserves	6108.0	6079.7	7344.5	7566.4	8710.6	8035.5	7494.9	7705.0	7290.7	7187.4	7330.8	5158.9
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	93.7	150.5	195.6	213.0	248.4	264.2	332.2	360.1	372.7	383.8	369.5	311.9
Other items (net)	**-911.7**	**-683.7**	**-621.6**	**-637.2**	**-698.8**	**-713.7**	**-732.5**	**-734.8**	**-3530.1**	**-3827.2**	**-1286.3**	**-915.7**
Unclassified Assets	-909.7	-690.1	-722.6	-743.5	-763.9	-791.7	-799.8	-820.2	-3635.2	-3663.3	-905.8	-916.4
Unclassified Liabilities	-2.0	6.5	101.0	106.3	65.1	78.0	67.2	85.4	105.1	-164.0	-380.5	0.7

Table II.2(a) Other depository corporations survey (end of period in N$ million)

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Assets												
Net foreign assets	**8825.4**	**9311.9**	**9274.3**	**9536.0**	**11578.2**	**10231.8**	**12474.2**	**13572.8**	**11510.2**	**9984.9**	**9770.1**	**7825.7**
Claims on nonresidents	12403.4	12293.6	12416.7	13128.9	13868.7	13053.9	14766.0	15933.9	13740.0	12494.0	12528.5	10744.2
Foreign currency	210.3	185.6	173.1	189.0	157.1	152.4	150.8	183.6	178.7	159.1	163.5	140.4
Deposits	6047.0	5874.9	6569.0	7041.3	7430.3	6653.7	8482.6	9055.1	6798.1	7231.1	7316.5	5608.6
Securities other than shares	5869.9	5952.4	5390.9	5607.6	5978.3	5940.5	5816.5	6368.5	6438.9	4749.4	4690.6	4622.1
Loans	259.1	271.2	275.4	282.0	288.4	299.5	294.2	301.3	312.9	323.7	328.9	338.2
Financial derivatives	17.2	9.5	8.2	9.0	14.6	7.9	7.5	10.9	11.5	30.7	29.0	34.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	14.3	14.5	0.0	0.0	0.0	0.0
less: Liabilities to nonresidents	3578.0	2981.8	3142.3	3592.9	2290.5	2822.2	2291.9	2361.1	2229.8	2509.1	2758.5	2918.4
Deposits	3137.1	2441.7	2926.3	3383.2	1916.2	2253.5	1807.6	1992.6	1694.4	2155.5	2218.5	2681.5
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	25.0	22.7	22.8	22.9	23.1	23.2	21.4	20.4	16.2	16.3	16.4	16.5
Financial derivatives	167.1	132.0	100.3	93.7	73.3	100.1	88.1	88.5	99.6	118.4	86.2	127.5
Other	155.8	292.3	0.0	0.0	185.0	352.4	281.8	166.7	326.6	126.0	344.4	0.0
Claims on central bank	**3375.2**	**3682.3**	**3915.9**	**3954.7**	**3848.1**	**3486.0**	**4923.0**	**5171.7**	**7540.5**	**4747.4**	**5026.4**	**5209.9**
Currency	938.9	949.3	967.5	1009.5	997.8	1036.8	1045.0	1002.0	1090.7	1156.1	1010.0	1574.0
Reserve deposits	1432.4	1821.3	2024.0	2034.6	1926.8	1381.1	2568.4	2715.5	5051.1	2543.1	2939.5	2524.0
Other claims	1003.9	911.8	924.4	910.7	923.6	1068.1	1309.6	1454.2	1398.8	1048.2	1076.9	1111.8
Net claims on central government	5432.9	5775.2	5688.5	5658.9	5199.4	5053.8	4470.5	4507.9	4550.7	4842.3	4655.1	4948.1
Claims on central government	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
Securities other than Shares	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
less: Liabilities to central government	1749.7	1433.5	1530.9	1432.2	1738.9	1972.3	2362.8	2456.5	2335.3	2409.9	2146.7	2186.0
Deposits	1749.7	1433.5	1530.9	1432.2	1738.9	1972.3	2362.8	2456.5	2335.3	2409.9	2146.7	2186.0
Claims on other sectors	**63929.7**	**64460.0**	**64624.8**	**65871.1**	**66730.7**	**67351.6**	**67800.1**	**68437.3**	**69232.0**	**70477.1**	**72297.0**	**73023.9**
Other financial corporations	2037.5	1865.2	1743.5	2180.1	2136.9	2176.3	2280.9	2219.6	2297.6	2329.6	2447.4	1820.1
State and local government	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public nonfinancial corporations	1564.5	1512.0	1581.0	1443.7	1559.0	1517.9	1599.4	1394.1	1322.2	1338.1	1584.1	1776.0
Other nonfinancial corporations	23893.2	24420.7	24115.7	24665.5	25360.1	25723.8	25515.9	25983.4	26446.9	27163.5	28028.4	28489.2
Other resident sectors	36276.9	36501.7	37024.3	37393.8	37502.2	37753.0	38245.5	38689.0	38987.5	39469.0	40061.4	40753.7

Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Assets												
Net foreign assets	**8836.5**	**9163.9**	**8951.8**	**9344.0**	**10386.4**	**7041.7**	**6748.5**	**5127.5**	**6498.8**	**5539.8**	**6479.4**	**5516.9**
Claims on nonresidents	12329.8	12612.4	11879.1	12748.6	13883.8	10340.1	10291.1	9539.8	10202.2	9859.2	11173.4	9776.0
Foreign currency	154.2	116.7	260.6	252.1	249.9	309.6	161.2	241.0	269.3	204.3	239.7	170.0
Deposits	7478.3	8053.9	7641.7	8670.4	9697.8	6547.4	6552.5	5678.4	6635.8	6368.3	6851.6	6320.3
Securities other than shares	4310.1	4058.9	3575.9	3481.4	3509.8	3049.9	3153.8	3150.4	2843.7	2688.2	3178.3	2615.9
Loans	341.7	340.0	351.0	297.6	381.8	396.4	392.3	431.8	420.2	395.3	425.5	431.9
Financial derivatives	45.5	42.9	49.8	47.1	44.5	36.8	31.3	38.3	33.1	50.9	46.6	110.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	152.2	431.6	127.8
less: Liabilities to nonresidents	3493.3	3448.5	2927.4	3404.6	3497.4	3298.5	3542.6	4412.3	3703.4	4319.4	4693.9	4259.1
Deposits	2968.5	2965.2	2752.6	3256.2	3329.9	3012.6	3249.2	3789.9	2966.8	3010.0	3599.6	3364.9
Securities other than shares	93.0	93.0	0.0	0.0	0.0	0.0	100.1	100.9	101.7	100.0	100.9	101.7
Loans	14.7	13.7	13.8	13.9	14.0	14.0	9.4	9.4	9.4	9.5	9.5	9.5
Financial derivatives	181.2	145.4	160.9	134.6	153.6	137.1	158.9	196.6	227.0	308.7	325.8	454.2
Other	235.8	231.3	0.0	0.0	0.0	134.7	25.0	315.6	398.5	891.2	658.1	328.8
Claims on central bank	**5119.9**	**4513.6**	**5671.0**	**4952.7**	**5202.4**	**4119.9**	**4758.9**	**4829.7**	**4498.7**	**4890.3**	**4908.8**	**4778.6**
Currency	991.4	864.3	1049.0	1041.5	1010.8	1126.6	1124.2	1310.6	1267.2	984.8	1068.7	1453.4
Reserve deposits	2711.8	2169.6	3080.5	2384.1	2678.4	1431.0	2093.0	2102.7	1715.6	2343.6	2276.7	1863.9
Other claims	1416.7	1479.7	1541.5	1527.0	1513.2	1562.2	1541.7	1416.3	1516.0	1561.9	1563.4	1461.3
Net claims on central government	5007.0	5137.2	5960.8	6251.3	6403.1	7320.2	7811.2	8412.4	8685.7	9045.4	9108.9	8714.7
Claims on central government	7189.7	7430.6	8584.5	8775.8	9341.2	9732.4	10017.1	10305.2	10286.9	10470.0	10580.3	10170.4
Securities other than Shares	7189.7	7430.6	8584.5	8775.8	9341.2	9732.4	10017.1	10305.2	10286.9	10470.0	10580.3	10170.4
less: Liabilities to central government	2182.7	2293.4	2623.7	2524.5	2938.1	2412.2	2205.9	1892.8	1601.2	1424.6	1471.4	1455.7
Deposits	2182.7	2293.4	2623.7	2524.5	2938.1	2412.2	2205.9	1892.8	1601.2	1424.6	1471.4	1455.7
Claims on other sectors	**73695.0**	**75134.4**	**76197.7**	**76822.0**	**77894.4**	**78609.6**	**79102.4**	**80567.3**	**81638.1**	**82187.4**	**83800.6**	**84882.2**
Other financial corporations	1970.8	2594.3	2988.8	2926.9	2919.0	2646.9	2612.5	2917.0	2942.4	2913.4	3038.7	3347.8
State and local government	187.4	180.5	176.8	189.1	192.7	199.6	139.0	197.5	202.7	187.5	175.9	206.0
Public nonfinancial corporations	1733.0	1531.3	2102.2	2113.1	2124.8	2901.9	2587.5	2464.6	2633.7	2409.8	2461.6	2507.3
Other nonfinancial corporations	29156.2	29829.7	29130.2	29718.4	30300.3	30041.0	30448.7	31153.8	31525.3	32029.6	32850.5	32894.8
Other resident sectors	40647.6	40998.6	41799.8	41874.6	42357.6	42820.3	43314.8	43834.4	44334.1	44647.2	45274.0	45926.3

Description	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Assets												
Net foreign assets	**3946.1**	**5,939.5**	**5,757.7**	**7,526.1**	**7,158.4**	**5,999.3**	**5,131.1**	**5,767.7**	**3,910.1**	**5,229.0**	**4,630.2**	**2,172.7**
Claims on nonresidents	9757.6	11,345.1	10,754.1	12,371.4	12,596.9	11,344.3	10,806.8	11,212.2	9,437.9	10,303.0	10,476.0	8,452.8
Foreign currency	224.5	206.6	223.8	151.2	176.9	167.7	175.0	151.4	120.6	162.4	149.2	124.3
Deposits	5968.7	7,338.5	6,361.7	8,407.5	8,222.8	6,777.5	6,478.9	6,458.8	4,955.2	5,836.7	6,261.6	4,672.8
Securities other than shares	2886.2	2,935.6	3,104.1	3,124.1	3,059.1	3,285.3	3,281.5	3,301.8	3,236.7	3,242.9	3,324.0	3,126.1
Loans	436.2	446.3	462.5	463.7	700.2	641.8	659.5	742.1	585.2	586.2	601.2	403.1
Financial derivatives	72.4	59.2	35.9	35.5	82.8	38.5	38.0	97.5	73.6	81.3	73.3	62.0
Other	169.6	359.0	566.2	189.5	355.0	433.4	173.9	460.7	466.7	393.5	66.8	64.6
less: Liabilities to nonresidents	5811.6	5,405.6	4,996.4	4,845.3	5,438.5	5,345.0	5,675.8	5,444.5	5,527.8	5,074.0	5,845.8	6,280.1
Deposits	3735.5	3,643.2	3,109.7	2,997.6	2,501.6	2,411.0	2,700.8	2,213.2	2,437.8	2,247.4	3,057.5	2,905.5
Securities other than shares	102.5	100.8	101.7	102.6	100.9	101.7	102.7	100.9	101.8	100.0	201.9	1,057.4
Loans	9.6	9.6	9.7	9.7	850.5	766.8	723.9	758.2	687.9	1,051.0	945.0	695.3
Financial derivatives	455.2	358.8	292.1	245.0	222.7	246.5	176.9	167.3	158.1	162.7	132.7	135.0
Other	1508.8	1,293.2	1,483.2	1,490.5	1,762.8	1,818.9	1,971.5	2,204.8	2,142.1	1,512.9	1,508.7	1,486.9
Claims on central bank	**4648.7**	**4,745.4**	**8,550.7**	**5,725.7**	**6,727.3**	**6,107.8**	**6,133.4**	**4,996.6**	**5,943.6**	**5,038.3**	**7,126.4**	**6,905.1**
Currency	1023.7	907.3	1,251.3	1,053.9	1,161.0	1,081.5	1,021.5	1,244.4	1,055.3	1,038.9	1,309.1	1,509.8
Reserve deposits	2153.2	2,335.0	5,781.8	2,956.2	3,058.6	3,507.4	3,577.2	2,450.1	3,523.8	2,636.7	4,545.9	4,080.8
Other claims	1471.8	1,503.1	1,517.7	1,715.6	2,507.7	1,518.9	1,534.7	1,302.1	1,364.5	1,362.7	1,271.4	1,314.5
Net claims on central government	8168.8	8,251.6	8,296.2	8,795.1	8,991.6	9,444.8	9,550.5	9,731.9	10,099.5	9,674.0	8,280.1	8,461.3
Claims on central government	9965.2	10,101.7	10,191.9	10,895.2	10,768.2	11,041.6	11,068.0	11,362.1	11,785.8	11,364.5	11,549.0	11,644.5
Securities other than Shares	9965.2	10,101.7	10,191.9	10,895.2	10,768.2	11,041.6	11,068.0	11,362.1	11,785.8	11,364.5	11,549.0	11,644.5
less: Liabilities to central government	1796.4	1,850.1	1,895.7	2,100.1	1,776.6	1,596.8	1,517.4	1,630.2	1,686.3	1,690.6	3,268.9	3,183.2
Deposits	1796.4	1,850.1	1,895.7	2,100.1	1,776.6	1,596.8	1,517.4	1,630.2	1,686.3	1,690.6	3,268.9	3,183.2
Claims on other sectors	**85389.6**	**85,815.5**	**85,862.8**	**86,307.8**	**86,417.1**	**86,886.8**	**87,493.0**	**88,505.4**	**89,629.9**	**89,784.0**	**91,005.9**	**91,930.8**
Other financial corporations	3377.1	3,331.7	3,279.0	3,305.5	3,225.0	3,220.2	3,296.5	3,301.9	3,325.1	3,341.9	3,521.0	3,579.0
State and local government	258.6	220.8	240.8	238.8	266.8	266.3	268.4	270.6	244.2	240.1	248.7	494.9
Public nonfinancial corporations	2214.6	2,307.9	2,080.5	2,054.4	2,122.2	1,973.5	1,911.5	1,895.3	2,090.0	1,934.0	2,080.5	2,294.1
Other nonfinancial corporations	33391.2	33,614.7	33,631.4	33,808.4	33,713.3	33,939.8	34,323.3	34,715.9	35,402.9	35,317.5	35,676.4	35,489.9
Other resident sectors	46148.1	46,340.4	46,631.0	46,900.7	47,089.7	47,486.9	47,693.3	48,321.7	48,567.7	48,950.6	49,479.3	50,072.9

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Table II.2(b) Other depository corporations survey (end of period in N$ million)

Liabilities	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Liabilities to central bank	48.0	48.2	48.4	48.6	47.2	47.8	48.0	48.2	48.4	48.6	48.8	49.0
Deposits included in broad money	65484.7	66113.2	65902.0	66416.4	67314.7	67284.9	70574.2	71389.5	73133.0	71114.8	73450.5	71822.1
Transferable deposits	30916.0	31814.8	32241.3	32867.7	33562.4	33470.3	36147.7	35822.7	37993.1	34724.9	36509.2	34171.8
Other financial corporations	2715.5	2856.4	3061.1	2600.4	3099.4	3017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	935.9	937.7	943.9	1007.9	1008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public nonfinancial corporations	1734.6	2043.7	1957.0	2138.3	1928.8	1834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other nonfinancial corporations	18541.6	18613.3	18790.0	19586.2	20130.1	20072.4	20802.2	20761.6	21479.9	19693.5	21387.4	20120.3
Other resident sectors	6988.4	7363.6	7489.3	7534.9	7395.9	7669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7654.6
Other deposits	34568.7	34298.4	33660.7	33548.7	33752.3	33814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	3905.4	3582.8	3048.0	2826.1	3048.2	3119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1894.3	1486.7	1540.7	1550.4	1526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	6943.6	7561.9	7159.9	7211.4	7326.5	8376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	21445.5	21276.1	21527.8	21604.7	21548.3	21022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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	1306.2	937.1	1182.8	1048.1	1338.2	1070.4	1098.2	1398.8	1166.7	1410.2	1366.9	1360.4
Securities other than shares, excluded from broad money	16772.6	16764.7	16724.3	16388.7	16481.1	16506.5	16462.6	16620.9	16750.2	17223.5	17025.3	17360.7
Of which: Other financial corporations	15575.8	15560.5	15523.3	15195.1	15279.0	15443.9	15403.6	15363.6	15494.5	15634.1	15554.2	15881.8
Loans	50.2	51.9	50.1	52.0	53.1	51.9	51.5	51.5	51.1	40.0	40.0	37.9
Financial derivatives	114.6	48.0	43.4	37.6	55.9	39.3	51.6	37.2	34.4	71.0	67.0	89.5
Shares and other equity	10574.1	10653.1	10836.9	10923.3	11065.3	11253.6	11445.0	11459.1	11664.3	12079.5	12306.4	12129.3
Funds contributed by owners	2898.7	3083.3	3084.1	3084.1	3084.1	3304.1	3304.1	3304.1	3304.1	3422.2	3422.2	3422.2
Retained earnings	4436.0	4436.9	4448.9	4462.5	4485.0	4492.2	4880.6	4889.3	5000.9	5033.6	5060.3	5092.1
General and special reserves	2375.3	2371.4	2381.8	2378.9	2370.4	2385.0	2720.0	2718.2	2728.0	2732.1	2774.9	2775.5
Valuation adjustment	28.7	30.3	33.6	34.2	35.8	29.1	22.0	36.1	29.3	35.2	42.4	33.9
Current Year Result	835.4	731.2	888.4	963.5	1090.0	1043.2	518.3	511.3	602.1	856.4	1006.6	805.5
Other items (net)	-12787.1	-11386.7	-11284.3	-9893.9	-8999.1	-10131.2	-10063.3	-9315.5	-10014.7	-11936.0	-12556.3	-11841.1
Consolidation adjustment	13095.7	12365.7	12057.1	10400.2	10446.7	10914.9	10781.3	10919.0	11014.2	12671.2	13028.6	12494.3
Unclassified Assets	-2909.2	-2539.7	-2843.9	-3735.8	-2721.8	-3249.0	-3284.3	-3011.5	-3268.3	-3254.8	-4373.7	-2899.8
Unclassified liabilities	3217.8	3518.6	3616.6	4242.1	4169.4	4032.7	4002.3	4615.0	4267.8	3990.1	4846.0	3552.9

Liabilities	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Liabilities to central bank	49.2	49.4	49.6	49.6	50.0	99.2	50.4	50.6	50.8	51.1	51.3	594.4
Deposits included in broad money	72043.8	74334.8	76103.7	75756.2	77236.4	76030.3	77554.6	77370.4	78633.9	79452.9	79745.7	78892.2
Transferable deposits	32761.2	34285.8	36237.6	35517.1	36593.1	35261.2	36453.7	36096.8	36763.3	36430.1	37121.6	37099.9
Other financial corporations	2622.9	2752.1	2479.0	2364.7	2429.9	2544.4	3163.8	2733.1	2856.5	2602.0	2995.5	4302.3
State and local government	934.8	929.8	939.9	909.2	906.6	888.1	860.8	1010.5	1026.4	947.6	812.7	942.1
Public nonfinancial corporations	2633.5	2536.8	2587.4	2296.4	2270.3	2416.6	2461.2	2101.5	1681.2	2509.9	1969.2	2164.2
Other nonfinancial corporations	19133.7	20563.8	21682.4	21587.5	22577.1	21005.0	21246.8	22034.7	22886.5	21974.0	22711.4	21091.8
Other resident sectors	7436.3	7503.2	8548.8	8359.4	8409.2	8407.1	8721.1	8217.0	8312.7	8396.6	8632.7	8599.5
Other deposits	39282.7	40049.0	39866.1	40239.1	40643.3	40769.1	41101.0	41273.6	41870.6	43022.8	42624.1	41792.3
Other financial corporations	4674.8	4497.0	4775.5	4699.6	4547.9	4788.9	4632.5	4416.7	4543.2	4408.0	4789.6	4070.2
State and local government	713.4	695.0	638.1	644.7	652.7	623.3	595.3	596.5	583.6	640.9	641.8	551.1
Public nonfinancial corporations	1029.2	1215.8	1320.6	1483.5	1640.3	1275.8	1528.6	1447.2	1214.3	1422.2	1311.0	1225.0
Other nonfinancial corporations	10405.1	10693.9	10343.7	10248.2	10580.0	10432.8	10338.7	10580.7	11089.7	11644.9	11112.0	11036.3
Other resident sectors	22460.2	22947.4	22788.2	23163.0	23222.3	23648.2	24005.8	24232.5	24439.7	24906.7	24769.7	24909.7
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	1494.4	1564.2	1952.7	2032.3	2123.5	1759.7	1096.7	1293.2	1204.5	1329.9	2345.8	2148.3
Securities other than shares, excluded from broad money	18018.2	18375.5	19344.7	19570.7	20098.2	20141.0	20167.3	20224.5	21445.3	21204.3	20807.7	21284.5
Of which: Other financial corporations	16549.0	16900.4	17776.5	17960.5	18482.2	18519.8	18640.2	18830.8	19902.6	19567.4	19087.2	19511.2
Loans	34.3	13.0	12.5	13.7	16.1	17.5	17.5	15.7	16.0	15.9	15.9	16.0
Financial derivatives	105.8	101.9	129.5	95.2	95.8	83.3	88.8	138.2	151.4	49.1	48.0	88.7
Shares and other equity	12679.5	12638.3	12936.3	13016.5	13243.2	13192.4	13387.5	13269.3	13415.6	13682.5	13844.6	13964.8
Funds contributed by owners	3976.3	3985.7	4063.8	4063.8	4063.8	4063.8	4063.8	4054.4	4152.8	4058.9	4058.9	4058.9
Retained earnings	4989.3	4975.4	4988.3	5002.1	5071.4	4978.5	5528.8	5543.3	5480.7	5519.6	5524.5	5533.1
General and special reserves	2774.5	2776.6	2778.8	2782.8	2790.0	2797.6	3212.4	3221.1	3227.0	3217.6	3216.3	3244.8
Valuation adjustment	51.7	41.8	37.5	36.4	30.0	11.4	24.6	23.4	14.1	26.4	22.2	-5.2
Current Year Result	887.6	858.7	1068.0	1131.4	1288.0	1341.2	558.1	427.2	541.1	860.1	1022.7	1133.2
Other items (net)	-11766.7	-13127.9	-13747.7	-13164.2	-12976.9	-14232.1	-13941.9	-13425.0	-13596.3	-14122.7	-12561.2	-13096.6
Consolidation adjustment	13363.6	14084.2	14050.8	14342.9	14273.6	15057.1	14818.2	14597.9	15038.6	15085.7	13514.5	14118.6
Unclassified Assets	-3162.0	-3135.5	-3849.2	-4411.7	-3745.3	-3666.4	-3755.0	-4311.0	-3809.4	-4150.6	-4070.4	-3407.4
Unclassified liabilities	4758.9	4091.7	4152.2	5590.3	5042.0	4491.5	4631.4	5484.0	5251.7	5113.6	5023.7	4429.4

Liabilities	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Liabilities to central bank	169.7	51.9	52.2	52.4	52.6	724.0	206.9	53.4	729.0	486.8	391.5	677.7
Deposits included in broad money	77791.3	80079.5	83685.8	84951.0	84908.9	82269.0	83423.8	83928.7	82095.8	83376.9	83277.0	83065.4
Transferable deposits	36486.3	38015.5	41127.1	40616.7	38739.5	36765.4	37701.6	37872.7	37041.2	37239.1	36538.4	36768.8
Other financial corporations	4658.8	4766.1	5198.2	5310.0	5065.2	4407.8	4472.5	4404.8	4537.0	4918.2	4489.2	4349.0
State and local government	1011.4	1107.3	1391.6	1047.9	1007.1	875.9	872.6	846.0	745.6	827.5	709.6	670.2
Public nonfinancial corporations	1972.3	2720.9	2877.3	2840.7	2446.5	2055.2	2365.5	2193.0	2247.6	2524.3	2428.8	2633.6
Other nonfinancial corporations	19885.4	20416.1	22396.6	22387.3	21388.0	20430.6	20920.8	21637.0	21010.1	20168.6	19911.5	20541.9
Other resident sectors	8958.4	9005.2	9263.5	9030.8	8832.7	8995.9	9070.2	8791.9	8501.0	8800.4	8999.3	8574.1
Other deposits	41305.0	42064.0	42558.7	44334.2	46169.4	45503.6	45722.2	46056.0	45054.6	46137.8	46738.6	46296.6
Other financial corporations	3963.8	4155.0	4010.3	4231.8	2549.2	4865.0	4127.2	4076.0	4020.9	4098.7	3871.3	3930.4
State and local government	549.3	469.4	483.4	604.9	2379.2	549.8	542.2	532.9	508.5	450.2	441.4	361.7
Public nonfinancial corporations	1375.7	1775.1	1919.5	2145.1	2280.9	1626.9	2097.4	2308.8	2409.2	2385.4	2444.5	2650.8
Other nonfinancial corporations	11094.5	11225.6	11294.8	11797.3	13130.8	12540.6	12695.0	12680.7	11102.3	12380.7	12869.0	11992.7
Other resident sectors	24321.7	24438.9	24850.8	25555.2	25829.2	25921.3	26260.4	26457.6	27013.7	26822.8	27112.5	27360.9
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	2133.1	2234.2	1475.5	1313.0	1399.6	2709.0	1955.3	1779.1	2001.1	1865.1	2321.0	1776.6
Securities other than shares, excluded from broad money	21488.5	22131.7	22416.5	22673.5	22803.3	23286.7	23116.6	22920.4	23030.9	22400.3	22428.1	22069.1
Of which: Other financial corporations	19730.2	20373.6	20562.6	20931.5	20476.3	20947.8	20575.5	20425.8	20739.2	20083.8	19876.2	19544.0
Loans	17.1	17.2	17.3	17.3	17.5	17.7	17.8	17.9	251.0	7.8	7.8	7.8
Financial derivatives	61.9	47.3	23.7	27.0	75.5	35.4	38.5	108.8	72.8	76.6	74.4	78.3
Shares and other equity	14008.1	14085.3	14432.0	14245.0	14559.5	14582.6	14934.5	15127.4	15034.8	15357.9	15542.3	15804.2
Funds contributed by owners	4075.6	4155.6	4226.8	4226.8	4226.8	4227.0	4227.0	4305.0	4305.0	4305.0	4455.0	4474.0
Retained earnings	6018.5	5992.5	6000.4	5748.9	5746.9	5810.5	6447.6	6385.4	6440.5	6608.7	6493.3	6890.1
General and special reserves	3241.5	3238.9	3245.4	3246.1	3250.7	3254.3	3770.2	3773.5	3792.2	3786.8	3786.9	3798.8
Valuation adjustment	14.4	18.5	29.6	33.6	34.0	48.7	54.7	49.3	45.4	34.9	33.5	34.8
Current Year Result	658.1	679.8	929.8	989.7	1301.1	1242.1	435.0	614.1	451.7	622.5	773.6	606.4
Other items (net)	-13516.5	-13895.1	-13635.5	-14924.4	-14522.5	-15185.6	-15385.4	-14934.2	-13632.2	-13846.2	-12999.5	-14009.3
Consolidation adjustment	15006.9	15251.9	15379.4	15677.1	15853.9	16241.0	15872.7	15961.2	14847.1	14990.5	14675.4	15038.9
Unclassified Assets	-3292.1	-3708.6	-3896.4	-3411.5	-3527.7	-3617.6	-3918.6	-3780.2	-3827.9	-3988.4	-3945.2	-4462.1
Unclassified liabilities	4782.5	5065.4	5640.3	4164.2	4859.1	4673.0	4405.8	4807.2	5042.8	5132.7	5621.2	5491.6

Table II.3 Depository corporations survey (end of period in N$ million)

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Net foreign assets	25518.6	24000.2	21903.1	25406.0	25271.0	24164.4	25397.3	25485.8	26004.3	23186.7	21086.4	19667.7
Claims on nonresidents	31322.4	29108.2	27148.9	31096.3	29632.0	29087.9	29807.5	29957.5	30487.0	27859.4	26013.8	24878.3
less: Liabilities to nonresidents	5803.8	5108.0	5245.8	5690.3	4361.0	4923.6	4410.1	4471.6	4482.6	4672.7	4927.4	5210.7
Domestic claims	61367.5	64194.9	67006.4	64583.8	66982.7	67585.1	69635.8	72028.9	72976.6	72698.0	76684.4	77065.3
Net claims on central government	-2603.6	-321.8	2325.6	-1329.0	211.5	192.0	1794.7	3550.2	3702.9	2179.6	4346.3	4002.3
Claims on central government	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
less: Liabilities to central government	9786.3	7530.4	4893.8	8420.1	6726.8	6834.1	5038.6	3414.3	3183.1	5072.6	2455.5	3131.8
Claims on other sectors	63971.1	64516.6	64680.8	65912.8	66771.2	67393.1	67841.1	68478.7	69273.7	70518.3	72338.0	73063.1
Other financial corporations	2037.5	1879.8	1758.1	2180.1	2136.9	2176.3	2280.9	2219.6	2297.6	2329.6	2447.4	1820.1
State and local government	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public nonfinancial corporations	1564.5	1512.0	1581.0	1443.7	1559.0	1517.9	1599.4	1394.1	1322.2	1338.1	1584.1	1776.0
Other nonfinancial corporations	23893.2	24420.7	24115.7	24665.5	25360.1	25723.8	25515.9	25983.4	26446.9	27163.5	28028.4	28489.2
Other resident sectors	36318.2	36543.6	37065.7	37435.5	37542.8	37794.6	38286.5	38730.5	39029.2	39510.2	40102.4	40792.9
Broad money liabilities	67,578	68,196	68,017	68,553	69,509	69,538	72,918	73,927	75,520	73,548	76,158	74,366
Currency outside depository corporations	2093.0	2083.3	2115.4	2137.0	2194.0	2253.6	2343.7	2538.0	2387.1	2433.4	2707.4	2543.9
Transferable deposits	30916.0	31814.8	32241.3	32867.7	33562.4	33470.3	36147.7	35822.7	37993.1	34724.9	36509.2	34171.8
Other financial corporations	2715.5	2856.4	3061.1	2600.4	3099.4	3017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	935.9	937.7	943.9	1007.9	1008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public nonfinancial corporations	1734.6	2043.7	1957.0	2138.3	1928.8	1834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other nonfinancial corporations	18541.6	18613.3	18790.0	19586.2	20130.1	20072.4	20802.2	20761.6	21479.9	19693.5	21387.4	20120.3
Other resident sectors	6988.4	7363.6	7489.3	7534.9	7395.9	7669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7654.6
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	34568.7	34298.4	33660.7	33548.7	33752.3	33814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	3905.4	3582.8	3048.0	2826.1	3048.2	3119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1894.3	1486.7	1540.7	1550.4	1526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	6943.6	7561.9	7159.9	7211.4	7326.5	8376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	21445.5	21276.1	21527.8	21604.7	21548.3	21022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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	1306.2	937.1	1182.8	1048.1	1338.2	1070.4	1098.2	1398.8	1166.7	1410.2	1366.9	1360.4
Securities other than shares, excluded from broad money	16772.6	16764.7	16724.3	16388.7	16481.1	16506.5	16462.6	16620.9	16750.2	17223.5	17025.3	17360.7
Loans	50.2	51.9	50.1	52.0	53.1	51.9	51.5	51.5	51.1	40.0	40.0	37.9
Financial derivatives	114.6	48.0	43.4	37.6	55.9	39.3	51.6	37.2	34.4	71.0	67.0	89.5
Shares and other equity	14889.3	14703.2	14850.5	14908.8	14977.0	15322.3	15591.9	15581.6	16199.6	16362.5	16968.7	17202.6
Other items (net)	-13824.5	-12506.3	-11959.0	-10998.8	-10160.2	-10779.4	-11140.6	-10102.9	-10741.3	-12770.7	-13855.0	-13684.0
Consolidation adjustment	-742.8	-828.4	-495.4	-836.7	-886.9	-378.2	-799.3	-463.3	-316.1	-439.5	-896.2	-1402.5
OIN	-294.5	-291.1	-179.2	-268.1	-274.2	-270.0	-278.0	-324.0	-410.5	-395.3	-402.5	-440.3
OIN	(12,787.09)	(11,386.75)	(11,284.33)	(9,893.92)	(8,999.06)	(10,131.20)	(10,063.30)	(9,315.54)	(10,014.69)	(11,935.96)	(12,556.28)	(11,841.11)

Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Net foreign assets	23147.1	21903.9	18840.5	22234.2	21676.4	19929.2	20765.8	18345.0	18746.8	28378.7	30787.4	29515.9
Claims on nonresidents	28926.0	27638.8	24179.4	27981.4	27584.9	25655.4	26834.6	25481.8	25207.5	35442.2	38335.6	36859.1
less: Liabilities to nonresidents	5779.0	5734.9	5338.9	5747.2	5908.5	5726.1	6068.8	7136.8	6460.7	7063.5	7548.2	7343.2
Domestic claims	74824.7	77450.9	83499.1	79912.6	83422.7	82624.7	83651.2	86602.4	88543.8	79273.7	83011.0	83315.6
Net claims on central government	1090.3	2276.9	7261.3	3049.8	5487.1	3974.9	4507.4	5994.1	6864.6	-2954.8	-830.0	-1608.4
Claims on central government	7189.7	7430.6	10807.9	8775.8	9607.7	9732.4	10017.1	10305.2	10286.9	10470.0	10873.3	10170.4
less: Liabilities to central government	6099.4	5153.6	3546.6	5726.0	4120.5	5757.5	5509.7	4311.0	3422.3	13424.9	11703.3	11778.8
Claims on other sectors	73734.4	75174.0	76237.8	76862.8	77935.6	78649.8	79143.9	80608.2	81679.2	82228.6	83841.0	84923.9
Other financial corporations	1970.8	2594.3	2988.8	2926.9	2919.0	2646.9	2612.5	2917.0	2942.4	2913.4	3038.7	3347.8
State and local government	187.4	180.5	176.8	189.1	192.7	199.6	139.0	197.5	202.7	187.5	175.9	206.0
Public nonfinancial corporations	1733.0	1531.3	2102.2	2113.1	2124.8	2901.9	2587.5	2464.6	2633.7	2409.8	2461.6	2507.3
Other nonfinancial corporations	29156.2	29829.7	29130.2	29718.4	30300.3	30041.0	30448.7	31153.8	31525.3	32029.6	32850.5	32894.8
Other resident sectors	40686.9	41038.2	41839.9	41915.4	42398.7	42860.5	43356.2	43875.3	44375.2	44688.3	45314.3	45968.1
Broad money liabilities	74,648	76,892	78,652	78,406	79,907	78,656	80,437	80,321	81,505	82,580	83,037	81,934
Currency outside depository corporations	2604.5	2557.2	2548.1	2649.5	2670.4	2625.5	2882.2	2950.6	2870.7	3126.8	3290.8	3041.6
Transferable deposits	32761.2	34285.8	36237.6	35517.1	36593.1	35261.2	36453.7	36096.8	36763.3	36430.1	37121.6	37099.9
Other financial corporations	2622.9	2752.1	2479.0	2364.7	2429.9	2544.4	3163.8	2733.1	2856.5	2602.0	2995.5	4302.3
State and local government	934.8	929.8	939.9	909.2	906.6	888.1	860.8	1010.5	1026.4	947.6	812.7	942.1
Public nonfinancial corporations	2633.5	2536.8	2587.4	2296.4	2270.3	2416.6	2461.2	2101.5	1681.2	2509.9	1969.2	2164.2
Other nonfinancial corporations	19133.7	20563.8	21682.4	21587.5	22577.1	21005.0	21246.8	22034.7	22886.5	21974.0	22711.4	21091.8
Other resident sectors	7436.3	7503.2	8548.8	8359.4	8409.2	8407.1	8721.1	8217.0	8312.7	8396.6	8632.7	8599.5
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	39282.7	40049.0	39866.1	40239.1	40643.3	40769.1	41101.0	41273.6	41870.6	43022.8	42624.1	41792.3
Other financial corporations	4674.8	4497.0	4775.5	4699.6	4547.9	4788.9	4632.5	4416.7	4543.2	4408.0	4789.6	4070.2
State and local government	713.4	695.0	638.1	644.7	652.7	623.3	595.3	596.5	583.6	640.9	641.8	551.1
Public nonfinancial corporations	1029.2	1215.8	1320.6	1483.5	1640.3	1275.8	1528.6	1447.2	1214.3	1422.2	1311.0	1225.0
Other nonfinancial corporations	10405.1	10693.9	10343.7	10248.2	10580.0	10432.8	10338.7	10580.7	11089.7	11644.9	11112.0	11036.3
Other resident sectors	22460.2	22947.4	22788.2	23163.0	23222.3	23648.2	24005.8	24232.5	24439.7	24906.7	24769.7	24909.7
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	1494.4	1564.2	1952.7	2032.3	2123.5	1759.7	1096.7	1293.2	1204.5	1329.9	2345.8	2148.3
Securities other than shares, excluded from broad money	18018.2	18375.5	19344.7	19570.7	20098.2	20141.0	20167.3	20224.5	21445.3	21204.3	23852.7	24195.3
Loans	34.3	13.0	12.5	13.7	16.1	17.5	17.5	15.7	16.0	15.9	15.9	16.0
Financial derivatives	105.8	101.9	129.5	95.2	95.8	83.3	88.8	138.2	151.4	49.1	48.0	88.7
Shares and other equity	17392.2	17377.7	18050.9	17819.8	18247.7	18256.3	18764.4	18394.6	18849.6	19098.0	19485.7	20087.3
Other items (net)	-13721.4	-14969.3	-15802.5	-15790.6	-15389.0	-16359.6	-16154.5	-15440.8	-15880.7	-16624.4	-14986.3	-15638.0
Consolidation adjustment	-1231.3	-1309.0	-1446.5	-2013.1	-1767.2	-1474.4	-1493.3	-1210.8	-1513.6	-1703.7	-1563.4	-1674.8
OIN	-723.4	-532.4	-608.2	-613.3	-644.9	-653.1	-719.3	-804.9	-770.8	-798.1	-861.7	-866.6
OIN	(11,766.65)	(13,127.93)	(13,747.75)	(13,164.23)	(12,976.88)	(14,232.07)	(13,941.89)	(13,424.99)	(13,596.31)	(14,122.66)	(12,561.18)	(13,096.60)

Description	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Net foreign assets	29460.6	31362.6	32807.7	34983.9	34887.9	29644.3	29809.4	28815.6	24188.2	29430.2	31446.4	26225.4
Claims on nonresidents	38464.4	39966.7	40767.3	42645.2	43458.7	37943.4	38293.8	37128.7	32470.7	37457.2	40443.5	35206.6
less: Liabilities to nonresidents	9003.8	8604.1	7959.6	7661.3	8570.7	8299.1	8484.4	8313.1	8282.6	8027.0	8997.1	8981.2
Domestic claims	82238.7	84911.3	88190.9	86575.0	88290.6	89640.5	90377.8	93110.4	94152.1	94235.0	95856.1	95879.2
Net claims on central government	-3194.3	-945.3	2287.6	225.5	1833.5	2713.8	2844.7	4564.1	4480.4	4409.4	4807.3	3905.0
Claims on central government	9965.2	10184.6	12088.7	10895.2	10768.2	11041.6	11068.0	11619.2	11785.8	11595.2	12878.9	11814.5
less: Liabilities to central government	13159.5	11129.9	9801.1	10669.7	8934.7	8327.8	8223.3	7055.1	7305.4	7185.9	8071.7	7909.5
Claims on other sectors	85433.0	85856.6	85903.3	86349.5	86457.0	86926.6	87533.1	88546.3	89671.7	89825.7	91048.8	91974.2
Other financial corporations	3378.9	3331.7	3279.0	3305.5	3225.0	3220.2	3296.5	3301.9	3325.1	3341.9	3521.0	3579.0
State and local government	258.6	220.8	240.8	238.8	266.8	266.3	268.4	270.6	244.2	240.1	248.7	494.9
Public nonfinancial corporations	2214.6	2307.9	2080.5	2054.4	2122.2	1973.5	1911.5	1895.3	2090.0	1934.0	2080.5	2294.1
Other nonfinancial corporations	33391.2	33614.7	33631.4	33808.4	33713.3	33939.8	34323.3	34715.9	35402.9	35317.5	35676.4	35489.9
Other resident sectors	46189.7	46381.5	46671.5	46942.3	47129.7	47526.7	47733.4	48362.6	48609.4	48992.2	49522.1	50116.3
Broad money liabilities	80,799	82,970	86,450	87,872	87,748	85,109	86,377	86,808	85,001	86,341	86,286	85,949
Currency outside depository corporations	3008.1	2890.4	2764.6	2920.8	2838.7	2840.3	2953.3	2878.9	2904.7	2963.6	3009.4	2884.0
Transferable deposits	36486.3	38015.5	41127.1	40616.7	38739.5	36765.4	37701.6	37872.7	37041.2	37239.1	36538.4	36768.8
Other financial corporations	4658.8	4766.1	5198.2	5310.0	5065.2	4407.8	4472.5	4404.8	4537.0	4918.2	4489.2	4349.0
State and local government	1011.4	1107.3	1391.6	1047.9	1007.1	875.9	872.6	846.0	745.6	827.5	709.6	670.2
Public nonfinancial corporations	1972.3	2720.9	2877.3	2840.7	2446.5	2055.2	2365.5	2193.0	2247.6	2524.3	2428.8	2633.6
Other nonfinancial corporations	19885.4	20416.1	22396.6	22387.3	21388.0	20430.6	20920.8	21637.0	21010.1	20168.6	19911.5	20541.9
Other resident sectors	8958.4	9005.2	9263.5	9030.8	8832.7	8995.9	9070.2	8791.9	8501.0	8800.4	8999.3	8574.1
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	41305.0	42064.0	42558.7	44334.2	46169.4	45503.6	45722.2	46056.0	45054.6	46137.8	46738.6	46296.6
Other financial corporations	3963.8	4155.0	4010.3	4231.8	2549.2	4865.0	4127.2	4076.0	4020.9	4098.7	3871.3	3930.4
State and local government	549.3	469.4	483.4	604.9	2379.2	549.8	542.2	532.9	508.5	450.2	441.4	361.7
Public nonfinancial corporations	1375.7	1775.1	1919.5	2145.1	2280.9	1626.9	2097.4	2308.8	2409.2	2385.4	2444.5	2650.8
Other nonfinancial corporations	11094.5	11225.6	11294.8	11797.3	13130.8	12540.6	12695.0	12680.7	11102.3	12380.7	12869.0	11992.7
Other resident sectors	24321.7	24438.9	24850.8	25555.2	25829.2	25921.3	26260.4	26457.6	27013.7	26822.8	27112.5	27360.9
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	2133.1	2234.2	1475.5	1313.0	1399.6	2709.0	1955.3	1779.1	2001.1	1865.1	2321.0	1776.6
Securities other than shares, excluded from broad money	24399.3	25042.5	25327.2	25584.3	25863.9	26450.8	27034.3	26817.4	26953.2	31264.5	31224.1	29841.6
Loans	17.1	17.2	17.3	17.3	17.5	17.7	17.8	17.9	251.0	7.8	7.8	7.8
Financial derivatives	61.9	47.3	23.7	27.0	75.5	35.4	38.5	108.8	72.8	76.6	74.4	78.3
Shares and other equity	20409.8	20515.5	22172.1	22064.5	23558.5	22922.2	22801.6	23232.5	22738.2	22969.1	23282.7	21315.0
Other items (net)	-16121.2	-14552.6	-14467.6	-15318.8	-15484.0	-17959.6	-18037.5	-16837.4	-18676.6	-18858.4	-15893.8	-16864.2
Consolidation adjustment	-1693.0	26.2	-210.5	242.8	-262.7	-2060.4	-1919.5	-1168.4	-1514.3	-1184.9	-1608.0	-1939.2
OIN	-911.7	-683.7	-621.6	-637.2	-698.8	-713.7	-732.5	-734.8	-3530.1	-3827.2	-1286.3	-915.7
OIN	(13,516.54)	(13,895.13)	(13,635.54)	(14,924.42)	(14,522.52)	(15,185.56)	(15,385.44)	(14,934.18)	(13,632.25)	(13,846.22)	(12,999.47)	(14,009.35)

Table II.4 Other depository corporations' claims on private sectors (end period in N$ million)

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Loans	61 766.5	62 366.5	62 834.2	63 710.1	64 606.8	65 174.4	65 568.2	66 407.4	67 150.9	68 367.9	70 194.2	70 639.4
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	10.4	18.9	27.3	28.6	30.8	14.7	27.8	28.1	28.5	26.3	26.5	26.3
Other financial corporations	491.8	401.8	419.7	455.9	481.8	502.6	591.2	623.1	681.4	703.7	782.6	213.5
Central government	10.9	11.4	10.5	10.5	7.4	10.6	18.7	10.4	9.9	10.5	10.0	10.0
State and local government	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public non-financial corporations	916.5	744.2	912.5	774.5	872.3	814.5	846.6	724.8	633.8	660.8	896.5	799.3
Other non-financial corporations (Businesses)	23 731.8	24 295.6	24 041.0	24 610.8	25 291.6	25 633.9	25 431.9	25 903.8	26 344.8	27 040.2	27 953.3	28 364.4
Loans and Advances	16 564.5	16 829.2	16 639.4	17 099.6	17 531.2	17 634.9	16 964.7	17 341.1	17 567.5	17 713.4	18 551.1	18 743.6
Farm mortgage loans	24.2	24.3	24.4	24.6	24.6	22.3	22.4	22.6	22.7	22.9	23.0	23.2
Other mortgage loans	6 549.5	6 842.5	6 714.3	7 012.9	6 860.9	6 979.7	7 132.1	7 303.4	7 381.5	7 570.6	7 824.3	8 033.4
Dwellings	526.7	534.5	534.0	564.1	624.0	624.3	630.8	621.2	617.2	625.6	615.3	611.3
Other	6 022.8	6 308.0	6 180.3	6 448.9	6 236.9	6 355.4	6 501.3	6 682.3	6 764.2	6 944.9	7 209.0	7 422.1
Overdrafts	5 856.3	6 067.9	5 886.3	5 979.6	6 494.2	6 390.2	6 134.3	6 344.1	6 302.6	6 406.4	6 906.7	6 877.0
Other loans and advances	4 134.5	3 894.5	4 014.4	4 082.6	4 151.5	4 242.7	3 675.9	3 671.0	3 860.8	3 713.5	3 797.1	3 810.0
Leasing	214.0	224.1	173.5	220.0	218.4	244.0	262.3	276.2	304.9	335.7	332.2	327.1
Instalment credit	3 909.1	4 084.3	4 042.0	4 016.3	4 027.3	4 128.3	4 172.3	4 208.4	4 269.6	4 332.3	4 403.4	4 531.0
Other	3 044.3	3 157.9	3 186.1	3 274.9	3 514.6	3 626.6	4 032.6	4 078.2	4 202.7	4 658.9	4 666.6	4 762.7
Other resident sectors (Individuals)	36 188.4	36 463.0	36 987.4	37 359.8	37 462.2	37 718.2	38 199.3	38 664.6	38 961.8	39 425.8	40 020.7	40 702.9
Loans and Advances	29 422.4	29 744.5	29 967.3	30 262.5	30 439.7	30 666.0	30 878.3	31 261.0	31 498.6	31 897.0	32 379.4	32 910.0
Farm mortgage loans	1 080.1	1 099.6	1 100.1	1 105.2	1 104.8	1 116.1	1 108.7	1 131.9	1 123.3	1 126.1	1 192.2	1 292.9
Other mortgage loans	23 276.9	23 545.4	23 740.3	23 980.8	24 082.3	24 242.7	24 468.5	24 743.4	24 957.6	25 224.6	25 574.7	25 945.8
Dwellings	23 276.9	23 545.4	23 740.3	23 980.8	24 082.3	24 242.7	24 468.5	24 743.4	24 957.6	25 224.6	25 530.2	25 906.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.5	39.6
Overdrafts	2 204.8	2 276.3	2 234.1	2 252.6	2 293.9	2 331.8	2 351.4	2 416.2	2 401.8	2 423.6	2 432.3	2 442.5
Other loans and advances	2 860.6	2 823.2	2 892.7	2 923.9	2 958.7	2 975.3	2 949.6	2 969.6	3 015.9	3 122.7	3 180.2	3 228.8
Leasing	16.1	13.7	6.0	12.7	12.2	12.5	12.1	11.4	11.2	10.0	9.9	9.6
nstalment credit	5 053.0	4 977.3	5 232.0	5 265.3	5 330.9	5 443.8	5 547.4	5 648.4	5 752.5	5 841.5	5 938.7	6 052.6
Other	1 696.9	1 727.4	1 782.1	1 819.3	1 679.4	1 595.9	1 761.6	1 743.9	1 699.5	1 677.3	1 692.6	1 730.7
Nonresidents	259.1	271.2	275.4	282.0	288.4	299.5	294.2	301.3	312.9	323.7	328.9	338.2
Loans and Advances	258.9	271.1	275.4	281.9	288.3	299.5	294.2	301.2	312.8	323.6	328.8	338.1
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	156.6	164.0	167.9	172.3	178.0	188.3	182.4	188.7	198.4	207.2	210.4	218.3
Dwellings	156.6	164.0	167.9	172.3	178.0	188.3	182.4	188.7	198.4	207.2	210.4	218.3
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	95.7	98.6	98.5	99.2	99.2	99.9	100.7	102.4	104.2	105.8	107.8	109.1
Other loans and advances	6.6	8.4	8.9	10.4	11.2	11.2	11.0	10.2	10.2	10.6	10.6	10.7
Leasing	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Loans	71 180.9	72 114.3	72 817.3	73 547.2	74 674.3	75 693.8	76 381.2	77 482.8	78 495.8	78 995.0	80 665.7	81 581.4
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	27.5	21.6	26.6	24.1	24.8	26.2	27.7	27.4	27.4	26.4	26.2	28.4
Other financial corporations	237.0	315.9	373.8	424.6	405.5	417.2	442.6	538.4	576.8	512.9	645.3	615.7
Central government	10.1	9.7	12.9	9.0	8.3	7.6	8.6	9.0	9.0	9.2	7.9	7.8
State and local government	187.4	180.5	176.8	189.1	192.3	199.2	138.6	197.1	202.3	187.1	175.5	204.7
Public non-financial corporations	804.6	610.1	1 178.6	1 195.0	1 218.8	1 983.6	1 665.1	1 589.4	1 741.5	1 511.5	1 577.4	1 898.6
Other non-financial corporations (Businesses)	28 971.1	29 685.5	28 964.0	29 581.5	30 136.6	29 894.1	30 283.0	30 943.4	31 287.3	31 773.9	32 611.4	32 583.9
Loans and Advances	19 369.8	19 813.5	19 404.2	19 938.3	19 756.8	20 142.1	20 324.0	20 899.3	21 105.5	21 156.3	21 855.3	21 761.5
Farm mortgage loans	23.3	23.3	23.6	23.8	23.9	23.9	20.9	21.1	21.2	21.3	23.3	21.6
Other mortgage loans	8 095.5	8 210.9	8 588.7	8 726.3	8 808.8	8 895.7	9 133.4	9 415.8	9 576.9	9 758.4	9 856.6	9 808.2
Dwellings	623.1	618.6	891.4	893.9	912.4	910.1	938.0	1 110.3	1 136.3	1 200.3	1 223.5	1 246.3
Other	7 472.4	7 592.3	7 697.3	7 832.4	7 896.4	7 985.6	8 195.5	8 305.5	8 440.6	8 558.2	8 633.1	8 561.9
Overdrafts	7 077.7	7 316.1	6 808.2	7 184.2	6 969.1	7 189.9	7 066.1	7 306.3	7 200.9	7 078.1	7 526.2	7 437.3
Other loans and advances	4 173.3	4 263.1	3 983.7	4 004.0	3 955.0	4 032.6	4 103.5	4 156.1	4 306.5	4 298.4	4 449.2	4 494.4
Leasing	313.4	332.3	335.8	327.1	329.0	324.1	310.3	309.2	311.0	303.5	303.0	301.7
Instalment credit	4 472.0	4 665.3	4 768.5	4 837.6	4 838.2	4 898.3	4 911.0	4 985.0	5 038.3	5 029.2	5 086.3	5 125.2
Other	4 816.0	4 874.4	4 455.5	4 478.5	5 212.7	4 529.6	4 737.7	4 749.9	4 832.5	5 284.9	5 366.8	5 395.5
Other resident sectors (Individuals)	40 601.6	40 951.0	41 733.6	41 826.2	42 306.2	42 769.3	43 423.3	43 746.4	44 231.4	44 578.6	45 196.4	45 810.4
Loans and Advances	32 799.6	33 067.1	33 768.7	33 859.0	34 255.5	34 650.5	35 214.4	35 430.1	35 826.2	36 145.8	36 660.5	37 181.6
Farm mortgage loans	992.6	1 026.1	1 327.0	1 153.4	1 300.8	1 351.5	1 360.8	1 361.2	1 383.5	1 395.0	1 403.6	1 414.0
Other mortgage loans	25 981.9	26 185.9	26 618.4	26 804.7	26 994.3	27 225.8	27 642.0	27 904.2	28 173.0	28 398.7	28 844.5	29 240.4
Dwellings	25 942.3	26 170.3	26 603.1	26 781.2	26 963.2	27 202.3	27 618.3	27 880.8	28 149.7	28 375.4	28 821.3	29 217.2
Other	39.6	15.6	15.3	23.5	31.1	23.5	23.6	23.4	23.3	23.3	23.2	23.2
Overdrafts	2 556.7	2 539.1	2 445.6	2 502.5	2 525.8	2 541.0	2 651.2	2 537.2	2 584.8	2 606.6	2 592.3	2 625.0
Other loans and advances	3 268.5	3 315.9	3 377.7	3 398.3	3 434.6	3 532.2	3 560.4	3 627.4	3 684.9	3 745.4	3 820.1	3 902.3
Leasing	9.2	9.4	10.5	10.5	11.0	11.4	11.6	17.8	17.9	17.2	17.3	16.8
nstalment credit	6 065.0	6 146.3	6 223.9	6 207.1	6 285.7	6 352.4	6 455.6	6 573.2	6 653.7	6 701.2	6 795.1	6 904.4
Other	1 727.6	1 728.2	1 730.5	1 749.6	1 753.9	1 755.1	1 741.7	1 725.3	1 733.5	1 714.5	1 723.5	1 707.5
Nonresidents	341.7	340.0	351.0	297.6	381.8	396.4	392.3	431.8	420.2	395.3	425.5	431.9
Loans and Advances	341.7	340.0	351.0	271.1	361.9	369.3	372.9	379.6	394.6	395.3	394.7	399.0
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	218.6	217.7	228.3	225.8	228.3	234.6	237.4	244.5	254.2	251.1	249.5	253.8
Dwellings	218.6	217.7	228.3	225.8	228.3	234.6	237.4	244.5	254.2	251.1	249.5	253.8
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	111.6	110.2	110.7	28.0	115.1	117.2	118.2	117.9	123.2	126.3	127.3	126.6
Other loans and advances	11.5	12.1	12.0	17.3	18.5	17.4	17.4	17.3	17.3	17.9	17.9	18.6
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	0.0	0.0	26.4	19.9	27.1	19.3	52.1	25.5	0.0	30.9	32.9

Description	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Loans	82,140.03	82,606.71	82,853.29	83,578.04	84,158.00	84,511.98	85,124.04	86,368.60	87,326.24	87,506.66	88,813.33	89,430.50
Central bank	0.01	0.02	0.01	0.01	0.00	0.05	0.03	0.02	0.03	0.04	0.01	0.01
Other depository corporations	25.92	27.12	26.68	27.21	26.71	27.49	30.10	28.03	25.66	24.64	36.70	27.26
Other financial corporations	687.42	630.77	698.84	766.96	861.02	874.53	857.22	1,018.56	1,013.64	1,060.61	1,251.86	1,248.22
Central government	7.45	6.33	6.95	6.50	6.60	5.63	5.73	9.88	5.18	4.68	4.67	4.52
State and local government	257.73	220.76	240.82	238.81	266.76	266.34	268.37	270.62	244.18	240.07	248.67	494.91
Public non-financial corporations	1,611.99	1,711.55	1,482.32	1,636.47	1,746.09	1,539.36	1,488.55	1,440.61	1,646.45	1,494.43	1,644.29	1,855.17
Other non-financial corporations (Businesses)	33,085.82	33,340.00	33,421.57	33,631.60	33,495.08	33,738.00	34,166.36	34,560.53	35,265.46	35,174.42	35,559.26	35,343.07
Loans and Advances	22,325.27	22,255.05	22,003.65	22,420.62	22,158.42	22,353.38	22,248.85	22,341.01	22,974.12	22,947.28	23,221.63	23,175.31
Farm mortgage loans	21.74	29.74	22.03	22.03	22.36	19.20	19.33	19.33	20.33	19.72	19.72	19.98
Other mortgage loans	9,836.03	9,883.70	10,011.29	10,043.20	10,280.48	10,281.10	10,357.33	10,369.70	10,411.72	10,416.05	10,379.23	10,433.24
Dwellings	1,204.50	1,225.44	1,253.33	1,238.71	1,289.00	1,293.98	1,305.07	1,303.48	1,311.83	1,295.65	1,347.32	1,414.93
Other	8,631.53	8,658.26	8,757.96	8,804.49	8,991.48	8,987.13	9,052.26	9,066.22	9,099.89	9,120.41	9,031.92	9,018.30
Overdrafts	7,931.45	7,718.51	7,467.63	7,713.17	7,344.23	7,560.17	7,283.98	7,336.12	7,901.25	7,730.88	7,997.92	7,897.79
Other loans and advances	4,536.05	4,623.10	4,502.70	4,642.22	4,511.35	4,492.90	4,588.21	4,615.87	4,640.82	4,780.62	4,824.75	4,824.30
Leasing	285.19	286.98	304.85	296.06	290.12	287.69	274.84	280.91	301.94	304.05	327.14	354.34
Instalment credit	5,045.36	5,073.10	5,057.45	5,003.07	5,007.97	5,077.91	5,134.08	5,159.07	5,283.47	5,224.45	5,209.85	5,161.84
Other	5,430.00	5,724.87	6,055.62	5,911.85	6,038.58	6,019.02	6,508.60	6,779.55	6,705.93	6,698.65	6,800.65	6,651.59
Other resident sectors (Individuals)	46,027.50	46,223.89	46,513.62	46,806.81	47,055.49	47,418.74	47,648.14	48,298.28	48,540.42	48,921.54	49,466.70	50,054.26
Loans and Advances	37,364.85	37,560.10	37,889.10	38,200.16	38,396.85	38,747.53	38,943.73	39,412.29	39,812.55	40,080.26	40,597.50	41,120.99
Farm mortgage loans	1,360.23	1,370.73	1,436.00	1,417.74	1,485.98	1,488.46	1,488.85	1,539.71	1,539.91	1,490.47	1,477.30	1,495.12
Other mortgage loans	29,320.15	29,558.68	29,719.30	29,961.48	30,046.22	30,349.85	30,545.69	30,852.38	31,148.65	31,356.21	31,717.12	32,073.39
Dwellings	29,296.99	29,535.96	29,696.76	29,942.34	30,026.01	30,334.62	30,530.45	30,837.14	31,132.96	31,340.38	31,699.11	32,055.24
Other	23.16	22.73	22.54	19.15	20.21	15.24	15.24	15.24	15.69	15.84	18.00	18.15
Overdrafts	2,732.24	2,633.98	2,714.51	2,742.85	2,738.89	2,707.86	2,640.24	2,693.80	2,733.54	2,766.40	2,823.97	2,915.36
Other loans and advances	3,952.23	3,996.71	4,019.29	4,078.09	4,125.76	4,201.35	4,268.95	4,326.41	4,390.45	4,467.17	4,579.11	4,637.12
Leasing	16.31	17.73	26.21	25.73	25.74	20.26	19.84	20.16	21.31	22.32	21.59	21.80
nstalment credit	6,942.92	6,949.70	6,978.86	6,974.88	7,047.27	7,112.25	7,203.41	7,379.23	7,206.07	7,343.43	7,392.33	7,462.17
Other	1,703.42	1,696.36	1,619.45	1,606.04	1,585.64	1,538.71	1,481.17	1,486.60	1,500.50	1,475.53	1,455.28	1,449.30
Nonresidents	436.20	446.26	462.48	463.66	700.25	641.84	659.54	742.08	585.21	586.21	601.15	403.08
Loans and Advances	406.61	409.99	424.27	427.25	435.70	435.72	443.49	346.15	349.81	352.95	367.04	359.29
Farm mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
Other mortgage loans	258.77	261.25	273.07	276.17	284.73	285.75	288.84	250.12	257.20	255.26	257.10	255.08
Dwellings	258.77	261.25	273.07	276.17	284.73	285.75	288.84	250.12	257.20	255.26	257.10	255.08
Other	-	-	-	-	-	-	-	-	-	-	-	-
Overdrafts	129.93	130.17	132.11	132.64	132.43	132.94	137.10	70.36	66.73	68.62	77.95	77.29
Other loans and advances	17.91	18.58	19.09	18.45	18.53	17.03	17.56	25.67	25.88	29.07	32.00	26.92
Leasing	0.00	0.00	0.00	0.00	-	-	-	-	-	-	-	-
Instalment credit	-	-	-	-	-	-	-	-	-	-	-	-
Other	29.59	36.27	38.20	36.41	264.55	206.11	216.05	395.93	235.40	233.26	234.11	43.80

*Other loans and advances comprises personal loans for businesses and individuals and nonresidents.

Table II.5 Deposits of other depository corporations (end period in N$ million)

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Deposits	**72 957.8**	**72 091.6**	**72 572.6**	**73 391.0**	**73 435.0**	**74 156.8**	**76991.2**	**78462.1**	**79430.4**	**78035.0**	**80245.6**	**79534.6**
Deposits included in broad money	**65 484.7**	**66 113.2**	**65 902.0**	**66 416.4**	**67 314.7**	**67 284.9**	**70574.2**	**71389.5**	**73133.0**	**71114.8**	**73450.5**	**71822.1**
Transferable deposits	30 916.0	31 814.8	32 241.3	32 867.7	33 562.4	33 470.3	36147.7	35822.7	37993.1	34724.9	36509.2	34171.8
In national currency	29 821.0	31 031.8	31 631.9	31 980.8	32 605.3	32 463.2	35199.6	34612.5	37300.8	33937.1	35789.6	33221.8
Other financial corporations	2 715.5	2 856.4	3 061.1	2 600.4	3 099.4	3 017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	935.9	937.7	943.9	1 007.9	1 008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public non-financial corporations	1 734.6	2 043.7	1 957.0	2 138.3	1 928.8	1 834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other non-financial corporations	17 446.6	17 830.4	18 180.6	18 699.2	19 173.0	19 065.3	19854.0	19551.4	20787.7	18905.7	20667.7	19170.3
Other resident sectors	6 988.4	7 363.6	7 489.3	7 534.9	7 395.9	7 669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7654.6
In foreign currency	1 095.0	783.0	609.4	886.9	957.1	1 007.1	948.1	1210.2	692.3	787.9	719.6	950.0
Other deposits	34 568.7	34 298.4	33 660.7	33 548.7	33 752.3	33 814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
In national currency	34 568.7	34 298.4	33 660.7	33 548.7	33 752.3	33 814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	3 905.4	3 582.8	3 048.0	2 826.1	3 048.2	3 119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1 894.3	1 486.7	1 540.7	1 550.4	1 526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	6 943.6	7 561.9	7 159.9	7 211.4	7 326.5	8 376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	21 445.5	21 276.1	21 527.8	21 604.7	21 548.3	21 022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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
Deposits excluded from broad money	**7 473.1**	**5 978.4**	**6 670.7**	**6 974.7**	**6 120.3**	**6 871.9**	**6417.0**	**7072.6**	**6297.4**	**6920.2**	**6795.2**	**7712.5**
Transferable deposit	4 350.5	3 312.0	3 798.6	4 294.0	3 206.9	3 879.9	3688.9	4091.4	3562.7	4182.5	4054.2	4734.6
In national currency	2 152.9	1 772.3	1 712.9	2 367.8	1 950.8	2 898.9	2752.1	2964.7	2690.9	2810.7	2616.9	2880.7
In foreign currency	2 197.6	1 539.7	2 085.7	1 926.1	1 256.2	981.0	936.7	1126.7	871.8	1371.8	1437.3	1853.9
Other deposits	3 122.7	2 666.3	2 872.1	2 680.7	2 913.3	2 992.0	2728.1	2981.2	2734.7	2737.7	2741.0	2977.9
In national currency	1 384.8	1 203.0	1 267.1	1 094.1	1 201.9	1 414.2	1137.5	1168.5	1089.3	970.1	971.8	992.1
sIn foreign currency	1737.883	1463.296	1604.943	1586.600	1711.415	1577.838	1590.6	1812.7	1645.4	1767.6	1769.2	1985.8

Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Deposits	**80107.4**	**82025.8**	**84161.1**	**84417.7**	**86459.2**	**84120.4**	**85143.9**	**85460.5**	**86008.7**	**86859.8**	**89892.2**	**88180.1**
Deposits included in broad money	**72043.8**	**74334.8**	**76103.7**	**75756.2**	**77236.4**	**76030.3**	**77554.6**	**77370.4**	**78633.9**	**79452.9**	**79745.7**	**78892.2**
Transferable deposits	32761.2	34285.8	36237.6	35517.1	36593.1	35261.2	36453.7	36096.8	36763.3	36430.1	37121.6	37099.9
In national currency	32195.5	33305.7	35717.0	34842.9	35670.2	34464.4	35866.2	35283.3	35923.4	35591.8	36448.1	36482.5
Other financial corporations	2622.9	2752.1	2479.0	2364.7	2429.9	2544.4	3163.8	2733.1	2856.5	2602.0	2995.5	4302.3
State and local government	934.8	929.8	939.9	909.2	906.6	888.1	860.8	1010.5	1026.4	947.6	812.7	942.1
Public non-financial corporations	2633.5	2536.8	2587.4	2296.4	2270.3	2416.6	2461.2	2101.5	1681.2	2509.9	1969.2	2164.2
Other non-financial corporations	18568.0	19583.8	21161.8	20913.2	21654.2	20208.2	20659.3	21221.2	22046.6	21135.6	22037.9	20474.4
Other resident sectors	7436.3	7503.2	8548.8	8359.4	8409.2	8407.1	8721.1	8217.0	8312.7	8396.6	8632.7	8599.5
In foreign currency	565.7	980.0	520.6	674.2	922.9	796.8	587.5	813.5	839.9	838.4	673.5	617.5
Other deposits	39282.7	40049.0	39866.1	40239.1	40643.3	40769.1	41101.0	41273.6	41870.6	43022.8	42624.1	41792.3
In national currency	39282.7	40049.0	39866.1	40239.1	40643.3	40769.1	41101.0	41273.6	41870.6	43022.8	42624.1	41792.3
Other financial corporations	4674.8	4497.0	4775.5	4699.6	4547.9	4788.9	4632.5	4416.7	4543.2	4408.0	4789.6	4070.2
State and local government	713.4	695.0	638.1	644.7	652.7	623.3	595.3	596.5	583.6	640.9	641.8	551.1
Public nonfinancial corporations	1029.2	1215.8	1320.6	1483.5	1640.3	1275.8	1528.6	1447.2	1214.3	1422.2	1311.0	1225.0
Other nonfinancial corporations	10405.1	10693.9	10343.7	10248.2	10580.0	10432.8	10338.7	10580.7	11089.7	11644.9	11112.0	11036.3
Other resident sectors	22460.2	22947.4	22788.2	23163.0	23222.3	23648.2	24005.8	24232.5	24439.7	24906.7	24769.7	24909.7
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
Deposits excluded from broad money	**8063.5**	**7691.1**	**8057.4**	**8661.5**	**9222.8**	**8090.1**	**7589.2**	**8090.1**	**7374.9**	**7406.9**	**10146.5**	**9287.9**
Transferable deposit	4878.6	4665.4	5014.4	5405.2	5996.3	4698.5	4440.7	4830.0	3756.9	3941.8	4963.9	5669.0
In national currency	2817.1	2516.0	2669.8	2592.9	3056.8	2628.3	2275.9	2075.0	1945.3	1919.7	2463.9	2967.3
In foreign currency	2061.5	2149.4	2344.6	2812.3	2939.5	2070.2	2164.8	2755.0	1811.6	2022.1	2500.0	2701.7
Other deposits	3185.0	3025.7	3043.0	3256.3	3226.6	3391.6	3148.5	3260.1	3618.0	3465.0	5182.6	3618.9
In national currency	1072.8	1050.5	1228.7	1343.0	1259.2	1279.3	1600.9	1505.5	1872.0	1822.2	2522.0	1466.8
sIn foreign currency	2112.2	1975.3	1814.3	1913.3	1967.4	2112.3	1547.6	1754.6	1746.0	1642.8	2660.6	2152.1

Description	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Total Deposits	**86786.0**	**88761.8**	**91539.2**	**92543.8**	**91925.9**	**90267.8**	**90921.1**	**90805.6**	**90935.9**	**91501.9**	**94018.0**	**93699.8**
Deposits included in broad money	**77791.3**	**80079.5**	**83685.8**	**84951.0**	**84908.9**	**82269.0**	**83423.8**	**83928.7**	**82095.8**	**83376.9**	**83277.0**	**83065.4**
Transferable deposits	36486.3	38015.5	41127.1	40616.7	38739.5	36765.4	37701.6	37872.7	37041.2	37239.1	36538.4	36768.8
In national currency	35652.8	37292.0	40230.4	39982.2	37805.8	36016.4	36930.7	37197.3	36244.3	36252.0	35716.1	36056.7
Other financial corporations	4658.8	4766.1	5198.2	5310.0	5065.2	4407.8	4472.5	4404.8	4537.0	4918.2	4489.2	4349.0
State and local government	1011.4	1107.3	1391.6	1047.9	1007.1	875.9	872.6	846.0	745.6	827.5	709.6	670.2
Public non-financial corporations	1972.3	2720.9	2877.3	2840.7	2446.5	2055.2	2365.5	2193.0	2247.6	2524.3	2428.8	2633.6
Other non-financial corporations	19051.9	19692.6	21499.9	21752.8	20454.3	19681.6	20149.9	20961.6	20213.1	19181.6	19089.2	19829.8
Other resident sectors	8958.4	9005.2	9263.5	9030.8	8832.7	8995.9	9070.2	8791.9	8501.0	8800.4	8999.3	8574.1
In foreign currency	833.6	723.5	896.6	634.5	933.7	749.0	770.9	675.4	797.0	987.0	822.3	712.1
Other deposits	41305.0	42064.0	42558.7	44334.2	46169.4	45503.6	45722.2	46056.0	45054.6	46137.8	46738.6	46296.6
In national currency	41305.0	42064.0	42558.7	44334.2	46169.4	45503.6	45722.2	46056.0	45054.6	46137.8	46738.6	46296.6
Other financial corporations	3963.8	4155.0	4010.3	4231.8	2549.2	4865.0	4127.2	4076.0	4020.9	4098.7	3871.3	3930.4
State and local government	549.3	469.4	483.4	604.9	2379.2	549.8	542.2	532.9	508.5	450.2	441.4	361.7
Public nonfinancial corporations	1375.7	1775.1	1919.5	2145.1	2280.9	1626.9	2097.4	2308.8	2409.2	2385.4	2444.5	2650.8
Other nonfinancial corporations	11094.5	11225.6	11294.8	11797.3	13130.8	12540.6	12695.0	12680.7	11102.3	12380.7	12869.0	11992.7
Other resident sectors	24321.7	24438.9	24850.8	25555.2	25829.2	25921.3	26260.4	26457.6	27013.7	26822.8	27112.5	27360.9
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
Deposits excluded from broad money	**8994.6**	**8682.3**	**7853.5**	**7592.8**	**7017.0**	**7998.8**	**7497.3**	**6876.8**	**8840.1**	**8125.0**	**10741.0**	**10634.4**
Transferable deposit	5224.9	5001.2	4698.5	4515.2	4776.0	4772.0	5003.9	4316.5	4983.1	4242.6	6447.0	5528.4
In national currency	2089.0	2027.9	2645.5	2279.2	2337.2	2147.5	2143.2	2222.7	2554.6	2101.6	3534.6	3710.4
In foreign currency	3135.9	2973.3	2053.0	2236.0	2438.8	2624.6	2860.7	2093.9	2428.5	2141.1	2912.4	1818.0
Other deposits	3769.7	3681.1	3154.9	3077.7	2241.1	3226.8	2493.4	2560.3	3857.0	3882.3	4294.1	5106.0
In national currency	1701.0	1431.7	1508.5	1658.1	1603.2	1510.1	1431.0	1425.0	2505.9	2576.8	2511.7	3224.3
sIn foreign currency	2068.7	2249.5	1646.4	1419.5	637.9	1716.7	1062.4	1135.3	1351.1	1305.5	1782.3	1881.7

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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
2012	Jan	1 659.4	23 438.5	25 097.9	29 613.6	-	54 711.5
	Feb	1 596.5	23 905.8	25 502.3	30 476.8	-	55 979.1
	Mar	1 524.7	25 062.6	26 587.4	30 596.0	-	57 183.4
	Apr	1 634.9	23 960.5	25 595.4	31 227.5	-	56 822.9
	May	1 599.3	25 506.6	27 105.9	31 270.5	-	58 376.4
	Jun	1 715.3	25 653.5	27 368.8	33 169.4	-	60 538.2
	Jul	1 629.6	24 795.4	26 425.1	32 154.6	-	58 579.7
	Aug	1 709.5	24 611.1	26 320.6	34 170.6	-	60 491.1
	Sep	1 712.2	25 306.1	27 018.3	34 231.1	-	61 249.5
	Oct	1 615.8	23 904.0	25 519.8	35 513.0	-	61 032.9
	Nov	1 709.4	23 570.4	25 279.8	35 612.0	-	60 891.8
	Dec	1 685.0	23 263.9	24 948.9	36 381.3	-	61 330.1
2013	Jan	1 643.9	24 943.2	26 587.0	35 533.6	-	62 120.7
	Feb	1 695.4	24 261.2	25 956.6	35 486.7	-	61 443.3
	Mar	1 887.5	24 516.0	26 403.2	35 161.6	-	60 954.6
	Apr	1 763.2	26 618.2	28 381.3	35 200.5	-	63 581.9
	May	1 772.0	26 989.7	28 761.7	35 292.8	-	64 054.5
	Jun	2 003.7	27 925.5	29 929.2	35 150.8	-	65 187.2
	Jul	1 876.0	30 067.7	31 943.8	34 175.3	-	66 119.1
	Aug	2 126.9	31 739.5	33 866.4	34 351.5	-	68 217.9
	Sep	2 174.5	31 225.0	33 398.9	34 579.1	-	67 978.0
	Oct	1 895.0	33 665.9	35 561.0	34 496.2	-	70 057.2
	Nov	2 186.2	32 897.0	35 083.2	34 298.6	-	69 381.9
	Dec	2 137.1	31 743.1	33 880.1	35 077.7	-	68 957.8
2014	Jan	2 093.0	30 916.0	33 009.0	34 568.7	-	67 577.7
	Feb	2 083.3	31 814.8	33 898.1	34 298.4	-	68 196.5
	Mar	2 115.4	32 241.3	34 356.7	33 660.7	-	68 017.4
	Apr	2 137.0	32 867.7	35 004.7	33 548.7	-	68 553.4
	May	2 194.0	33 562.4	35 756.3	33 752.3	-	69 508.7
	Jun	2 253.6	33 470.3	35 723.9	33 814.6	-	69 538.5
	Jul	2 343.7	36 147.7	38 491.4	34 426.5	-	72 917.9
	Aug	2 538.0	35 822.7	38 360.7	35 566.8	-	73 927.5
	Sep	2 387.1	37 993.1	40 380.2	35 140.0	-	75 520.1
	Oct	2 433.4	34 724.9	37 158.3	36 389.9	-	73 548.2
	Nov	2 707.4	36 509.2	39 216.6	36 941.3	-	76 157.9
	Dec	2 543.9	34 171.8	36 715.7	37 650.3	-	74 366.0
2015	Jan	2 604.5	32 761.2	35 365.7	39 282.7	-	74 648.3
	Feb	2 557.2	34 285.8	36 842.9	40 049.0	-	76 891.9
	Mar	2 548.1	36 237.6	38 785.6	39 866.1	-	78 651.8
	Apr	2 649.5	35 517.1	38 166.6	40 239.1	-	78 405.7
	May	2 670.4	36 593.1	39 263.5	40 643.3	-	79 906.8
	Jun	2 625.5	35 261.2	37 886.7	40 769.1	-	78 655.8
	Jul	2 882.2	36 453.7	39 335.8	41 101.0	-	80 436.8
	Aug	2 950.6	36 096.8	39 047.4	41 273.6	-	80 321.0
	Sep	2 870.7	36 763.3	39 634.1	41 870.6	-	81 504.6
	Oct	3 126.8	36 430.1	39 557.0	43 022.8	-	82 579.7
	Nov	3 290.8	37 121.6	40 412.4	42 624.1	-	83 036.5
	Dec	3 041.6	37 099.9	40 141.5	41 792.3	-	81 933.8
2016	Jan	3 008.1	36 486.3	39 510.0	41 305.0	-	80 815.0
	Feb	2 890.4	38 015.5	40 919.0	42 064.0	-	82 983.0
	Mar	2 764.6	41 127.1	43 900.1	42 558.7	-	86 458.9
	Apr	2 920.8	40 616.7	43 547.7	44 334.2	-	87 882.0
	May	2 838.7	38 739.5	41 584.5	46 169.4	-	87 753.9
	Jun	2 840.3	36 765.4	39 613.9	45 503.6	-	85 117.5
	Jul	2 953.3	37 701.6	40 657.4	45 722.2	-	86 379.6
	Aug	2 878.9	37 872.7	40 749.1	46 056.0	-	86 805.2
	Sep	2 904.7	37 041.2	39 947.1	45 054.6	-	85 001.7
	Oct	2 963.6	37 239.1	40 197.5	46 137.8	-	86 335.3
	Nov	3 009.4	36 538.4	39 539.2	46 738.6	-	86 277.8
	Dec	2 884.0	36 768.8	39 647.7	46 296.6	-	85 944.3

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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		
2012	**Jan**	**54 711.5**	**23 054.3**	**6 833.5**	**10 270.5**	**-82.1**	**-3 436.9**	**47 484.3**	**-11 200.9**
	Feb	55 979.1	20 878.3	6 780.6	8 874.3	-51.1	-2 093.7	47 856.0	-12 954.2
	Mar	57 183.4	19 832.7	6 717.8	6 672.7	-131.6	45.1	48 912.4	-12 496.0
	Apr	56 822.9	21 694.3	6 748.7	10 418.4	-126.7	-3 669.7	49 895.6	-13 112.4
	May	58 376.4	21 840.7	6 632.0	8 154.1	-116.6	-1 522.1	49 859.6	-12 942.9
	Jun	60 538.2	21 174.1	6 689.9	7 724.0	-80.6	-1 034.1	49 661.8	-14 495.5
	Jul	58 579.7	23 300.8	6 765.0	10 090.5	-80.6	-3 325.5	50 471.6	-12 183.6
	Aug	60 491.1	21 887.0	7 110.2	8 933.8	-80.6	-1 823.7	50 749.9	-13 768.9
	Sep	61 249.5	21 863.5	6 984.3	8 027.2	-80.6	-1 042.9	51 772.0	-12 812.3
	Oct	61 032.9	22 775.3	6 785.5	9 190.4	0.0	-2 404.9	52 392.8	-12 583.0
	Nov	60 891.8	21 354.0	6 825.9	9 184.8	0.0	-2 358.9	54 099.3	-12 618.8
	Dec	61 330.1	20 938.7	6 825.2	8 130.9	0.0	-1 305.6	54 465.3	-12 568.1
2013	**Jan**	**62 120.7**	**25 825.7**	**6 877.7**	**11 033.1**	**0.0**	**-4 155.4**	**55 399.0**	**-11 789.7**
	Feb	61 443.3	23 601.5	6 897.0	10 010.0	0.0	-3 112.9	55 241.1	-12 455.7
	Mar	60 954.6	21 353.9	7 078.2	8 186.5	0.0	-1 108.4	56 276.1	-12 297.0
	Apr	63 581.9	23 889.6	7 125.3	11 526.7	0.0	-4 401.4	56 772.5	-14 656.3
	May	64 054.5	23 263.7	7 071.1	9 489.9	0.0	-2 418.8	57 487.1	-14 965.5
	Jun	65 187.2	23 011.8	6 871.8	8 517.4	0.0	-1 645.6	58 389.9	-14 442.1
	Jul	66 119.1	25 823.0	6 931.1	10 287.5	0.0	-3 356.4	58 602.4	-14 968.0
	Aug	68 217.9	25 729.3	6 962.0	8 184.2	0.0	-1 222.2	58 988.3	-14 462.3
	Sep	67 978.0	23 272.5	7 325.9	6 479.0	0.0	846.9	59 466.5	-14 613.7
	Oct	70 057.2	27 056.5	7 230.8	7 976.7	0.0	- 746.0	60 162.1	-14 106.1
	Nov	69 381.9	24 605.3	7 251.9	6 367.9	0.0	884.0	61 530.1	-13 766.1
	Dec	68 957.8	23 369.1	7 340.6	7 071.2	0.0	269.4	62 597.1	-14 715.2
2014	**Jan**	**67 577.7**	**25 518.6**	**7 182.7**	**9 786.3**	**0.0**	**-2 603.6**	**63 971.1**	**-13 824.5**
	Feb	68 196.5	24 000.2	7 208.7	7 530.4	0.0	- 321.8	64 516.6	-12 506.3
	Mar	68 017.4	21 903.1	7 219.4	4 893.8	0.0	2 325.6	64 680.8	-11 959.0
	Apr	68 553.4	25 406.0	7 091.1	8 420.1	0.0	-1 329.0	65 912.8	-10 998.8
	May	69 508.7	25 271.0	6 938.3	6 726.8	0.0	211.5	66 771.2	-10 160.2
	Jun	69 538.5	24 164.4	7 026.1	6 834.1	0.0	192.0	67 393.1	-10 779.4
	Jul	72 917.9	25 397.3	6 833.3	5 038.6	0.0	1 794.7	67 841.1	-11 140.6
	Aug	73 927.5	25 485.8	6 964.4	3 414.3	0.0	3 550.2	68 478.7	-10 102.9
	Sep	75 520.1	26 004.3	6 886.0	3 183.1	0.0	3 702.9	69 273.7	-10 741.3
	Oct	73 548.2	23 186.7	7 252.2	5 072.6	0.0	2 179.6	70 518.3	-12 770.7
	Nov	76 157.9	21 086.4	6 801.8	2 455.5	0.0	4 346.3	72 338.0	-13 855.0
	Dec	74 366.0	19 667.7	7 134.1	3 131.8	0.0	4 002.3	73 063.1	-13 684.0
2015	**Jan**	**74 648.3**	**23 386.3**	**7 189.7**	**6 099.4**	**0.0**	**1 090.3**	**73 734.1**	**-13 721.4**
	Feb	76 891.9	21 948.7	7 430.6	5 153.6	0.0	2 276.9	75 173.7	-14 969.3
	Mar	78 651.8	18 875.5	8 584.5	1 323.3	0.0	7 261.3	76 237.4	-15 802.5
	Apr	78 405.7	22 323.0	8 775.8	5 474.0	0.0	3 301.8	76 862.5	-15 790.6
	May	79 906.8	21 800.4	9 341.2	3 854.1	0.0	5 487.1	77 935.3	-15 389.0
	Jun	78 655.8	20 088.7	9 732.4	5 757.5	0.0	3 974.9	78 649.5	-16 359.6
	Jul	80 436.8	20 961.4	10 017.1	5 509.7	0.0	4 507.4	79 310.5	-16 154.5
	Aug	80 321.0	17 933.4	10 305.2	4 312.0	0.0	5 993.1	80 607.9	-15 440.8
	Sep	81 504.6	18 651.2	10 286.9	3 422.2	0.0	6 864.7	81 678.9	-15 880.7
	Oct	82 196.6	27 268.6	10 470.0	13 424.8	0.0	-2 954.8	82 228.3	-16 624.4
	Nov	83 031.4	29 961.9	10 580.3	11 410.3	0.0	- 830.0	83 840.6	-14 986.3
	Dec	81 944.9	27 477.8	10 170.4	11 778.8	0.0	-1 608.4	84 923.5	-15 638.0
2016	**Jan**	**80 815.0**	**29 460.6**	**9 965.2**	**13 159.5**	**0.0**	**-3 194.3**	**85 433.0**	**-16 121.2**
	Feb	82 983.0	31 362.6	10 184.6	11 129.9	0.0	- 945.3	85 856.6	-14 552.6
	Mar	86 458.9	32 807.7	12 088.7	9 801.1	0.0	2 287.6	85 903.3	-14 467.6
	Apr	87 882.0	34 983.9	10 895.2	10 669.7	0.0	225.5	86 349.5	-15 318.8
	May	87 753.9	34 887.9	10 768.2	8 934.7	0.0	1 833.5	86 457.0	-15 484.0
	Jun	85 117.5	29 644.3	11 041.6	8 327.8	0.0	2 713.8	86 926.6	-17 959.6
	Jul	86 379.6	29 809.4	11 068.0	8 223.3	0.0	2 844.7	87 533.1	-18 037.5
	Aug	86 805.2	28 815.6	11 619.2	7 055.1	0.0	4 564.1	88 546.3	-16 837.4
	Sep	85 001.7	24 188.2	11 785.8	7 305.4	0.0	4 480.4	89 671.7	-18 676.6
	Oct	86 335.3	29 430.2	11 595.2	7 185.9	0.0	4 409.4	89 825.7	-18 858.4
	Nov	86 277.8	31 446.4	12 878.9	8 071.7	0.0	4 807.3	91 048.8	-15 893.8
	Dec	85 944.3	26 225.4	11 814.5	7 909.5	0.0	3 905.0	91 974.2	-16 864.2

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Table II.8 Changes in determinants of money supply (end of period in N$ million)

			Determinants of money supply						
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Claims on the Central Government				Claims on other sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2012	**Jan**	**-2 998.4**	**-117.5**	**-135.5**	**2 747.6**	**50.1**	**-2 883.0**	**565.0**	**-493.6**
	Feb	1 267.6	-2 175.9	-52.9	-1 396.2	31.0	1 343.2	371.7	-1 753.3
	Mar	1 204.3	-1,045.6	-62.8	-2 201.6	-80.5	2 138.8	1 056.4	458.3
	Apr	-360.5	1 861.6	30.8	3 745.6	4.9	-3 714.8	983.3	-616.4
	May	1 553.5	146.4	-116.7	-2 264.2	10.1	2 147.6	-36.0	169.5
	Jun	2,161.8	- 666.6	57.9	-430.1	36.1	488.0	-197.8	-1 552.7
	Jul	-1 958.6	2 126.7	75.1	2 366.4	-0.0	-2 291.3	809.8	2 311.9
	Aug	1 911.5	-1 413.8	345.2	-1 156.6	-0.0	1 501.8	278.3	-1 585.3
	Sep	758.3	-23.5	-125.8	-906.6	-0.0	780.8	1 022.1	956.6
	Oct	-216.6	911.8	-198.8	1 163.2	80.6	-1 362.0	620.8	229.3
	Nov	-141.1	-1 421.3	40.4	-5.6	0.0	46.0	1 706.5	-35.7
	Dec	438.4	-415.3	-0.7	-1 053.9	0.0	1 053.3	366.0	50.7
2013	**Jan**	**790.5**	**4,886.9**	**52.4**	**2 902.2**	**0.0**	**-2 849.8**	**933.7**	**778.4**
	Feb	- 677.3	-2 224.2	19.4	-1 023.1	0.0	1 042.5	-157.8	- 666.0
	Mar	- 488.8	-2,247.6	181.1	-1 823.4	0.0	2 004.5	1 035.0	158.7
	Apr	2,627.3	2 535.7	47.1	3 340.2	0.0	-3 293.1	496.5	-2359.3
	May	472.7	-625.9	-54.2	-2 036.8	0.0	1 982.6	714.5	-309.2
	Jun	1,132.7	- 252.0	-199.2	-972.5	0.0	773.3	902.8	523.3
	Jul	931.8	2 811.2	59.2	1 770.1	0.0	-1 710.8	212.5	- 525.9
	Aug	2 098.8	- 93.7	30.9	-2 103.3	0.0	2 134.2	385.9	505.7
	Sep	-239.9	-2,456.7	363.9	-1,705.2	0.0	2,069.1	478.1	- 151.3
	Oct	2,079.2	3,784.0	-95.2	1 497.7	0.0	-1 592.9	695.6	507.6
	Nov	-675.3	-2,451.2	21.2	-1,608.9	0.0	1,630.0	1,368.0	340.0
	Dec	-424.0	-1,236.2	88.7	703.3	0.0	-614.6	1,067.0	-949.2
2014	**Jan**	**-1,380.2**	**2,149.5**	**-157.9**	**2,715.0**	**0.0**	**-2,873.0**	**1,374.0**	**890.8**
	Feb	618.8	-1,518.4	26.0	-2,255.8	0.0	2,281.8	545.6	1,318.2
	Mar	-179.1	-2,097.1	10.7	-2,636.6	0.0	2,647.4	164.2	547.3
	Apr	536.0	3,502.9	-128.3	3,526.3	0.0	-3,654.7	1,232.0	960.2
	May	955.3	-135.0	-152.8	-1,693.4	0.0	1,540.6	858.4	838.6
	Jun	29.8	-1,106.6	87.8	107.3	0.0	-19.5	621.9	-619.2
	Jul	3,379.4	1,233.0	-192.8	-1,795.5	0.0	1,602.6	448.0	-361.2
	Aug	1,009.5	88.5	131.1	-1,624.3	0.0	1,755.5	637.6	1,037.7
	Sep	1,592.7	518.5	-78.4	-231.1	0.0	152.7	795.0	-638.4
	Oct	-1,971.9	-2,817.6	366.2	1,889.4	0.0	-1,523.3	1,244.6	-2,029.5
	Nov	2,609.7	-2,100.3	-450.4	-2,617.1	0.0	2,166.7	1,819.7	-1,084.3
	Dec	-1,791.9	-1,418.7	332.2	676.3	0.0	-344.1	725.0	171.0
2015	**Jan**	**282.4**	**3,718.7**	**55.6**	**2,967.6**	**0.0**	**-2,911.9**	**671.0**	**-37.4**
	Feb	2,243.6	-1,437.7	240.9	-945.7	0.0	1,186.6	1,439.6	-1,248.0
	Mar	1,759.8	-3,073.2	1,154.0	-3,830.4	0.0	4,984.3	1,063.7	-833.2
	Apr	-246.1	3,447.5	191.2	4,150.7	0.0	-3,959.5	625.1	11.9
	May	1,501.1	-522.5	565.5	-1,619.9	0.0	2,185.3	1,072.7	401.6
	Jun	-1,251.0	-1,711.8	391.2	1,903.4	0.0	-1,512.2	714.2	-970.6
	Jul	1,781.0	872.8	284.7	-247.8	0.0	532.5	661.0	205.1
	Aug	-115.7	-3,028.0	288.1	-1,197.7	0.0	1,485.8	1,297.4	713.7
	Sep	1,183.6	717.8	-18.3	-889.8	0.0	871.6	1,071.0	-440.0
	Oct	692.0	8,617.4	183.1	10,002.6	0.0	-9,819.5	549.4	-743.7
	Nov	834.7	2,693.3	110.3	-2,014.5	0.0	2,124.7	1,612.4	1,638.2
	Dec	-1,086.4	-2,484.1	-409.9	368.5	0.0	-778.4	1,082.9	-651.7
2016	**Jan**	**-1,130.0**	**1,982.8**	**-205.2**	**1,380.7**	**0.0**	**-1,585.9**	**509.5**	**-483.3**
	Feb	2,168.0	1,902.0	219.4	-2,029.6	0.0	2,249.0	423.6	1,568.6
	Mar	3,475.9	1,445.1	1,904.1	-1,328.8	0.0	3,232.9	46.7	85.0
	Apr	1,423.1	2,176.2	-1,193.5	868.6	0.0	-2,062.1	446.2	-851.2
	May	-128.1	-96.0	-127.0	-1,735.0	0.0	1,608.0	107.5	-165.2
	Jun	-2,636.4	-5,243.6	273.4	-606.9	0.0	880.3	469.6	-2,475.6
	Jul	1,262.1	165.1	26.3	-104.5	0.0	130.9	606.5	-77.9
	Aug	425.6	-993.8	551.3	-1,168.2	0.0	1,719.4	1,013.2	1,200.1
	Sep	-1,803.5	-4,627.4	166.5	250.3	0.0	-83.7	1,125.4	-1,839.3
	Oct	1,333.6	5,242.0	-190.5	-119.5	0.0	-71.0	154.0	-181.8
	Nov	-57.5	2,016.2	1,283.7	885.8	0.0	397.9	1,223.1	2,964.6
	Dec	-333.5	-5,221.0	-1,064.5	-162.2	0.0	-902.3	925.4	-970.4

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Table II.9 Selected interest rates: Namibia and South Africa

		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Deposit rates		Bank rate	Repo rate
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
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	8.50	8.71	8.81	5.79	5.37	4.24	5.36	6.00	5.50
	Aug	9.25	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
2013	**Jan**	**9.25**	**8.50**	**8.35**	**8.50**	**5.71**	**5.06**	**4.12**	**5.09**	**5.50**	**5.00**
	Feb	9.25	8.50	8.22	8.50	5.68	5.04	3.99	5.08	5.50	5.00
	Mar	9.25	8.50	8.30	8.50	5.66	5.05	3.98	5.12	5.50	5.00
	Apr	9.25	8.50	8.23	8.50	5.49	5.12	4.02	5.13	5.50	5.00
	May	9.25	8.50	8.30	8.50	5.54	5.03	4.00	5.13	5.50	5.00
	Jun	9.25	8.50	8.26	8.50	5.72	5.12	4.04	5.14	5.50	5.00
	Jul	9.25	8.50	8.22	8.50	5.79	5.12	3.93	5.15	5.50	5.00
	Aug	9.25	8.50	8.32	8.50	5.73	5.09	3.98	5.13	5.50	5.00
	Sep	9.25	8.50	8.50	8.50	5.64	5.06	3.90	5.13	5.50	5.00
	Oct	9.25	8.50	8.11	8.50	5.63	5.04	3.81	5.14	5.50	5.00
	Nov	9.25	8.50	8.46	8.50	5.60	5.07	4.00	5.18	5.50	5.00
	Dec	9.25	8.50	8.20	8.50	5.64	5.14	3.96	5.22	5.50	5.00
2014	**Jan**	**9.25**	**9.00**	**8.16**	**8.54**	**5.78**	**5.22**	**3.96**	**5.26**	**5.50**	**5.50**
	Feb	9.25	9.00	8.38	9.00	5.78	5.56	4.02	5.68	5.50	5.50
	Mar	9.25	9.00	8.47	9.00	5.99	5.73	4.18	5.72	5.50	5.50
	Apr	9.25	9.00	8.62	9.00	5.97	5.74	4.20	5.76	5.50	5.50
	May	9.25	9.00	8.62	9.00	5.89	5.74	4.17	5.79	5.50	5.50
	Jun	9.50	9.00	8.55	9.00	5.93	5.79	4.23	5.81	5.75	5.50
	Jul	9.50	9.25	8.59	9.25	6.01	6.03	4.11	5.89	5.75	5.75
	Aug	9.75	9.25	8.73	9.25	6.08	6.01	4.33	6.06	6.00	6.00
	Sep	9.75	9.25	8.89	9.25	6.15	6.00	4.41	6.13	6.00	6.00
	Oct	9.75	9.25	9.13	9.25	6.21	5.90	4.41	6.08	6.00	6.00
	Nov	9.75	9.25	9.32	9.25	-	5.84	4.42	6.08	6.00	6.00
	Dec	9.75	9.25	8.93	9.25	6.25	6.04	4.54	6.09	6.00	6.00
2015	**Jan**	**9.75**	**9.25**	**9.30**	**9.25**	**6.29**	**6.00**	**4.50**	**6.12**	**6.00**	**6.00**
	Feb	10.00	9.25	9.14	9.25	-	5.88	4.72	6.10	6.25	6.00
	Mar	10.00	9.25	9.33	9.25	6.30	5.80	4.59	6.11	6.25	6.00
	Apr	10.00	9.25	9.25	9.25	6.33	5.80	4.60	6.11	6.25	6.00
	May	10.00	9.25	9.45	9.25	-	5.73	4.58	6.13	6.25	6.00
	Jun	10.25	9.25	8.79	9.25	6.56	5.76	4.67	6.13	6.50	6.00
	Jul	10.25	9.50	9.43	9.50	6.72	6.03	4.65	6.20	6.50	6.00
	Aug	10.25	9.50	9.38	9.50	-	6.16	4.72	6.30	6.50	6.00
	Sep	10.25	9.50	9.60	9.50	6.93	6.24	4.83	6.31	6.50	6.00
	Oct	10.25	9.50	9.40	9.50	7.24	6.16	4.79	6.31	6.50	6.00
	Nov	10.25	9.75	9.40	9.75	-	6.33	5.00	6.39	6.50	6.25
	Dec	10.25	9.75	9.42	9.75	7.51	6.74	4.91	6.57	6.50	6.25
2016	**Jan**	**10.25**	**10.25**	**9.52**	**10.25**	**7.81**	**6.86**	**4.80**	**6.68**	**6.50**	**6.75**
	Feb	10.50	10.25	9.36	10.25	-	6.93	5.09	6.98	6.75	6.75
	Mar	10.50	10.50	9.74	10.50	7.85	7.04	5.00	7.10	6.75	7.00
	Apr	10.75	10.50	9.76	10.50	7.89	7.18	5.20	7.27	7.00	7.00
	May	10.75	10.50	10.20	10.50	-	7.16	5.43	7.31	7.00	7.00
	Jun	10.75	10.50	10.01	10.50	7.99	7.20	5.41	7.32	7.00	7.00
	Jul	10.75	10.50	10.11	10.50	8.24	7.35	5.35	7.35	7.00	7.00
	Aug	10.75	10.50	10.12	10.50	-	7.30	5.53	7.35	7.00	7.00
	Sep	10.75	10.50	10.22	10.50	8.33	7.29	5.64	7.36	7.00	7.00
	Oct	10.75	10.50	10.19	10.50	8.65	7.35	5.60	7.36	7.00	7.00
	Nov	10.75	10.50	10.06	10.50	-	7.60	5.62	7.36	7.00	7.00
	Dec	10.75	10.50	9.87	10.50	8.89	7.64	5.69	7.36	7.00	7.00

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Table III.1(a) Treasury bills auction - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	**2015**				
	Jan	250.0	405.7	155.7	6.3
	Jan	270.0	202.2	-67.8	6.3
	Mar	180.0	354.0	174.0	6.3
	Apr	250.0	270.3	20.3	6.1
	Apr	300.0	385.0	85.0	6.5
	Jun	300.0	452.8	152.8	6.6
	Jul	320.0	345.3	25.3	6.6
	Jul	320.0	279.7	-40.3	6.8
	Sep	320.0	259.7	-60.3	6.9
	Oct	340.0	250.4	-89.6	7.2
	Oct	340.0	290.5	-49.5	7.3
	Dec	340.0	361.7	21.7	7.5
	2016				
	Jan	340.0	214.8	-125.2	7.6
	Jan	350.0	380.7	30.7	8.0
	Mar	350.0	503.4	153.4	7.9
	Apr	300.0	640.6	340.6	7.8
	May	350.0	566.6	216.6	8.0
	Jun	350.0	544.2	194.2	8.0
	Jul	350.0	177.2	-172.9	8.2
	Jul	350.0	323.9	-26.1	8.3
	Sep	350.0	459.0	109.0	8.3
	Oct	350.0	278.4	-71.6	8.6
	Oct	350.0	191.7	-158.3	8.7
	Dec	380.0	320.8	-59.2	8.9
182 days	**2015**				
	Jan	270.0	346.1	76.1	6.8
	Feb	270.0	472.4	202.4	6.9
	Mar	300.0	468.1	168.1	6.9
	Apr	300.0	518.7	218.7	6.9
	Apr	320.0	542.8	222.8	6.9
	May	300.0	394.9	94.9	7.0
	Jun	270.0	389.7	119.7	7.1
	Jul	350.0	477.9	127.9	7.1
	Jul	350.0	405.3	55.3	7.2
	Aug	350.0	343.8	-6.2	7.3
	Sep	350.0	327.7	-22.3	7.5
	Oct	350.0	565.1	215.1	7.6
	Oct	350.0	313.6	-36.4	7.7
	Nov	350.0	332.8	-17.2	8.0
	Dec	300.0	357.7	57.7	8.0
	2016				
	Jan	390.0	253.5	-136.5	8.1
	Jan	350.0	213.6	-136.5	8.4
	Feb	360.0	287.7	-72.3	8.7
	Mar	350.0	767.0	417.0	8.7
	Apr	370.0	1218.2	848.2	8.7
	May	350.0	712.1	362.1	8.5
	May	350.0	623.8	273.8	8.4
	Jun	380.0	706.3	326.3	8.4
	Jul	350.0	385.8	35.8	8.4
	Jul	350.0	462.0	112.0	8.4
	Aug	350.0	258.9	-91.1	8.5
	Sep	400.0	356.8	-43.2	8.7
	Oct	400.0	433.6	33.6	9.1
	Oct	350.0	515.9	165.9	9.1
	Nov	350.0	372.8	22.8	9.2
	Dec	617.5	617.5	0.0	9.3
273 days	**2015**				
	Jan	220.0	555.1	335.1	6.9
	Feb	220.0	302.5	82.5	6.9
	Feb	200.0	570.0	370.0	6.9
	Mar	250.0	578.1	328.1	6.9
	Mar	250.0	376.6	126.6	7.0
	Mar	300.0	362.1	62.1	7.0
	Apr	300.0	410.1	110.1	7.0
	May	300.0	340.2	40.1	7.2
	May	300.0	275.2	-24.9	7.3
	Jun	300.0	355.0	55.0	7.4
	Jun	250.0	347.7	97.7	7.5
	Jul	250.0	366.6	116.6	7.5
	Aug	250.0	339.7	89.6	7.6
	Sep	250.0	295.3	45.3	7.7
	Oct	350.0	308.1	-41.9	7.9
	Nov	350.0	615.1	265.1	7.9
	Nov	300.0	415.0	115.0	8.0
	Dec	300.0	480.0	180.0	8.0
	Dec	300.0	187.0	-113.0	8.5
	2016				
	Jan	350.0	230.1	-119.9	8.7
	Feb	350.0	417.4	67.4	8.9
	Feb	320.0	536.1	216.1	9.0
	Mar	350.0	631.2	281.2	9.0
	Mar	300.0	537.8	237.8	9.0
	Apr	350.0	1157.7	807.7	9.0
	May	350.0	528.9	178.9	8.9
	Jun	350.0	420.4	70.4	8.8
	Jul	350.0	640.0	290.0	8.8
	Aug	350.0	328.1	-21.9	8.9
	Aug	350.0	592.9	242.9	8.9
	Sep	350.0	471.2	121.2	9.0
	Sep	300.0	444.6	144.6	9.0
	Sep	350.0	300.2	-49.8	9.2
	Oct	300.0	328.0	28.0	9.3
	Nov	350.0	406.0	56.0	9.4
	Nov	350.0	331.1	-18.9	9.4
	Dec	400.0	521.6	121.6	9.6
	Dec	350.0	230.1	-119.9	9.8
365 days	**2015**				
	Jan	230.0	338.8	108.8	7.1
	Jan	270.0	704.1	434.1	7.0
	Feb	280.0	488.8	208.8	7.1
	Mar	200.0	476.2	276.2	7.2
	Mar	300.0	563.3	263.3	7.2
	Apr	350.0	391.0	41.0	7.2
	May	300.0	466.7	166.7	7.3
	May	300.0	318.8	18.8	7.4
	May	350.0	559.2	209.2	7.4
	Jun	350.0	374.2	24.2	7.4
	Jul	350.0	448.6	98.6	7.8
	Aug	350.0	530.5	180.5	7.9
	Sep	440.0	564.9	124.9	8.0
	Oct	350.0	543.5	193.5	8.1
	Nov	350.0	511.1	161.1	8.1
	Nov	320.0	614.0	294.0	8.1
	Dec	280.0	464.8	184.8	8.4
	2016				
	Jan	300.0	604.8	304.8	8.7
	Jan	300.0	214.0	-86.0	9.0
	Feb	300.0	785.7	485.7	9.0
	Mar	250.0	290.8	40.8	9.1
	Mar	350.0	315.9	-34.1	9.1
	Apr	350.0	743.9	393.9	9.0
	May	350.0	1043.2	693.2	8.9
	May	350.0	788.3	438.3	8.9
	May	370.0	440.3	70.3	8.8
	Jun	400.0	547.1	147.1	8.8
	Jul	350.0	492.4	142.4	8.9
	Aug	350.0	422.8	72.8	8.9
	Sep	440.0	821.3	381.3	9.0
	Sep	400.0	280.3	-119.7	8.2
	Oct	350.0	377.7	27.7	9.4
	Nov	350.0	483.5	133.5	9.7
	Dec	644.4	644.4	0.0	9.5

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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	Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2015									
Jan	04/15	147,000.0	0.0	147,000.0	55,240.0	0.0	0.0	202,240.0	8,779,530.0
Jan	04/15	249,330.0	0.0	249,330.0	670.0	0.0	0.0	250,000.0	8,771,780.0
Jan*	07/15	256,180.0	23,820.0	280,000.0		0.0	0.0	280,000.0	8,781,780.0
Jan*	07/15	161,000.0		161,000.0	109,000.0	0.0	0.0	270,000.0	8,791,780.0
Jan***	10/15	80,000.0	0.0	80,000.0	139,960.0	0.0	40.0	220,000.0	8,791,780.0
Jan**	01/16	196,270.0	0.0	196,270.0	33,180.0	0.0	550.0	230,000.0	8,828,510.0
Jan**	12/15	129,190.0	0.0	129,190.0	140,810.0	0.0	0.0	270,000.0	8,828,510.0
Feb*	08/15	217,300.0	8,370.0	225,670.0	44,340.0	0.0	0.0	270,010.0	8,848,520.0
Feb***	11/15	190,000.0	0.0	190,000.0	10,000.0	0.0	0.0	200,000.0	8,828,520.0
Feb***	11/15	257,470.0	0.0	257,470.0	12,500.0	0.0	30.0	270,000.0	9,098,520.0
Feb**	02/16	194,230.0	0.0	194,230.0	85,770.0	0.0	0.0	280,000.0	9,108,520.0
Mar	06/15	154,010.0	0.0	154,010.0	20,100.0	5,890.0	0.0	180,000.0	9,116,780.0
Mar*	09/15	288,340.0	0.0	288,340.0	11,660.0	0.0	0.0	300,000.0	9,126,780.0
Mar***	12/15	230,000.0	0.0	230,000.0	20,000.0	0.0	0.0	250,000.0	9,156,780.0
Mar***	12/15	225,000.0	0.0	225,000.0	25,000.0	0.0	0.0	250,000.0	9,406,780.0
Mar***	12/15	297,870.0	0.0	297,870.0	2,130.0	0.0	0.0	300,000.0	9,706,780.0
Mar**	03/16	199,900.0	0.0	199,900.0	0.0	0.0	100.0	200,000.0	9,906,780.0
Mar**	03/16	247,270.0	0.0	247,270.0	52,730.0	0.0	0.0	300,000.0	10,206,780.0
Apr	07/15	249,730.0	0.0	249,730.0	270.0	0.0	0.0	250,000.0	10,254,540.0
Apr	07/15	300,000.0	0.0	300,000.0	0.0	0.0	0.0	300,000.0	10,304,540.0
Apr*	10/15	199,990.0	30,000.0	229,990.0	90,000.0	0.0	10.0	320,000.0	10,344,540.0
Apr*	10/15	293,370.0	0.0	293,370.0	6,630.0	0.0	0.0	300,000.0	10,364,540.0
Apr***	01/16	269,900.0	30,000.0	299,900.0	0.0	0.0	100.0	300,000.0	10,444,540.0
Apr**	04/16	348,980.0	0.0	348,980.0	1,020.0	0.0	0.0	350,000.0	10,514,540.0
May*	07/15	260,080.0	20,000.0	280,080.0	19,910.0	0.0	10.0	300,000.0	10,604,540.0
May***	02/16	299,850.0	0.0	299,850.0	150.0	0.0	0.0	300,000.0	10,674,540.0
May***	02/16	275,000.0	0.0	275,000.0	150.0	0.0	0.0	275,150.0	10,949,690.0
May**	05/16	239,290.0	0.0	239,290.0	59,590.0	0.0	1,120.0	300,000.0	10,989,690.0
May**	05/16	256,200.0	0.0	256,200.0	43,800.0	0.0	0.0	300,000.0	11,029,690.0
May**	05/16	160,000.0	0.0	160,000.0	190,000.0	0.0	0.0	350,000.0	11,049,690.0
Jun	09/15	239,540.0	0.0	239,540.0	54,540.0	0.0	5,920.0	300,000.0	11,169,690.0
Jun*	12/15	233,480.0	20,000.0	253,480.0	16,520.0	0.0	0.0	270,000.0	11,229,690.0
June***	03/16	187,290.0	0.0	187,290.0	62,710.0	0.0	0.0	250,000.0	11,259,690.0
June***	03/16	245,000.0	0.0	245,000.0	55,000.0	0.0	0.0	300,000.0	11,559,690.0
Jun**	06/16	225,770.0	0.0	225,770.0	122,580.0	0.0	1,650.0	350,000.0	11,629,690.0
Jul	10/15	319,730.0	0.0	319,730.0	270.0	0.0	0.0	320,000.0	11,699,690.0
Jul	10/15	250,000.0	0.0	250,000.0	29,220.0	0.0	0.0	279,220.0	11,678,910.0
Jul*	01/16	343,740.0	0.0	343,740.0	6,260.0	0.0	0.0	350,000.0	11,748,910.0
Jul*	01/16	347,080.0	0.0	347,080.0	2,920.0	0.0	0.0	350,000.0	11,828,910.0
Jul***	04/16	217,420.0	30,000.0	247,420.0	2,530.0	0.0	50.0	250,000.0	11,874,380.0
Jul**	07/16	331,540.0	0.0	331,540.0	18,480.0	0.0	0.0	350,020.0	11,994,400.0
Aug*	02/16	337,000.0	0.0	337,000.0	6,800.0	0.0	0.0	343,800.0	12,068,190.0
Aug***	05/16	209,350.0	10,000.0	219,350.0	30,650.0	0.0	0.0	250,000.0	12,068,190.0
Aug**	08/16	306,530.0	0.0	306,530.0	43,470.0	0.0	0.0	350,000.0	12,168,190.0
Sep	12/15	220,000.0	0.0	220,000.0	33,790.0	5,840.0	30.0	259,660.0	12,127,850.0
Sep*	03/16	315,000.0	0.0	315,000.0	12,640.0	0.0	20.0	327,660.0	12,155,510.0
Sep***	06/16	225,670.0	20,000.0	245,670.0	4,330.0	0.0	0.0	250,000.0	12,155,510.0
Sep**	09/16	360,140.0	0.0	360,140.0	79,860.0	0.0	0.0	440,000.0	12,155,510.0
Oct	01/16	225,000.0	0.0	225,000.0	25,430.0	0.0	0.0	250,430.0	12,085,940.0
Oct	01/16	290,000.0	0.0	290,000.0	490.0	0.0	0.0	290,490.0	12,097,210.0
Oct*	04/16	272,000.0	30,000.0	302,000.0	11,610.0	0.0	0.0	313,610.0	12,090,820.0
Oct*	04/16	339,880.0	0.0	339,880.0	10,120.0	0.0	0.0	350,000.0	12,140,820.0
Oct***	07/16	247,000.0	0.0	247,000.0	23,500.0	0.0	60.0	270,560.0	12,191,380.0
Oct**	09/16	294,880.0	0.0	294,880.0	42,580.0	0.0	12,540.0	350,000.0	12,311,380.0
Novt*	05/16	280,000.0	0.0	280,000.0	52,840.0	0.0	0.0	332,840.0	12,344,220.0
Nov***	08/16	316,000.0	0.0	316,000.0	34,000.0	0.0	0.0	350,000.0	12,494,220.0
Nov***	08/16	280,000.0	0.0	280,000.0	20,000.0	0.0	0.0	300,000.0	12,524,220.0
Nov**	11/16	304,630.0	0.0	304,630.0	13,650.0	0.0	1,720.0	320,000.0	12,574,220.0
Nov**	11/16	185,240.0	0.0	185,240.0	164,180.0	0.0	580.0	350,000.0	12,664,220.0
Dec	03/16	308,300.0	0.0	308,300.0	25,890.0	5,810.0	0.0	340,000.0	12,744,560.0
Dec*	06/16	216,300.0	60,000.0	276,300.0	23,700.0	0.0	0.0	300,000.0	12,774,560.0
Dec***	09/16	230,000.0	0.0	230,000.0	70,000.0	0.0	0.0	300,000.0	12,824,560.0
Dec***	09/16	210,000.0	0.0	210,000.0	4,000.0	0.0	0.0	214,000.0	12,788,560.0
Dec***	09/16	180,000.0	0.0	180,000.0	7,000.0	0.0	0.0	187,000.0	12,675,560.0
Dec**	12/16	240,180.0	0.0	240,180.0	39,250.0	0.0	570.0	280,000.0	12,715,560.0
2016									
Jan	04/16	187,000.0	0.0	187,000.0	27,770.0		0.0	214,770.0	12,679,900.0
Jan	04/16	329,330.0	0.0	329,330.0	20,670.0	0.0	0.0	350,000.0	12,739,410.0
Jan*	07/16	200,000.0	0.0	200,000.0	53,500.0	0.0	0.0	253,500.0	12,642,910.0
Jan*	07/16	172,000.0	0.0	172,000.0	41,550.0	0.0	0.0	213,550.0	12,506,460.0
Jan***	10/16	200,000.0	30,000.0	230,000.0	0.0	0.0	130.0	230,130.0	12,436,590.0
Jan**	01/17	215,000.0	0.0	215,000.0	84,430.0	0.0	570.0	300,000.0	12,506,590.0
Jan**	01/17	185,000.0	0.0	185,000.0	28,960.0	0.0		213,960.0	12,450,550.0
Feb*	08/16	275,000.0	0.0	275,000.0	12,110.0	0.0	550.0	287,660.0	12,394,410.0
Feb***	11/16	320,000.0	0.0	320,000.0	30,000.0	0.0	0.0	350,000.0	12,444,410.0
Feb***	11/16	298,950.0	0.0	298,950.0	20,820.0	0.0	230.0	320,000.0	12,489,260.0
Feb**	02/17	298,000.0	0.0	298,000.0	2,000.0	0.0	0.0	300,000.0	12,509,260.0
Mar	06/16	336,960.0	0.0	336,960.0	7,230.0	5,810.0	0.0	350,000.0	12,519,260.0
Mar*	09/16	227,880.0	0.0	227,880.0	122,100.0	0.0	20.0	350,000.0	12,541,600.0
Mar***	12/16	282,200.0	0.0	282,200.0	17,800.0	0.0	0.0	300,000.0	12,591,600.0
Mar***	12/16	293,050.0	0.0	293,050.0	6,950.0	0.0	0.0	300,000.0	12,591,600.0
Mar**	03/17	255,000.0	0.0	255,000.0	60,860.0	0.0	0.0	315,860.0	12,707,460.0
Mar**	03/17	219,230.0	0.0	219,230.0	30,770.0	0.0	0.0	250,000.0	12,657,460.0
Apr	07/16	290,000.0	10,000.0	300,000.0	50,000.0	0.0	0.0	350,000.0	12,792,690.0
Apr	07/16	298,070.0	0.0	298,070.0	1,930.0	0.0	0.0	300,000.0	12,742,690.0
Apr*	10/16	354,150.0	0.0	354,150.0	15,650.0	0.0	200.0	370,000.0	12,799,080.0
Apr*	10/16	350,000.0	0.0	350,000.0	0.0	0.0	0.0	350,000.0	12,799,080.0
Apr***	01/17	206,360.0	0.0	206,360.0	143,640.0	0.0	0.0	350,000.0	12,899,080.0
Apr**	04/17	339,530.0	0.0	339,530.0	10,470.0	0.0	0.0	350,000.0	12,899,080.0
May*	11/16	293,350.0	5,000.0	298,350.0	50,930.0	0.0	720.0	350,000.0	12,916,240.0
May***	02/17	306,110.0	0.0	306,110.0	42,320.0	0.0	1,570.0	350,000.0	13,016,240.0
May**	04/17	309,610.0	0.0	309,610.0	40,390.0	0.0	0.0	350,000.0	13,066,240.0
May**	05/17	288,450.0	0.0	288,450.0	61,550.0	0.0	0.0	350,000.0	13,116,240.0
May**	05/17	318,750.0	0.0	318,750.0	51,250.0	0.0	0.0	370,000.0	13,136,240.0
Jun	09/16	337,950.0	0.0	337,950.0	290.0	0.0	11,760.0	350,000.0	13,136,240.0
Jun*	12/16	352,400.0	10,000.0	362,400.0	15,000.0	0.0	2,600.0	380,000.0	13,216,240.0
Jun***	03/17	282,260.0	19,550.0	301,810.0	48,190.0	0.0	0.0	350,000.0	13,316,240.0
Jun**	06/17	318,370.0	0.0	318,370.0	80,500.0	0.0	1,130.0	400,000.0	13,366,240.0
Jul	10/16	270,000.0	5,000.0	275,000.0	48,080.0	0.0	0.0	323,080.0	13,339,320.0
Jul	10/16	160,000.0	0.0	160,000.0	16,550.0	0.0	600.0	177,150.0	13,216,470.0
Jul*	01/17	273,200.0	30,000.0	303,200.0	46,170.0	0.0	630.0	350,000.0	13,312,970.0
Jul*	01/17	258,010.0	0.0	258,010.0	91,470.0	0.0	520.0	350,000.0	13,449,420.0
Jul***	04/17	343,220.0	0.0	343,220.0	6,780.0	0.0	0.0	350,000.0	13,528,860.0
Jul**	07/17	263,560.0	0.0	263,560.0	85,570.0	0.0	870.0	350,000.0	13,528,840.0
Aug*	02/17	250,000.0	0.0	250,000.0	8,870.0	0.0	0.0	258,870.0	13,500,050.0
Aug***	05/17	310,000.0	0.0	310,000.0	18,050.0	0.0	0.0	328,050.0	13,478,100.0
Aug***	05/17	325,070.0	0.0	325,070.0	24,880.0	0.0	50.0	350,000.0	13,528,100.0
Aug**	08/17	247,190.0	0.0	247,190.0	102,160.0	0.0	650.0	350,000.0	13,528,100.0
Sep	12/16	269,600.0	11,400.0	281,000.0	69,000.0	0.0	0.0	350,000.0	13,528,100.0
Sep*	03/17	257,000.0	0.0	257,000.0	64,670.0	0.0	20.0	321,690.0	13,499,790.0
Sep***	06/17	260,000.0	0.0	260,000.0	38,680.0	0.0	6,550.0	305,230.0	13,505,020.0
Sep***	06/17	235,450.0	0.0	235,450.0	64,550.0	0.0	0.0	300,000.0	13,591,020.0
Sep***	06/17	259,000.0	250.0	259,250.0	20,600.0	0.0	110.0	279,960.0	13,683,980.0
Sep**	09/17	175,000.0	0.0	175,000.0	265,000.0	0.0	0.0	440,000.0	13,683,980.0
Sep**	09/17	160,000.0	0.0	160,000.0	119,710.0	0.0	610.0	280,320.0	13,614,300.0
Oct	01/17	242,000.0	0.0	242,000.0	36,350.0	0.0	0.0	278,350.0	13,569,570.0
Oct	01/17	180,000.0	5,000.0	185,000.0	6,650.0	0.0	50.0	191,700.0	13,584,120.0
Oct*	04/17	359,310.0	0.0	359,310.0	39,770.0	0.0	920.0	400,000.0	13,614,120.0
Oct*	04/17	342,120.0	0.0	342,120.0	7,880.0	0.0	0.0	350,000.0	13,614,120.0
Oct***	07/17	211,960.0	30,000.0	241,960.0	57,940.0	0.0	100.0	300,000.0	13,683,990.0
Nov*	05/17	272,250.0	5,000.0	277,250.0	72,750.0	0.0		350,000.0	13,683,990.0
Nov***	08/17	303,970.0	0.0	303,970.0	46,030.0	0.0		350,000.0	13,683,990.0
Nov***	08/17	315,000.0	0.0	315,000.0	16,070.0	0.0	0.0	331,070.0	13,695,060.0
Nov**	11/17	201,730.0	0.0	201,730.0	148,270.0	0.0		350,000.0	13,725,060.0
Nov**	11/17	282,270.0	0.0	282,270.0	67,100.0	0.0	630.0	350,000.0	13,725,060.0
Dec	12/16	200,000.0	9,500.0	209,500.0	100,000.0	11,320.0	0.0	320,820.0	13,695,880.0
Dec*	03/17	494,000.0	50,000.0	544,000.0	23,520.0	50,000.0		617,520.0	13,933,400.0
Dec***	06/17	346,710.0	0.0	346,710.0	10,020.0	41,680.0	1,590.0	400,000.0	14,033,400.0
Dec***	06/17	204,000.0	0.0	204,000.0	23,580.0	0.0	2,500.0	230,080.0	13,963,480.0
Dec**	09/17	390,000.0	0.0	390,000.0	178,770.0	75,000.0	620.0	644,390.0	14,327,870.0

Table III. 2 (a) Internal Registered Stock auction - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC18 (9.50%)	2015				
	Jan	60.0	88.1	28.1	7.6
	Feb	50.0	88.0	38.0	7.6
	Mar	50.0	54.3	4.3	8.0
	Mar	250.0	342.1	92.1	8.1
	Apr	150.0	119.5	-30.5	7.8
	2016				
	Mar	200.0	200.0	0.0	8.1
GC20 (8.25%)	2015				
	Apr	60.0	33.8	-26.3	8.29
	May	60.0	69.1	9.1	8.40
	Jun	45.0	25.9	-19.1	8.89
	Jul	45.0	2.0	-43.0	8.68
	Aug	45.0	30.9	-14.1	8.74
	Sep	45.0	63.0	18.0	9.11
	Oct	45.0	50.0	5.0	8.86
	Nov	20.0	43.6	23.6	8.93
	Dec	20.0	68.9	48.9	9.12
	2016				
	Jan	20.0	43.0	23.0	10.16
	Feb	20.0	40.8	20.8	9.90
	Mar	20.0	65.8	45.8	9.82
	Mar	300.0	300.0	0.0	9.82
	Apr	40.0	46.9	6.9	9.82
	May	50.0	76.1	26.1	9.72
	Jun	50.0	76.9	26.9	9.56
	Jul	50.0	50.6	0.6	9.23
	Aug	50.0	50.0	0.0	8.92
	Sep	50.0	1.0	-49.0	9.50
	Oct	50.0	33.0	-17.0	9.64
	Nov	50.0	1.0	-49.0	-
	Dec	50.0	0.0	-50.0	-
	Dec	150.0	150.0	0.0	10.13
GC21 (7.75%)	2015				
	Jan	250.0	348.4	98.4	8.30
	Feb	150.0	170.5	20.5	8.22
GC22 (8.75%)	2015				
	Apr	60.0	38.9	-21.1	8.7
	May	60.0	29.0	-31.0	9.0
	Jun	45.0	118.0	73.0	9.3
	Jul	45.0	5.5	-39.5	9.2
	Aug	45.0	45.0	0.0	10.1
	Sep	45.0	48.5	3.5	9.4
	Oct	20.0	72.7	52.7	9.3
	Nov	20.0	54.1	34.1	9.5
	Dec	20.0	57.0	37.0	10.5
	2016				
	Jan	30.0	16.2	-13.8	10.7
	Feb	20.0	28.8	8.8	10.1
	Mar	300.0	300.0	0.0	10.1
	Mar	20.0	48.9	28.9	10.2
	Apr	50.0	83.5	33.5	9.7
	May	50.0	35.0	-15.0	10.2
	Jun	50.0	15.1	-34.9	9.7
	Jul	50.0	14.1	-36.0	9.5
	Aug	50.0	42.6	-7.4	9.7
	Sep	50.0	0.8	-49.3	9.8
	Sep	206.5	206.5	0.0	9.7
	Dec	100.0	100.0	0.0	10.3
GI22 (3.55%)	2015				
	Aug	50.0	153.5	103.5	3.5
	Sep	50.0	90.0	40.0	3.5
	Oct	60.0	48.0	-12.0	3.8
	Nov	70.0	60.0	-10.0	3.9
	Dec	70.0	48.3	-21.7	3.9
	2016				
	Jan	70.0	48.3	-21.7	1.8
	Feb	70.0	112.1	42.1	1.8
	Mar	100.0	100.0	0.0	1.7
	Mar	70.0	165.0	95.0	1.8
	Apr	60.0	164.5	104.5	1.5
	May	60.0	32.7	-27.3	1.6
	Jun	60.0	57.5	-2.5	1.6
	Jul	60.0	20.0	-40.0	1.6
	Aug	60.0	52.5	-7.5	1.7
	Sep	300.0	300.0	0.0	2.6
	Sep	60.0	21.5	-38.5	1.8
	Oct	60.0	1.5	-58.5	1.8
	Nov	60.0	60.0	0.0	1.9
	Dec	300.0	300.0	0.0	1.9
	Dec	60.0	5.0	-55.0	2.1
GC24 (10.50%)	2015				
	Jan	20.0	40.0	20.0	8.5
	Feb	30.0	50.0	20.0	8.0
	Mar	20.0	40.0	20.0	8.5
	Apr	150.0	149.4	-0.6	8.6
	May	50.0	12.0	-38.0	9.0
	Jun	40.0	5.0	-35.0	9.4
	Jul	40.0	12.0	-28.0	9.2
	Aug	40.0	10.0	-30.0	9.2
	Sep	40.0	1.8	-38.2	9.6
	Oct	40.0	30.0	-10.0	9.4
	Nov	10.0	6.1	-4.0	9.5
	Dec	10.0	34.0	24.0	9.7
	2016				
	Jan	10.0	16.0	6.0	10.7
	Feb	10.0	20.0	10.0	10.5
	Mar	10.0	20.1	10.1	10.3
	Mar	100.0	100.0	0.0	10.3
	Sep	113.3	113.3	0.0	10.4
GC25 (8.50%)	2015				
	Jan	55.0	20.0	-35.0	8.6
	Feb	50.0	72.0	22.0	8.6
	Mar	40.0	166.6	126.6	8.9
	Apr	150.0	192.8	42.8	8.7
	Apr	60.0	16.0	-44.0	8.9
	May	60.0	9.5	-50.5	9.2
	Jun	35.0	10.5	-24.5	9.4
	Jul	35.0	15.5	-19.5	9.4
	Aug	35.0	7.0	-28.0	9.5
	Sep	35.0	3.0	-32.0	9.7
	Oct	25.0	23.1	-1.9	9.9
	Nov	25.0	63.5	38.5	10.7
	Dec	25.0	23.5	-1.5	11.0
	2016				
	Jan	30.0	32.7	2.7	11.0
	Feb	25.0	10.6	-14.4	10.5
	Mar	300.0	300.0	0.0	10.5
	Mar	25.0	29.7	4.7	10.5
	Apr	20.0	0.0	-20.0	-
	May	20.0	0.0	-20.0	-
	Jun	20.0	15.2	-4.8	10.6
	Jul	20.0	20.0	0.0	10.1
	Aug	20.0	40.0	20.0	9.7
	Sep	108.5	108.5	0.0	9.9
	Oct	20.0	3.3	-16.8	9.8
	Nov	20.0	20.6	0.6	10.3
	Dec	20.0	8.0	-12.0	10.5
	Dec	150.0	150.0	0.0	10.7
GI25 (3.80%)	2015				
	Aug	50.0	167.0	117.0	3.8
	Sep	50.0	71.0	21.0	3.8
	Oct	60.0	63.0	3.0	3.8
	Nov	70.0	70.0	0.0	3.9
	2016				
	Jan	70.0	58.3	-11.7	3.9
	Feb	70.0	87.0	17.0	4.0
	Mar	100.0	100.0	0.0	4.0
	Mar	70.0	140.0	70.0	3.9
	Apr	60.0	125.0	65.0	3.9
	May	60.0	38.2	-21.8	3.9
	Jun	60.0	40.0	-20.0	4.0
	Jul	60.0	21.0	-39.0	3.9
	Aug	60.0	2.5	-57.5	3.8
	Sep	300.0	300.0	0.0	4.0
	Sep	60.0	7.1	-52.9	4.0
	Oct	60.0	31.5	-28.5	4.0
	Nov	60.0	15.0	-45.0	4.1
	Dec	100.0	100.0	0.0	4.2
	Dec	60.0	3.0	-57.0	4.3
GC27 (8.00%)	2015				
	Jan	20.0	16.0	-4.0	8.8
	Feb	30.0	49.1	19.1	8.3
	Mar	20.0	27.3	7.3	8.8
	Apr	150.0	94.4	-55.6	8.8
	May	50.0	28.9	-21.1	9.1
	Jun	30.0	1.5	-28.5	9.5
	Jul	35.0	3.5	-31.5	9.4
	Aug	35.0	0.0	-35.0	-
	Sep	35.0	2.0	-33.0	9.7
	Oct	25.0	0.0	-25.0	9.7
	Nov	25.0	3.0	-22.0	9.6
	Dec	25.0	25.0	0.0	9.8
	2016				
	Jan	25.0	17.0	-8.0	10.8
	Feb	25.0	21.0	-4.0	10.7
	Mar	25.0	15.0	-10.0	10.6
	Mar	300.0	300.0	0.0	10.6
	May	17.0	2.0	-15.0	10.8
	Jun	10.0	10.0	0.0	10.4
	Jul	15.0	15.0	0.0	-
	Aug	15.0	23.0	8.0	10.4
	Sep	15.0	2.0	-13.0	-
	Sep	10.0	10.0	0.0	10.3
	Oct	15.0	30.0	15.0	10.4
	Nov	15.0	0.0	-15.0	-
	Dec	15.0	0.0	-15.0	-
GC30 (8.00%)	2015				
	Jan	20.0	20.0	0.0	9.2
	Feb	10.0	10.0	0.0	9.1
	Mar	20.0	49.8	29.8	9.4
	Apr	100.0	109.1	9.1	9.2
	Apr	50.0	38.0	-12.0	9.5
	May	40.0	13.0	-27.0	9.7
	Jun	25.0	5.0	-20.0	9.8
	Jul	25.0	9.0	-16.0	9.8
	Aug	25.0	0.0	-25.0	-
	Sep	25.0	1.7	-23.3	10.0
	Oct	25.0	0.0	-25.0	-
	Nov	25.0	25.0	0.0	10.0
	Dec	25.0	25.5	0.5	11.2
	2016				
	Jan	30.0	13.0	-17.0	11.2
	Feb	25.0	2.3	-22.7	10.8
	Mar	300.0	300.0	0.0	10.9
	Mar	20.0	5.4	-14.6	11.0
	Apr	15.0	2.0	-13.0	11.0
	Jun	15.0	6.0	-9.0	11.1
	Jul	15.0	15.0	0.0	10.7
	Aug	15.0	14.0	-1.0	10.3
	Sep	7.9	7.9	0.0	10.6
	Oct	15.0	3.0	-12.0	10.8
	Nov	15.0	19.0	4.0	10.8
	Dec	15.0	12.0	-3.0	11.1
GC32 (9.00%)	2015				
	Jan	10.0	10.0	0.0	9.3
	Feb	20.0	61.2	41.2	8.7
	Mar	10.0	32.2	22.2	9.3
	Apr	100.0	82.0	-18.0	9.3
	May	40.0	30.9	-9.1	9.6
	Jun	30.0	0.0	-30.0	-
	Jul	30.0	10.5	-19.5	9.9
	Aug	30.0	17.0	-13.0	9.8
	Sep	30.0	12.6	-17.4	10.2
	Oct	30.0	6.0	-24.0	10.1
	Nov	30.0	9.0	-21.0	10.2
	Dec	30.0	11.0	-19.0	10.5
	2016				
	Feb	25.0	14.1	-10.9	11.2
	Mar	25.0	25.0	0.0	11.1
	Mar	300.0	300.0	0.0	11.1
	Apr	25.0	23.0	-2.0	10.6
	May	25.0	0.7	-24.4	11.3
	Jun	25.0	25.1	0.1	10.8
	Aug	25.0	12.7	-12.3	10.9
	Sep	105.4	105.4	0.0	10.6
	Oct	25.0	7.0	-18.0	10.9
	Nov	25.0	0.0	-25.0	-
	Dec	150.0	150.0	0.0	11.2
GC35 (9.50%)	2015				
	Jan	16.0	33.8	17.8	9.4
	Feb	10.0	10.0	0.0	9.4
	Mar	10.0	26.0	16.0	9.6
	Apr	50.0	72.3	22.3	9.4
	Apr	30.0	39.5	9.5	9.7
	May	30.0	15.1	-14.9	9.9
	Jun	25.0	11.0	-14.0	10.0
	Jul	25.0	10.0	-15.0	9.9
	Aug	25.0	0.0	-25.0	-
	Sep	25.0	1.7	-23.3	10.2
	Oct	30.0	28.0	-2.0	10.3
	Nov	30.0	20.0	-10.0	10.4
	Dec	30.0	10.0	-20.0	11.1
	2016				
	Jan	30.0	12.0	-18.0	11.4
	Mar	300.0	300.0	0.0	11.1
	Mar	30.0	22.6	-7.4	11.2
	Apr	20.0	12.5	-7.5	11.2
	May	30.0	4.0	-26.0	11.1
	Jun	30.0	6.2	-23.8	11.2
	Sep	212.1	212.1	0.0	10.6
	Oct	30.0	3.0	-27.0	-
	Nov	30.0	0.0	-30.0	-
	Dec	30.0	11.0	-19.0	9.6
	Dec	100.0	100.0	0.0	11.3
GC37 (9.50%)	2015				
	Jan	10.0	7.5	-2.5	9.6
	May	30.0	27.9	-2.1	9.8
	Jun	20.0	11.0	-9.0	10.2
	Jul	20.0	8.0	-12.0	10.2
	Aug	20.0	28.0	8.0	10.0
	Sep	20.0	18.0	-2.0	10.4
	Oct	30.0	40.3	10.3	10.3
	Nov	30.0	16.0	-14.0	10.5
	Dec	30.0	31.2	1.2	10.7
	2016				
	Jan	30.0	5.0	-25.0	11.5
	Feb	30.0	10.0	-20.0	11.4
	Mar	300.0	300.0	0.0	11.3
	Apr	30.0	29.5	-0.5	10.9
	Jun	30.0	20.0	-10.0	11.2
	Aug	30.0	34.6	4.6	11.2
	Sep	30.0	8.0	-22.0	10.9
	Sep	101.6	101.6	0.0	10.9
	Oct	30.0	6.0	-24.0	11.2
	Nov	30.0	0.0	-30.0	-
	Dec	150.0	150.0	0.0	11.5
	Dec	30.0	0.5	-29.5	11.5
GC40 (9.80%)	2015				
	Feb	10.0	23.0	13.0	9.4
	Apr	20.0	44.3	24.3	9.8
	May	20.0	18.0	-2.0	10.0
	Jun	20.0	32.3	12.3	10.2
	Jul	20.0	38.0	18.0	10.1
	Aug	20.0	0.0	-20.0	-
	Sep	20.0	30.0	10.0	10.3
	Oct	30.0	64.0	34.0	10.4
	Nov	30.0	24.0	-6.0	10.6
	Dec	30.0	10.0	-20.0	11.4
	2016				
	Jan	30.0	42.0	12.0	11.6
	Feb	30.0	64.0	34.0	11.2
	Mar	35.0	49.0	14.0	11.3
	Apr	30.0	27.0	-3.0	11.2
	May	50.0	80.3	30.3	11.2
	Jun	50.0	60.2	10.2	11.3
	Jul	50.0	20.0	-30.0	11.0
	Aug	50.0	20.0	-30.0	10.5
	Sep	50.0	10.0	-40.0	11.1
	Sep	315.0	315.0	0.0	10.9
	Oct	50.0	3.0	-47.0	-
	Nov	50.0	50.0	0.0	11.3
	Dec	50.0	5.0	-45.0	11.6
	Dec	50.0	50.0	0.0	11.6
GC45 (9.85%)	2015				
	May	15.0	37.2	22.2	9.9
	Jun	10.0	17.0	7.0	10.2
	Jul	10.0	13.0	3.0	10.2
	Aug	10.0	26.0	16.0	10.0
	Sep	10.0	15.0	5.0	10.2
	Oct	25.0	28.0	3.0	10.3
	Nov	25.0	58.4	33.4	10.5
	Dec	25.0	55.0	30.0	10.7
	2016				
	Jan	25.0	30.0	5.0	11.6
	Feb	30.0	40.0	10.0	11.5
	Mar	35.0	55.1	20.1	11.3
	Apr	50.0	70.0	20.0	11.0
	May	50.0	73.9	23.9	11.5
	Jun	50.0	23.0	-27.0	11.0
	Jul	50.0	13.4	-36.6	10.9
	Aug	50.0	25.0	-25.0	11.1
	Sep	313.0	313.0	0.0	10.8
	Oct	50.0	39.6	-10.4	11.2
	Dec	250.0	25.0	-225.0	12.0
	Dec	50.0	0.1	-50.0	11.0

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Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ '000

Date issued	Date due	Coupon rate	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2016										
Jan	04/20	8.25	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	15,349,700
Jan	01/22	8.75	0.0	0.0	0.0	16,200.0	0.0	0.0	16,200.0	15,365,900
Jan	01/22	3.55	0.0	0.0	0.0	38,300.0	0.0	0.0	38,300.0	15,404,200
Jan	10/24	10.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	15,414,200
Jan	04/25	8.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	15,444,200
Jan	07/25	3.80	0.0	0.0	0.0	48,300.0	0.0	0.0	48,300.0	15,492,500
Jan	01/27	8.00	0.0	0.0	0.0	17,000.0	0.0	0.0	17,000.0	15,509,500
Jan	01/30	8.00	0.0	0.0	0.0	13,000.0	0.0	0.0	13,000.0	15,522,500
Jan	07/35	9.50	0.0	0.0	0.0	12,000.0	0.0	0.0	12,000.0	15,534,500
Jan	07/37	9.50	0.0	0.0	0.0	5,000.0	0.0	0.0	5,000.0	15,539,500
Jan	10/40	9.80	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	15,569,500
Jan	07/45	9.85	0.0	0.0	0.0	25,000.0	0.0	0.0	25,000.0	15,594,500
Feb	04/20	8.25	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	15,614,500
Feb	01/22	8.75	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	15,634,500
Feb	01/22	3.55	0.0	0.0	0.0	70,000.0	0.0	0.0	70,000.0	15,704,500
Feb	10/24	10.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	15,714,500
Feb	04/25	8.50	0.0	0.0	0.0	10,600.0	0.0	0.0	10,600.0	15,725,100
Feb	07/25	3.80	0.0	0.0	0.0	70,000.0	0.0	0.0	70,000.0	15,795,100
Feb	01/27	8.00	1,000.0	0.0	1,000.0	20,000.0	0.0	0.0	21,000.0	15,816,100
Feb	01/30	8.00	0.0	0.0	0.0	2,300.0	0.0	0.0	2,300.0	15,818,400
Feb	04/32	9.00	2,500.0	0.0	2,500.0	11,600.0	0.0	0.0	14,100.0	15,832,500
Feb	07/37	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	15,842,500
Feb	10/40	9.80	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	15,872,500
Feb	07/45	9.85	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	15,902,500
Mar	03/18	9.50	0.0	0.0	0.0	200,000.0	0.0	0.0	200,000.0	16,102,500
Mar	04/20	8.25	1,000.0	0.0	1,000.0	319,000.0	0.0	0.0	320,000.0	16,422,500
Mar	01/22	8.75	0.0	0.0	0.0	308,900.0	11,100.0	0.0	320,000.0	16,742,500
Mar	01/22	3.55	0.0	0.0	0.0	170,000.0	0.0	0.0	170,000.0	16,912,500
Mar	10/24	10.50	60.0	0.0	60.0	109,950.0	0.0	0.0	110,010.0	17,022,510
Mar	04/25	8.50	0.0	0.0	0.0	304,700.0	20,300.0	0.0	325,000.0	17,347,510
Mar	07/25	3.80	0.0	0.0	0.0	170,000.0	0.0	0.0	170,000.0	17,517,510
Mar	01/27	8.00	0.0	0.0	0.0	315,000.0	0.0	0.0	315,000.0	17,832,510
Mar	01/30	8.00	2,000.0	0.0	2,000.0	303,400.0	0.0	0.0	305,400.0	18,137,910
Mar	04/32	9.00	15,000.0	0.0	15,000.0	310,000.0	0.0	0.0	325,000.0	18,462,910
Mar	07/35	9.50	15,000.0	0.0	15,000.0	307,600.0	0.0	0.0	322,600.0	18,785,510
Mar	07/37	9.50	0.0	0.0	0.0	300,000.0	0.0	0.0	300,000.0	19,085,510
Mar	10/40	9.80	35,000.0	0.0	35,000.0	300,000.0	0.0	0.0	335,000.0	19,420,510
Mar	07/45	9.85	50.0	0.0	50.0	34,950.0	0.0	0.0	35,000.0	19,455,510
Apr	04/20	8.25	2,100.0	0.0	2,100.0	36,550.0	0.0	1,350.0	40,000.0	19,495,510
Apr	01/22	8.75	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	19,545,510
Apr	01/22	3.55	15,000.0	0.0	15,000.0	45,000.0	0.0	0.0	60,000.0	19,605,510
Apr	07/25	3.80	5,000.0	0.0	5,000.0	55,000.0	0.0	0.0	60,000.0	19,665,510
Apr	01/30	8.00	2,000.0	0.0	2,000.0	0.0	0.0	0.0	2,000.0	19,667,510
Apr	04/32	9.00	0.0	0.0	0.0	23,000.0	0.0	0.0	23,000.0	19,690,510
Apr	07/35	9.50	0.0	0.0	0.0	12,500.0	0.0	0.0	12,500.0	19,703,010
Apr	07/37	9.50	0.0	0.0	0.0	29,500.0	0.0	0.0	29,500.0	19,732,510
Apr	10/40	9.80	7,000.0	20,000.0	27,000.0	0.0	0.0	0.0	27,000.0	19,759,510
Apr	07/45	9.85	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	19,809,510
May	01/20	8.25	0.0	0.0	0.0	49,000.0	0.0	1,000.0	50,000.0	19,859,510
May	01/22	8.75	2,000.0	0.0	2,000.0	33,000.0	0.0	0.0	35,000.0	19,894,510
May	01/22	3.55	29,000.0	0.0	29,000.0	23,000.0	0.0	660.0	52,660.0	19,947,170
May	07/25	3.80	8,000.0	0.0	8,000.0	10,000.0	0.0	160.0	18,160.0	19,965,330
May	01/27	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	19,980,330
May	04/32	9.00	0.0	0.0	0.0	650.0	0.0	0.0	650.0	19,980,980
May	07/35	9.50	0.0	0.0	0.0	4,000.0	0.0	0.0	4,000.0	19,984,980
May	10/40	9.80	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	20,034,980
May	07/45	9.85	2,000.0	0.0	2,000.0	47,450.0	0.0	550.0	50,000.0	20,084,980
Jun	04/20	8.25	0.0	30,000.0	30,000.0	0.0	20,000.0	0.0	50,000.0	20,134,980
Jun	01/22	8.75	0.0	0.0	0.0	15,100.0	0.0	0.0	15,100.0	20,150,080
Jun	10/22	3.55	0.0	5,000.0	5,000.0	52,500.0	0.0	0.0	57,500.0	20,207,580
Jun	04/25	8.50	0.0	0.0	0.0	15,000.0	0.0	200.0	15,200.0	20,222,780
Jun	07/25	3.80	5,000.0	0.0	5,000.0	35,000.0	0.0	0.0	40,000.0	20,262,780
Jun	01/27	8.00	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	20,272,780
Jun	01/30	8.00	0.0	0.0	0.0	5,800.0	0.0	200.0	6,000.0	20,278,780
Jun	04/32	9.00	9,900.0	0.0	9,900.0	15,100.0	0.0	0.0	25,000.0	20,303,780
Jun	07/35	9.50	0.0	0.0	0.0	6,000.0	0.0	200.0	6,200.0	20,309,980
Jun	07/37	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	20,329,980
Jun	10/40	9.80	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	20,379,980
Jun	07/45	9.85	20,000.0		20,000.0	3,000.0	0.0	0.0	23,000.0	20,419,810
Jul	04/20	8.25	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	20,469,810
Jul	01/22	8.75	0.0	0.0	0.0	14,000.0	0.0	50.0	14,050.0	20,483,860
Jul	10/22	3.55	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	20,503,860
Jul	04/25	8.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	20,523,860
Jul	07/25	3.80	21,000.0	0.0	21,000.0	0.0	0.0	0.0	21,000.0	20,544,860
Jul	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	20,559,860
Jul	10/40	9.80	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	20,579,860
Jul	07/45	9.85	0.0	0.0	0.0	13,400.0	0.0	0.0	13,400.0	20,593,260
Aug	04/20	8.25	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	20,643,260
Aug	01/22	8.75	0.0	0.0	0.0	42,580.0	0.0	0.0	42,580.0	20,685,840
Aug	10/22	3.55	2,500.0	0.0	2,500.0	0.0	0.0	0.0	2,500.0	20,688,340
Aug	07/25	3.80	2,500.0	0.0	2,500.0	0.0	0.0	0.0	2,500.0	20,690,840
Aug	04/25	8.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	20,710,840
Aug	01/27	8.00	1,000.0	0.0	1,000.0	14,000.0	0.0	0.0	15,000.0	20,725,840
Aug	01/30	8.00	0.0	0.0	0.0	14,000.0	0.0	0.0	14,000.0	20,739,840
Aug	04/32	9.00	0.0	0.0	0.0	12,700.0	0.0	0.0	12,700.0	20,752,540
Aug	07/37	9.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	20,782,540
Aug	10/40	9.80	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	20,802,540
Aug	07/45	9.85	0.0	0.0	0.0	25,000.0	0.0	0.0	25,000.0	20,827,540
Sep	04/17	8.00							0.0	20,827,540
Sep	04/20	8.25	0.0	0.0	0.0	1,000.0	0.0	0.0	1,000.0	20,828,540
Sep	01/22	8.75	0.0	0.0	0.0	206,500.0	0.0	250.0	206,750.0	21,035,290
Sep	10/22	3.55	21,000.0	0.0	21,000.0	300,530.0	0.0	0.0	321,530.0	21,356,820
Sep	10/24	10.50	0.0	0.0	0.0	113,300.0	0.0	0.0	113,300.0	21,470,120
Sep	04/25	3.80	6,000.0	0.0	6,000.0	301,100.0	0.0	0.0	307,100.0	21,777,220
Sep	04/25	8.50	0.0	0.0	0.0	108,500.0	0.0	0.0	108,500.0	21,885,720
Sep	01/27	8.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	21,895,720
Sep	01/30	8.00	0.0	0.0	0.0	7,900.0	0.0	0.0	7,900.0	21,903,620
Sep	04/32	9.00	0.0	0.0	0.0	105,400.0	0.0	0.0	105,400.0	22,009,020
Sep	07/35	9.50	0.0	0.0	0.0	212,100.0	0.0	0.0	212,100.0	22,221,120
Sep	07/37	9.50	0.0	0.0	0.0	106,600.0	0.0	0.0	106,600.0	22,327,720
Sep	10/40	9.80	0.0	0.0	0.0	325,000.0	0.0	0.0	325,000.0	22,652,720
Sep	07/45	9.85	0.0	0.0	0.0	313,000.0	0.0	0.0	313,000.0	22,988,890
Oct	04/20	8.25	0.0	0.0	0.0	3,000.0	0.0	0.0	3,000.0	22,991,890
Oct	10/22	3.55	0.0	0.0	0.0	1,500.0	0.0	0.0	1,500.0	22,993,390
Oct	04/25	3.80	11,500.0	0.0	11,500.0	0.0	0.0	0.0	11,500.0	23,004,890
Oct	04/25	8.50	0.0	0.0	0.0	250.0	0.0	0.0	250.0	23,005,140
Oct	01/27	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	23,020,140
Oct	04/32	9.00	0.0	0.0	0.0	7,000.0	0.0	0.0	7,000.0	23,027,140
Oct	07/37	9.50	0.0	0.0	0.0	6,000.0	0.0	0.0	6,000.0	23,033,140
Oct	07/45	9.85	0.0	0.0	0.0	39,200.0	0.0	400.0	39,600.0	23,072,740
Nov	04/17	8.00	(226,560.0)	0.0	(226,560.0)	0.0	0.0	0.0	(226,560.0)	22,846,180
Nov	04/20	8.25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,846,180
Nov	10/22	3.55	60,000.0	0.0	60,000.0	0.0	0.0	0.0	60,000.0	22,906,180
Nov	01/22	8.75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,906,180
Nov	04/25	3.80	15,000.0	0.0	15,000.0	0.0	0.0	0.0	15,000.0	22,921,180
Nov	04/25	8.50	0.0	20,000.0	20,000.0	0.0	0.0	0.0	20,000.0	22,941,180
Nov	01/27	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,941,180
Nov	01/30	8.00	3,000.0	0.0	3,000.0	12,000.0	0.0	0.0	15,000.0	22,956,180
Nov	10/40	9.80	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	23,246,500
Dec	04/20	8.25	0.0	0.0	0.0	150,000.0	0.0	0.0	150,000.0	23,396,500
Dec	10/22	3.55	0.0	0.0	0.0	305,000.0	0.0	0.0	305,000.0	23,701,500
Dec	01/22	8.75	0.0	0.0	0.0	100,000.0	0.0	0.0	100,000.0	23,801,500
Dec	04/25	3.80	0.0	0.0	0.0	103,000.0	0.0	0.0	103,000.0	23,904,500
Dec	04/25	8.50	0.0	0.0	0.0	158,000.0	0.0	0.0	158,000.0	24,062,500
Dec	01/30	8.00	0.0	0.0	0.0	12,000.0	0.0	0.0	12,000.0	24,074,500
Dec	04/32	9.00	0.0	0.0	0.0	150,000.0	0.0	0.0	150,000.0	24,224,500
Dec	07/35	9.50	0.0	0.0	0.0	111,000.0	0.0	0.0	111,000.0	24,335,500
Dec	07/37	9.50	0.0	0.0	0.0	150,500.0	0.0	0.0	150,500.0	24,486,000
Dec	10/40	9.80	0.0	0.0	0.0	55,000.0	0.0	0.0	55,000.0	24,541,000
Dec	07/45	9.85	0.0	0.0	0.0	250,050.0	0.0	0.0	250,050.0	24,791,050

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Table III.3 Government Foreign Debt by Type and Currency (N$ million)

	2011	2012	2013	2014	2015	2016
Multilateral	**2,534.9**	**2,640.4**	**2,862.4**	**2,622.4**	**2,938.0**	**2,342.2**
Euro	747.8	1,045.2	1,316.4	1,230.7	1,399.6	1,118.9
US Dollar	151.8	169.3	195.5	201.9	254.4	205.7
Pound	0.0	0.0	0.0	0.0	0.0	0.0
Rand	502.7	450.5	407.3	364.0	320.7	277.5
Franc	26.3	30.4	38.4	37.4	48.6	39.2
Dinar	41.2	32.8	30.3	32.2	26.1	9.6
SDR	0.0	0.0	0.0	0.0	0.0	0.0
Yen	1,065.0	912.1	874.6	756.3	888.5	691.3
Billateral	**1,293.5**	**1,313.6**	**1,938.4**	**2,176.6**	**3,549.2**	**3,155.7**
Euro	821.7	822.6	1,051.5	966.5	1,098.3	866.7
Yuan	471.8	491.0	886.9	1,210.1	2,450.9	2,289.1
Eurobond	**4,075.1**	**4,236.3**	**5,225.0**	**5,780.8**	**19,444.1**	**17,029.9**
US Dollar	4,075.1	4,236.3	5,225.0	5,780.8	19,444.1	17,029.9
JSE listed bond	**0.0**	**850.0**	**850.0**	**850.0**	**2,400.0**	**2,892.0**
ZAR	0.0	850.0	850.0	850.0	2,400.0	2,892.0
Foreign debt stock	**7,903.4**	**9,040.3**	**10,875.8**	**11,429.8**	**28,331.3**	**25,419.8**
Euro	1,569.5	1,867.8	2,367.9	2,197.2	2,497.8	1,985.6
US Dollar	4,226.9	4,405.6	5,420.4	5,982.6	19,698.5	17,235.6
Pound	0.0	0.0	0.0	0.0	0.0	0.0
Rand	502.7	1300.5	1,257.3	1,214.0	2,720.7	3,169.5
Franc	26.3	30.4	38.4	37.4	48.6	39.2
Dinar	41.2	32.8	30.3	32.2	26.1	9.6
SDR	0.0	0.0	0.0	0.0	0.0	0.0
Yen	1,065.0	912.1	874.6	756.3	888.5	691.3
Yuan	471.8	491.0	886.9	1210.1	2450.9	2289.1
Exchange Rates (End of period) - Namibia Dollar per foreign currency						
Euro	10.581	11.174	14.421	14.053	17.000	14.340
US Dollar	8.150	8.473	10.450	11.562	15.555	13.624
Pound	12.608	13.675	17.237	17.993	23.065	16.726
Rand	1.000	1.000	1.000	1.000	1.000	1.000
Franc	8.688	9.259	11.779	11.689	15.736	13.351
Dinar	29.060	29.297	37.122	39.193	50.648	44.710
SDR	12.473	0.000	16.093	16.746	21.573	18.248
Yen	0.105	0.098	0.100	0.097	0.129	0.117

Source: BoN and MoF

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Table III.4 (a) Government Domestic Loan Guarantees by Sector (N$ million)

Sectoral allocation	2011	2012	2013	2014	2015	2016
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0	0.0
Tourism	91.5	91.5	90.9	90.9	94.1	91.1
Agriculture	251.7	251.7	251.7	251.7	224.0	223.2
Finance	331.2	331.2	330.0	330.0	330.0	0.0
Transport	211.9	184.0	0.0	0.0	0.0	0.0
Communication	0.0	0.0	0.0	0.0	0.0	0.0
Fisheries	59.7	59.7	59.7	68.4	69.7	67.0
Education	0.0	0.0	100.0	83.3	64.5	0.0
Energy	0.0	0.0	0.0	0.0	670.0	664.3
Total domestic loan guarantees	**945.9**	**918.0**	**832.2**	**824.2**	**1,452.3**	**1,045.6**
Proportion of domestic guarantees by sector						
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0	0.0
Tourism	9.7	10.0	10.9	11.0	6.5	8.7
Agriculture	26.6	27.4	30.2	30.5	15.4	21.3
Finance	35.0	36.1	39.7	40.0	22.7	0.0
Transport	22.4	20.0	0.0	0.0	0.0	0.0
Communication	0.0	0.0	0.0	0.0	0.0	0.0
Fisheries	6.3	6.5	7.2	8.3	4.8	6.4
Education	0.0	0.0	12.0	10.1	4.4	0.0
Energy	0.0	0.0	0.0	0.0	46.1	63.5
Total domestic loan guarantees	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

Table III.4 (b) Government Foreign Loan Guarantees by Sector and Currency (N$ million)

Sectoral allocation	2011	2012	2013	2014	2015	2016
Energy	**520.6**	**410.8**	**358.4**	**294.1**	**435.0**	**248.8**
NAD and ZAR	520.6	410.8	358.4	294.1	435.0	248.8
USD	0.0	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0	0.0
Transport	**466.5**	**799.7**	**3,312.1**	**3,615.9**	**5,433.2**	**4,886.1**
NAD and ZAR	42.9	126.7	23.6	456.9	1,681.4	2,016.3
USD	423.7	673.0	3,288.4	3,158.9	3,751.8	2,869.8
Communication	**21.6**	**77.5**	**87.5**	**37.9**	**45.9**	**38.7**
NAD and ZAR	21.6	9.7	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0	0.0
EUR	0.0	67.8	87.5	37.9	45.9	38.7
Finance	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2,500.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0	2,500.0
Total foreign loan guarantees	**1,008.7**	**1,288.1**	**3,757.9**	**3,947.9**	**5,914.1**	**7,673.6**
Proportion of foreign loan guarantees by sector						
Energy	**51.6**	**31.9**	**9.5**	**7.4**	**7.4**	**3.2**
NAD and ZAR	51.6	31.9	9.5	7.4	7.4	3.2
USD	0.0	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0	0.0
Transport	**46.2**	**62.1**	**88.1**	**91.6**	**91.9**	**63.7**
NAD and ZAR	4.2	9.8	0.6	11.6	28.4	26.3
USD	42.0	52.3	87.5	80.0	63.4	37.4
Communication	**2.1**	**6.0**	**2.3**	**1.0**	**0.8**	**0.5**
NAD and ZAR	2.1	0.8	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0	0.0
EUR	0.0	5.3	2.3	1.0	0.8	0.5
Finance	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**32.6**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0	32.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign loan guarantees per currency						
NAD and ZAR	585.1	547.2	382.0	751.0	2,116.4	4,765.1
USD	423.7	673.0	3,288.4	3,158.9	3,751.8	2,869.8
EUR		67.8	87.5	37.9	45.9	38.7
Total foreign loan guarantees	**1,008.7**	**1,288.1**	**3,757.9**	**3,947.9**	**5,914.1**	**7,673.6**
Currency composition of foreign loan guarantees						
NAD and ZAR	58.0	42.5	10.2	19.0	35.8	62.1
USD	42.0	52.3	87.5	80.0	63.4	37.4
EUR	0.0	5.3	2.3	1.0	0.8	0.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

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Table IV.A Major balance of payments aggregates (a) (N$ million)

	2012	2013	2014(p)	2015(p)	2016(p)
Merchandise trade balance	**-17,590**	**-19,142**	**-27,955**	**-37,194**	**-29,571**
Exports fob	35,997	44,863	49,965	51,938	59,792
Imports fob	-53,588	-64,005	-77,920	-89,131	-89,362
Services (net)	**3,009**	**-115**	**-1,138**	**-1,152**	**-1,934**
Credit	8,966	8,925	11,106	11,705	10,539
Debit	-5,957	-9,040	-12,244	-12,857	-12,473
Compensation of employees (net)	**-56**	**-57**	**-32**	**-53**	**-74**
Credit	67	67	67	67	67
Debit	-123	-123	-98	-119	-141
Investment income (net)	**-4,206**	**-866**	**-256**	**-631**	**-3,679**
Credit	2,180	2,876	3,359	3,594	3,401
Debit	-6,386	-3,742	-3,615	-4,225	-7,080
Current transfers in cash and kind (net)	**12,973**	**15,212**	**18,792**	**18,962**	**16,612**
Credit	13,838	16,217	19,797	20,138	17,818
Debit	-865	-1,006	-1,005	-1,175	-1,206
Current Account Balance	**-5,871**	**-4,968**	**-10,589**	**-20,067**	**-18,646**
Net capital transfers	**1,218**	**1,246**	**1,495**	**1,751**	**1,967**
Credit	1,293	1,321	1,570	1,825	2,042
Debit	-75	-75	-75	-75	-75
Direct investment	**9,399**	**7,856**	**5,306**	**13,268**	**4,110**
Abroad	94	127	620	-704	67
In Namibia	9,305	7,729	4,686	13,972	4,043
Portfolio investment	**-4,880**	**-3,745**	**-4,179**	**15,600**	**314**
Assets	-5,804	-3,921	-4,381	3,295	-849
Liabilities	924	176	202	12,305	1,164
Other investment - long term	**858**	**5,183**	**8,629**	**609**	**7,021**
Assets	-178	-664	-19	-459	138
Liabilities	1,036	5,847	8,648	1,069	6,883
Other investment - short term	**3,809**	**-2,575**	**-255**	**791**	**3,525**
Assets	2,383	-2,521	339	-783	1,506
Liabilities	1,426	-55	-593	1,574	2,019
Capital and financial account excluding reserves	**10,404**	**7,965**	**10,996**	**32,019**	**16,936**
Net errors and omissions	**-4,302**	**-2,399**	**-2,175**	**-1,904**	**2,615**
Overall balance	**231**	**598**	**-1,768**	**10,048**	**906**
Reserve assets (including valuation adjustment)	**-231**	**-598**	**1,768**	**-10,048**	**-906**

(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)

	2012	2013	2014 (p)	2015(p)	2016(p)
Net	**3,009**	**-115**	**-1,138**	**-1,152**	**-1,934**
Credit	**8,966**	**8,925**	**11,106**	**11,705**	**10,539**
Transportation	1,203	1,323	1,181	1,069	1,136
Travel	3,981	3,945	4,486	4,790	4,332
Insurance	9	8	12	10	5
Communication	108	98	36	30	29
Construction	0	0	0	16	0
Financial	25	66	77	89	125
Computer and information	3	3	1	9	34
Royalties and license fees	0	0	2	0	0
Administrative and business	1	1	45	107	42
Professional and technical	18	39	597	300	23
Others, not included elsewhere	3,482	3,305	4,534	5,149	4,678
Government	136	136	136	136	136
Debit	**-5,957**	**-9,040**	**-12,244**	**-12,857**	**-12,473**
Transportation	-2,187	-4,047	-4,921	-5,717	-6,065
Travel	-1,259	-1,194	-1,636	-1,781	-1,725
Insurance	-643	-697	-826	-951	-906
Communication	-2	-1	-2	-2	-2
Construction	-47	-528	-1,407	-1,209	-950
Financial	-19	-42	-24	-58	-40
Computer and information	-210	-279	-268	-310	-347
Royalties and license fees	-38	-40	-94	-125	-57
Administrative and business	-216	-298	-325	-401	-476
Professional and technical	-712	-839	-1,637	-1,122	-806
Others, not included elsewhere	-566	-1,015	-1,043	-1,122	-1,040
Government	-59	-59	-59	-59	-59

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Table IV.C Supplementary table: balance of payments- investment income (N$ million)

	2012	2013	2014 (p)	2015 (p)	2016 (p)
Compensation of employees, net	**-56**	**-57**	**-32**	**-53**	**-74**
Credit	67	67	67	67	67
Debit	-123	-123	-98	-119	-141
Investment income, net	**-4,206**	**-866**	**-256**	**-580**	**-3,679**
Credit	**2,180**	**2,876**	**3,359**	**3,594**	**3,401**
Direct investment	-78	16	-48	-20	-73
Portfolio investment	1,717	2,169	2,597	2,759	2,505
Other investment	541	691	810	856	969
Debit	**-6,386**	**-3,742**	**-3,615**	**-4,174**	**-7,080**
Direct investment	-5,140	-2,862	-2,599	-2,868	-5,865
Portfolio investment	-256	-344	-370	-446	-637
Other investment	-990	-536	-646	-860	-578

Table IV.D Supplementary table : balance of payments- transfers (N$ million)

	2012	2013	2014 (p)	2015(p)	2016 (p)
Net current transfers	**12,973**	**15,212**	**18,792**	**18,962**	**16,612**
Credit	**13,838**	**16,217**	**19,797**	**20,138**	**17,818**
Government	13,670	16,025	19,628	19,975	17,636
Grants from foreign governments, etc	1,201	1,221	1,858	1,908	2,058
SACU receipts	12,131	14,494	17,269	17,374	14,835
Witholding taxes	174	146	337	423	447
Other transfers received	164	164	164	270	296
Private	167	193	169	163	183
Grants received by NGO's	46	71	48	41	62
Other transfers received	121	121	121	121	121
Debit	**-865**	**-1,006**	**-1,005**	**-1,175**	**-1,206**
Government	-834	-975	-974	-1,144	-1,175
Grants to foreign governments, etc	-17	-17	-17	-17	-17
SACU receipts	-817	-958	-957	-1,127	-1,158
Witholding taxes	0	0	0	0	0
Other transfers	0	0	0	0	0
Private	-31	-31	-31	-31	-31
Grants psid to NGO's	0	0	0	0	0
Other transfers paid	-31	-31	-31	-31	-31
Net capital transfers	**1,218**	**1,246**	**1,495**	**1,751**	**1,967**
Credit	**1,293**	**1,321**	**1,570**	**1,825**	**2,042**
Government	1,267	1,295	1,544	1,800	2,016
Private	26	26	26	26	26
Debit	**-75**	**-75**	**-75**	**-75**	**-75**
Government	-71	-71	-71	-71	-71
Private	-3	-3	-3	-3	-3

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Table IV.E Supplementary table: balance of payments-direct investment (N$ million)

	2012	2013	2014 (p)	2015 (p)	2016 (p)
Direct investment abroad	**95**	**127**	**620**	**-704**	**67**
Equity capital	28	59	251	-373	-131
Reinvested earnings	85	25	72	25	77
Other capital	-18	43	296	-357	120
Direct investment in Namibia	**9,305**	**7,729**	**4,686**	**13,972**	**4,043**
Equity capital	4,145	13,985	230	11,364	236
Reinvested earnings	3,235	1,838	1,039	544	3,299
Other capital	1,925	-8,094	3,416	2,064	508

Table IV.F Supplementary table: balance of payments-portfolio investment (N$ million)

	2012	2013	2014(p)	2015(p)	2016(p)
Portfolio investment, net	**-4,880**	**-3,745**	**-4,179**	**15,600**	**314**
Equity	**-1,800**	**-1,438**	**-1,667**	**2,999**	**-215**
Assets	-1,832	-1,561	-1,832	2,970	-239
Liabilities	31	123	166	29	25
Debt	**-3,080**	**-2,308**	**-2,512**	**12,600**	**529**
Assets	-3,973	-2,360	-2,549	324	-610
Liabilities	893	53	37	12,276	1,139

Table IV.G Supplementary table: balance of payments-other investment (N$ million)

	2012	2013	2014 (p)	2015 (p)	2016 (p)
Long-term, net	**858**	**5,183**	**8,629**	**609**	**7,021**
General Government	-64	-14	-74	395	419
Assets	-40	-40	-40	-40	-40
Liabilities	-24	25	-34	435	459
Of which: Drawings	224	304	260	764	849
Repayments	-248	-279	-294	-329	-390
Monetary authorities	98	311	124	486	-241
Assets	61	-69	-84	-94	-84
Liabilities	37	380	208	780	-157
Banks	-2	-53	-66	-43	669
Assets	-2	-53	-66	-43	-17
Liabilities	0	0	0	0	685
Other sectors	826	4,939	8,644	-428	6,174
Assets	-198	-503	169	-283	278
Liabilities	1,024	5,442	8,475	-146	5,895
Short-term, net	**3,809**	**-2,575**	**-255**	**791**	**3,525**
General Government	0	0	0	0	0
Assets	0	0	0	0	0
Liabilities	0	0	0	0	0
Banks	3,714	-1,550	407	-128	2,692
Assets	2,203	-2,209	659	-811	1,664
Liabilities	1,511	659	-252	683	1,027
Other sectors	95	-1,025	-662	919	833
Assets	180	-312	-321	28	-158
Liabilities	-85	-714	-341	891	991

Table IV.H International foreign exchange reserves stock (including valuation adjustment) (N$ million)

	2012	2013	2014	2015	2016
January	14,984	17,447	18,605	16,465	25,292
February	13,323	16,291	16,642	14,925	25,216
March	12,051	14,847	14,595	12,302	24,910
April	15,022	17,590	17,791	15,354	24,662
May	13,712	17,163	15,549	13,659	24,769
June	14,205	16,058	15,934	14,784	21,049
July	15,750	18,131	14,788	14,333	22,834
August	14,844	16,898	13,749	14,066	20,538
September	13,598	14,503	16,457	12,830	26,449
October	14,916	15,851	15,051	22,667	25,068
November	15,278	14,742	13,250	24,795	25,857
December	14,729	15,709	13,527	23,577	24,720

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Table IV.I (a) International investment position - N$ million

2014(p)	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
Foreign assets	**86,171**	**21,543**	**107,713**	**92,694**	**23,174**	**115,868**	**98,572**	**24,643**	**123,215**	**91,085**	**22,771**	**113,856**
Direct investment	**383**	**56**	**479**	**499**	**63**	**624**	**772**	**85**	**965**	**943**	**102**	**1,178**
1.1 Equity capital	199	50	249	212	53	266	257	64	321	293	73	366
1.2 Other capital	183	6	229	287	10	358	515	21	644	650	29	812
Long-term	123	31	154	197	49	246	419	105	523	583	146	729
Short-term	61	15	76	90	23	113	96	24	121	66	17	83
Portfolio investment	**44,568**	**9,512**	**52,380**	**46,107**	**10,000**	**56,107**	**48,886**	**10,801**	**59,687**	**50,237**	**10,287**	**60,524**
2.1 Equity securities	22,076	8,702	30,778	23,404	9,175	32,579	24,087	9,895	33,982	25,019	9,564	34,582
2.2 Debt securities	22,492	810	21,602	22,704	825	23,529	24,799	906	25,705	25,219	723	25,942
Other investment	**32,230**	**8,057**	**40,287**	**34,584**	**8,646**	**43,230**	**36,882**	**9,220**	**46,102**	**30,901**	**7,725**	**38,626**
3.1 Claims of resident non-bank companies	782	195	977	846	211	1,057	573	143	716	963	241	1,203
3.1.1 Short-term loans and trade finance	611	153	763	725	181	906	429	107	537	693	173	866
3.1.2 Long-term loans	171	43	214	121	30	151	144	36	180	270	67	337
3.2 Claims of resident banks	4,775	1,194	5,969	5,229	1,307	6,536	5,462	1,365	6,827	4,564	1,141	5,705
3.2.1 Short-term loans	4,533	1,133	5,667	4,772	1,193	5,965	4,981	1,245	6,226	4,030	1,007	5,037
3.2.2 Long-term loans	242	60	302	457	114	571	481	120	601	534	134	668
3.3 Claims of resident parastatal companies	68	17	85	68	17	85	4	1	6	21	5	26
3.3.1 Short-term loans and trade finance	68	17	85	68	17	85	4	1	6	21	5	26
3.3.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Claims of local government authorities	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
3.4.2 Long-term loans	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
3.5.1 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	17,542	4,385	21,927	19,071	4,768	23,839	20,862	5,215	26,077	15,423	3,856	19,279
3.7 Other assets	9,063	2,266	11,329	9,370	2,342	11,712	9,981	2,495	12,476	9,930	2,483	12,413
3.7.1 Other-eg., re-insurance and bonds	9,063	2,266	11,329	9,370	2,342	11,712	9,981	2,495	12,476	9,930	2,483	12,413
Reserve Assets	**11,580**	**2,895**	**14,568**	**12,649**	**3,162**	**15,907**	**13,083**	**3,271**	**16,461**	**10,822**	**2,705**	**13,527**
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	91	0	0	94	0	0	106	0	0	0
4.3 Reserve position in the IMF	0	0	1	0	0	1	0	0	1	0	0	0
4.4 Foreign exchange	11,580	2,895	14,475	12,649	3,162	15,811	13,083	3,271	16,354	10,822	2,705	13,527
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

2015(p)	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
Foreign assets	**92,547**	**23,137**	**115,684**	**93,222**	**23,306**	**116,528**	**93,495**	**23,374**	**116,869**	**109,456**	**27,364**	**136,821**
Direct investment	**1,216**	**146**	**1,520**	**1,334**	**218**	**1,668**	**1,460**	**212**	**1,825**	**1,335**	**334**	**1,669**
1.1 Equity capital	436	109	545	774	194	968	709	177	886	728	182	910
1.2 Other capital	780	37	975	560	25	700	751	35	939	608	152	760
Long-term	735	184	919	491	123	613	690	173	863	547	137	683
Short-term	45	11	57	69	17	87	61	15	76	61	15	76
Portfolio investment	**49,093**	**11,503**	**60,596**	**49,248**	**10,932**	**60,180**	**50,340**	**12,486**	**62,826**	**49,793**	**11,408**	**61,201**
2.1 Equity securities	25,813	10,230	36,043	25,525	10,053	35,578	26,468	11,459	37,927	26,377	10,140	36,517
2.2 Debt securities	23,280	1,273	24,553	23,723	878	24,601	23,872	1,027	24,900	23,416	1,269	24,685
Other investment	**33,012**	**8,253**	**41,265**	**31,917**	**7,979**	**39,896**	**31,510**	**7,878**	**39,388**	**40,298**	**10,075**	**50,373**
3.1 Claims of resident non-bank companies	1,174	293	1,467	1,246	312	1,558	1,311	328	1,639	942	235	1,177
3.1.1 Short-term loans and trade finance	905	226	1,131	1,015	254	1,269	1,084	271	1,355	722	181	903
3.1.2 Long-term loans	269	67	337	231	58	289	227	57	284	220	55	274
3.2 Claims of resident banks	6,566	1,642	8,208	4,475	1,119	5,594	4,201	1,050	5,251	2,974	744	3,718
3.2.1 Short-term loans	6,126	1,531	7,657	4,324	1,081	5,404	4,049	1,012	5,061	2,442	610	3,052
3.2.2 Long-term loans	441	110	551	151	38	189	152	38	190	533	133	666
3.3 Claims of resident parastatal companies	21	5	26	13	3	16	13	3	16	0	0	0
3.3.1 Short-term loans and trade finance	21	5	26	13	3	16	13	3	16	0	0	0
3.3.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Claims of local government authorities	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
3.4.2 Long-term loans	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
3.5.1 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	15,100	3,775	18,876	16,071	4,018	20,089	15,215	3,804	19,018	23,944	5,986	29,930
3.7 Other assets	10,150	2,538	12,688	10,112	2,528	12,640	10,771	2,693	13,463	12,438	3,110	15,548
3.7.1 Other-eg., re-insurance and bonds	10,150	2,538	12,688	10,112	2,528	12,640	10,771	2,693	13,463	12,438	3,110	15,548
Reserve Assets	**9,842**	**2,460**	**12,302**	**11,827**	**2,957**	**14,784**	**10,264**	**2,566**	**12,830**	**23,577**	**24,910**	**23,577**
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	82	21	103	85	21	106	96	24	120	102	109	102
4.3 Reserve position in the IMF	1	0	1	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	9,759	2,440	12,198	11,743	2,936	14,678	10,168	2,542	12,710	23,476	24,801	23,476
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

2016(p)	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
Foreign assets	**115,431**	**28,858**	**144,288**	**108,310**	**27,077**	**135,387**	**104,304**	**26,076**	**130,380**	**101,650**	**25,413**	**127,063**
Direct investment	**1,342**	**336**	**1,678**	**1,389**	**347**	**1,737**	**1,493**	**373**	**1,867**	**1,467**	**367**	**1,834**
1.1 Equity capital	1,009	252	1,262	1,054	264	1,318	1,135	284	1,419	1,134	284	1,418
1.2 Other capital	333	83	416	335	84	419	358	89	447	332	83	415
Long-term	287	72	359	289	72	362	316	79	396	291	73	364
Short-term	46	11	57	46	11	57	41	10	52	41	10	52
Portfolio investment	**52,456**	**13,279**	**65,735**	**52,020**	**12,186**	**64,206**	**49,370**	**12,260**	**61,630**	**46,270**	**11,663**	**57,932**
2.1 Equity securities	28,464	12,340	40,804	27,154	10,816	37,970	26,039	10,683	36,722	25,178	10,303	35,481
2.2 Debt securities	23,992	939	24,931	24,866	1,370	26,236	23,330	1,578	24,908	21,091	1,360	22,451
Other investment	**41,572**	**10,393**	**51,965**	**38,716**	**9,679**	**48,395**	**32,347**	**8,087**	**40,434**	**34,062**	**8,515**	**42,577**
3.1 Claims of resident non-bank companies	1,186	297	1,483	1,040	260	1,300	1,082	270	1,352	1,313	328	1,641
3.1.1 Short-term loans and trade finance	785	196	981	624	156	781	659	165	824	879	220	1,098
3.1.2 Long-term loans	402	100	502	415	104	519	423	106	528	434	109	543
3.2 Claims of resident banks	3,532	883	4,414	1,791	448	2,239	1,433	358	1,791	1,297	324	1,621
3.2.1 Short-term loans	2,895	724	3,619	1,225	306	1,532	801	200	1,002	666	167	833
3.2.2 Long-term loans	636	159	795	566	141	707	632	158	790	630	158	788
3.3 Claims of resident parastatal companies	0	0	0	0	0	0	0	0	0	223	56	279
3.3.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	223	56	279
3.3.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Claims of local government authorities	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
3.4.2 Long-term loans	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
3.5.1 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	26,246	6,562	32,808	25,315	6,329	31,644	19,351	4,838	24,188	20,980	5,245	26,225
3.7 Other assets	10,608	2,652	13,260	10,570	2,642	13,212	10,481	2,620	13,102	10,248	2,562	12,811
3.7.1 Other-eg., re-insurance and bonds	10,608	2,652	13,260	10,570	2,642	13,212	10,481	2,620	13,102	10,248	2,562	12,811
Reserve Assets	**19,928**	**4,982**	**24,910**	**16,839**	**4,210**	**21,049**	**21,159**	**5,290**	**26,449**	**19,776**	**4,944**	**24,720**
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	87	22	109	95	24	119	110	27	137	99	25	124
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	19,841	4,960	24,801	16,744	4,186	20,930	21,050	5,262	26,312	19,677	4,919	24,597
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

Table IV.I (b) International investment position - N$ million

	2014(p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
Foreign liabilities	**54,699**	**20,888**	**75,587**	**58,119**	**21,984**	**80,102**	**59,804**	**22,861**	**82,665**	**64,434**	**24,406**	**88,840**
Direct investment	**32,857**	**8,214**	**41,071**	**33,547**	**8,387**	**41,934**	**33,647**	**8,412**	**42,059**	**34,575**	**8,644**	**43,218**
1.1 Equity capital	20,214	5,053	25,267	20,976	5,244	26,220	19,972	4,993	24,965	20,024	5,006	25,030
1.2 Other capital	12,643	3,161	15,804	12,572	3,143	15,715	13,675	3,419	17,094	14,550	3,638	18,188
Long-term	10,827	2,707	13,534	10,661	2,665	13,326	11,795	2,949	14,744	12,210	3,053	15,263
Short-term	1,816	454	2,270	1,911	478	2,389	1,880	470	2,350	2,340	585	2,925
Portfolio investment	**1,309**	**4,941**	**6,250**	**1,308**	**4,940**	**6,248**	**1,374**	**5,202**	**6,576**	**1,405**	**5,324**	**6,729**
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities	1,230	4,922	6,152	1,230	4,920	6,150	1,296	5,182	6,478	1,326	5,305	6,631
Other Investment	**20,534**	**7,733**	**28,266**	**23,263**	**8,657**	**31,920**	**24,783**	**9,247**	**34,030**	**28,455**	**10,438**	**38,893**
3.1 Liabilities of resident non-bank companies	6,588	1,647	8,235	9,078	2,270	11,348	11,619	2,905	14,524	13,306	3,326	16,632
3.1.1 Short-term loans	800	200	1,001	1,050	263	1,313	1,052	263	1,315	806	201	1,007
3.1.2 Long-term loans	5,787	1,447	7,234	8,028	2,007	10,035	10,567	2,642	13,209	12,500	3,125	15,625
3.2 Liabilities of resident banks	2,617	654	3,271	3,046	761	3,807	2,333	583	2,916	3,391	848	4,238
3.2.1 Short-term loans	1,909	477	2,386	2,352	588	2,940	1,636	409	2,044	2,699	675	3,374
3.2.2 Long-term loans	708	177	885	694	173	867	697	174	871	692	173	864
3.3 Liabilities of resident parastatal companies	2,475	619	3,093	2,747	687	3,433	2,706	676	3,382	2,822	706	3,528
3.3.1 Short-term loans and trade finance	167	42	209	185	46	231	223	56	279	343	86	429
3.3.2 Long-term loans	2,307	577	2,884	2,561	640	3,202	2,482	621	3,103	2,479	620	3,099
3.4 Liabilities of local government authorities	232	58	290	232	58	290	232	58	290	232	58	290
3.4.1 Short-term loans and trade finance	3	1	4	3	1	4	3	1	4	3	1	4
3.4.2 Long-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	3,906	976	4,882	3,919	980	4,899	3,922	981	4,903	3,839	960	4,799
3.5.1 Long-term loans	3,906	976	4,882	3,919	980	4,899	3,922	981	4,903	3,839	960	4,799
3.6 Currency and deposits reported by Namibian banks	2,341	585	2,926	1,803	451	2,253	1,356	339	1,694	2,145	536	2,681
3.7 Liabilities of EPZ companies	693	2,772	3,466	758	3,031	3,788	814	3,255	4,068	886	3,545	4,432
3.7.1 Short-term loans and trade finance	258	1,031	1,289	239	957	1,196	212	848	1,060	252	1,007	1,259
3.7.2 Long-term loans	435	1,741	2,177	518	2,074	2,592	602	2,406	3,008	635	2,539	3,173
3.8 Other liabilities	1,683	421	2,103	1,681	420	2,101	1,802	451	2,253	1,834	458	2,292
3.8.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 Long-term loans	1,683	421	2,103	1,681	420	2,101	1,802	451	2,253	1,834	458	2,292
Net Foreign Assets (+)/Liabilities(-)	25,701	6,425	32,126	28,613	7,153	35,766	32,440	8,110	40,549	20,013	5,003	25,016

	2015(p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
Foreign liabilities	**64,087**	**24,968**	**89,055**	**69,104**	**27,002**	**96,106**	**74,927**	**30,106**	**105,033**	**102,624**	**26,933**	**129,557**
Direct investment	**32,711**	**8,178**	**40,889**	**34,613**	**8,653**	**43,267**	**35,416**	**8,854**	**44,270**	**46,801**	**11,700**	**58,501**
1.1 Equity capital	17,822	4,455	22,277	18,858	4,715	23,573	20,085	5,021	25,107	30,690	7,673	38,363
1.2 Other capital	14,889	3,722	18,611	15,755	3,939	19,693	15,331	3,833	19,164	16,111	4,028	20,139
Long-term	12,346	3,087	15,433	12,959	3,240	16,199	12,162	3,040	15,202	12,180	3,045	15,224
Short-term	2,543	636	3,178	2,795	699	3,494	3,170	792	3,962	3,931	983	4,914
Portfolio investment	**1,465**	**5,565**	**7,030**	**1,633**	**6,237**	**7,870**	**1,950**	**7,503**	**9,453**	**17,554**	**4,389**	**21,943**
2.1 Equity securities	78	20	98	78	20	98	79	20	99	79	20	99
2.2 Debt securities	1,386	5,546	6,932	1,554	6,218	7,772	1,871	7,483	9,354	4,369	17,475	21,844
Other Investment	**29,911**	**11,225**	**41,136**	**32,858**	**12,112**	**44,970**	**37,561**	**13,749**	**51,310**	**38,269**	**10,844**	**49,113**
3.1 Liabilities of resident non-bank companies	14,900	3,725	18,625	16,728	4,182	20,910	20,616	5,154	25,770	20,931	5,233	26,164
3.1.1 Short-term loans	1,534	384	1,918	1,458	365	1,823	970	243	1,213	969	242	1,212
3.1.2 Long-term loans	13,366	3,341	16,707	15,270	3,817	19,087	19,646	4,911	24,557	19,962	4,990	24,952
3.2 Liabilities of resident banks	2,885	721	3,606	2,731	683	3,413	2,984	746	3,730	2,929	732	3,661
3.2.1 Short-term loans	2,262	566	2,828	2,052	513	2,565	2,245	561	2,806	2,137	534	2,671
3.2.2 Long-term loans	622	156	778	679	170	849	739	185	924	792	198	990
3.3 Liabilities of resident parastatal companies	2,874	719	3,593	3,178	795	3,973	3,426	856	4,282	3,720	930	4,649
3.3.1 Short-term loans and trade finance	173	43	216	364	91	455	391	98	489	500	125	625
3.3.2 Long-term loans	2,701	675	3,376	2,815	704	3,518	3,034	759	3,793	3,219	805	4,024
3.4 Liabilities of local government authorities	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
3.4.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Liabilities of central government	4,096	1,024	5,119	4,830	1,207	6,037	4,793	1,198	5,992	5,190	1,297	6,487
3.5.1 Long-term loans	4,096	1,024	5,119	4,830	1,207	6,037	4,793	1,198	5,992	5,190	1,297	6,487
3.6 Currency and deposits reported by Namibian banks	2,202	551	2,753	2,410	603	3,013	2,373	593	2,967	2,692	673	3,365
3.7 Liabilities of EPZ companies	999	3,997	4,996	1,039	4,157	5,196	1,162	4,649	5,812	341	1,362	1,703
3.7.1 Short-term loans and trade finance	268	1,071	1,339	271	1,083	1,353	292	1,169	1,461	301	1,205	1,506
3.7.2 Long-term loans	732	2,926	3,658	769	3,074	3,843	870	3,480	4,350	39	158	197
3.8 Other liabilities	1,955	489	2,444	1,942	486	2,428	2,206	552	2,758	2,467	617	3,084
3.8.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 Long-term loans	1,955	489	2,444	1,942	486	2,428	2,206	552	2,758	2,467	617	3,084
Net Foreign Assets (+)/Liabilities(-)	21,303	5,326	26,629	16,337	4,084	20,421	9,468	2,367	11,835	5,811	1,453	7,263

	2016(p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
Foreign liabilities	**98,914**	**26,016**	**124,930**	**100,823**	**26,522**	**127,345**	**100,378**	**26,565**	**126,942**	**104,598**	**26,150**	**130,748**
Direct investment	**41,572**	**10,393**	**51,965**	**45,162**	**11,290**	**56,452**	**47,033**	**11,758**	**58,792**	**47,807**	**11,952**	**59,759**
1.1 Equity capital	29,151	7,288	36,438	27,913	6,978	34,891	30,301	7,575	37,876	31,364	7,841	39,205
1.2 Other capital	12,421	3,105	15,527	17,249	4,312	21,561	16,732	4,183	20,915	16,443	4,111	20,554
Long-term	10,299	2,575	12,874	15,914	3,978	19,892	15,139	3,785	18,924	14,979	3,745	18,724
Short-term	2,123	531	2,653	1,335	334	1,669	1,593	398	1,991	1,464	366	1,830
Portfolio investment	**16,946**	**4,236**	**21,182**	**16,900**	**4,225**	**21,125**	**16,289**	**4,072**	**20,361**	**16,018**	**4,004**	**20,022**
2.1 Equity securities	80	20	100	80	20	100	81	20	101	80	20	100
2.2 Debt securities	4,216	16,866	21,082	4,205	16,820	21,025	4,052	16,208	20,260	15,938	3,984	19,922
Other Investment	**40,396**	**11,387**	**51,782**	**38,761**	**11,007**	**49,768**	**37,055**	**10,734**	**47,790**	**40,774**	**10,193**	**50,967**
3.1 Liabilities of resident non-bank companies	21,983	5,496	27,479	23,719	5,930	29,648	22,353	5,588	27,941	23,554	5,889	29,443
3.1.1 Short-term loans	407	102	509	553	138	691	537	134	671	647	162	809
3.1.2 Long-term loans	21,576	5,394	26,970	23,166	5,791	28,957	21,816	5,454	27,270	22,907	5,727	28,634
3.2 Liabilities of resident banks	4,608	1,152	5,760	1,852	463	2,315	1,783	446	2,229	1,897	474	2,371
3.2.1 Short-term loans	2,311	578	2,888	304	76	380	298	75	373	389	97	487
3.2.2 Long-term loans	2,297	574	2,871	1,548	387	1,935	1,485	371	1,856	1,507	377	1,884
3.3 Liabilities of resident parastatal companies	3,509	877	4,387	3,535	884	4,419	3,578	894	4,472	3,548	887	4,435
3.3.1 Short-term loans and trade finance	228	57	285	228	57	285	405	101	507	332	83	416
3.3.2 Long-term loans	3,281	820	4,102	3,307	827	4,134	3,173	793	3,966	3,216	804	4,020
3.4 Liabilities of local government authorities	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
3.4.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Liabilities of central government	5,094	1,273	6,367	5,011	1,253	6,264	4,796	1,199	5,995	4,398	1,100	5,498
3.5.1 Long-term loans	5,094	1,273	6,367	5,011	1,253	6,264	4,796	1,199	5,995	4,398	1,100	5,498
3.6 Currency and deposits reported by Namibian banks	2,488	622	3,110	1,929	482	2,411	1,950	488	2,438	2,324	581	2,906
3.7 Liabilities of EPZ companies	343	1,373	1,717	351	1,405	1,756	392	1,568	1,960	2,689	672	3,361
3.7.1 Short-term loans and trade finance	304	1,215	1,518	311	1,246	1,557	352	1,409	1,762	1,284	321	1,605
3.7.2 Long-term loans	40	159	198	40	159	198	40	159	198	1,405	351	1,756
3.8 Other liabilities	2,370	593	2,963	2,364	591	2,955	2,204	551	2,755	2,362	591	2,953
3.8.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 Long-term loans	2,370	593	2,963	2,364	591	2,955	2,204	551	2,755	2,362	591	2,953
Net Foreign Assets (+)/Liabilities(-)	15,487	3,872	19,359	6,434	1,608	8,042	2,750	688	3,438	-2,948	-737	-3,685

(p) Provisional

E

Table IV.J Foreign exchange rates Foreign currency per Namibia Dollar
Period averages

Period		US Dollar	UK Pound	Japan Yen	Switzerland Franc	EU ECU
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
2013	Jan	0.114	0.071	10.121	0.105	0.086
	Feb	0.113	0.073	10.471	0.104	0.084
	Mar	0.109	0.072	10.331	0.103	0.084
	Apr	0.110	0.072	10.753	0.103	0.084
	May	0.107	0.070	10.787	0.102	0.082
	Jun	0.100	0.064	9.737	0.093	0.076
	Jul	0.101	0.066	10.526	0.095	0.077
	Aug	0.099	0.064	9.709	0.092	0.075
	Sep	0.100	0.063	9.940	0.093	0.075
	Oct	0.101	0.063	9.862	0.091	0.074
	Nov	0.098	0.061	9.804	0.089	0.073
	Dec	0.096	0.059	9.980	0.086	0.070
2014	Jan	0.092	0.056	9.569	0.083	0.068
	Feb	0.091	0.055	9.285	0.081	0.067
	Mar	0.093	0.056	9.524	0.082	0.067
	Apr	0.095	0.057	9.728	0.084	0.069
	May	0.096	0.057	9.785	0.086	0.070
	Jun	0.094	0.055	9.560	0.084	0.069
	Jul	0.094	0.055	9.542	0.084	0.069
	Aug	0.094	0.056	9.653	0.085	0.070
	Sep	0.091	0.056	9.785	0.085	0.071
	Oct	0.090	0.056	9.756	0.086	0.071
	Nov	0.090	0.057	10.811	0.087	0.072
	Dec	0.087	0.056	10.417	0.085	0.071
2015	Jan	0.086	0.057	10.235	0.082	0.074
	Feb	0.086	0.056	10.235	0.081	0.076
	Mar	0.083	0.055	9.980	0.081	0.076
	Apr	0.083	0.056	9.960	0.080	0.077
	May	0.084	0.054	10.091	0.078	0.075
	Jun	0.081	0.052	10.050	0.076	0.072
	Jul	0.080	0.052	9.911	0.077	0.073
	Aug	0.077	0.050	9.533	0.076	0.069
	Sep	0.073	0.048	8.826	0.071	0.065
	Oct	0.074	0.048	8.889	0.072	0.066
	Nov	0.071	0.047	8.671	0.071	0.066
	Dec	0.067	0.045	8.163	0.067	0.062
2016	Jan	0.061	0.042	7.210	0.061	0.056
	Feb	0.063	0.044	7.278	0.063	0.057
	Mar	0.065	0.046	7.326	0.064	0.058
	Apr	0.068	0.048	7.485	0.066	0.060
	May	0.065	0.045	7.097	0.064	0.058
	Jun	0.066	0.047	7.008	0.064	0.059
	Jul	0.069	0.053	7.220	0.068	0.063
	Aug	0.073	0.056	7.369	0.071	0.065
	Sep	0.071	0.054	7.257	0.069	0.064
	Oct	0.072	0.058	7.440	0.071	0.065
	Nov	0.072	0.058	7.770	0.072	0.066
	Dec	0.072	0.058	8.375	0.074	0.068

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
2012	Jan	93.5	91.2	92.0	115.6	124.5	121.9
	Feb	95.5	93.9	94.6	118.0	128.5	125.5
	Mar	96.0	94.6	95.1	118.2	129.5	126.2
	Apr	94.1	91.8	92.6	116.3	125.8	123.0
	May	92.3	89.3	90.2	114.8	122.8	120.4
	Jun	91.3	88.1	89.1	113.3	121.1	118.8
	Jul	92.6	90.0	90.8	115.8	124.9	122.1
	Aug	92.1	89.3	90.1	115.3	123.8	121.2
	Sep	91.1	87.7	88.7	114.6	122.3	120.0
	Oct	88.5	84.0	85.3	112.4	118.2	116.5
	Nov	87.8	83.1	84.5	112.3	117.9	116.2
	Dec	88.3	83.7	85.1	112.3	117.8	116.2
2013	Jan	87.3	82.3	83.8	113.8	120.1	118.1
	Feb	87.0	82.1	83.6	125.0	122.4	122.9
	Mar	86.1	81.0	82.5	123.7	121.1	121.6
	Apr	86.2	81.1	82.6	123.9	121.4	121.9
	May	84.7	79.2	80.8	122.2	118.6	119.3
	Jun	80.5	73.6	75.5	116.6	110.6	111.9
	Jul	81.5	75.0	76.9	118.2	113.2	114.3
	Aug	80.0	73.0	75.0	116.3	110.4	111.8
	Sep	80.2	73.1	75.1	116.5	110.5	111.9
	Oct	80.0	72.7	74.8	116.6	110.4	111.8
	Nov	78.6	71.1	73.2	114.9	108.0	109.6
	Dec	77.3	69.3	71.5	112.8	105.1	106.9
2014	Jan	74.8	66.3	68.5	110.4	101.8	103.8
	Feb	74.1	65.5	67.8	109.6	100.9	103.0
	Mar	75.0	66.5	68.8	110.9	102.7	104.7
	Apr	75.9	67.6	69.8	112.4	104.8	106.5
	May	76.7	68.5	70.7	113.6	106.3	108.0
	Jun	75.4	66.9	69.2	111.9	104.0	105.8
	Jul	75.4	66.8	69.1	111.7	104.0	105.8
	Aug	75.9	67.6	69.8	112.5	105.3	107.0
	Sep	75.3	67.1	69.2	111.7	104.5	106.1
	Oct	75.3	67.1	69.2	111.8	104.7	106.2
	Nov	75.6	67.6	69.7	112.2	105.4	106.9
	Dec	74.2	66.0	68.1	111.0	103.6	105.2
2015	Jan	75.0	67.2	69.2	113.3	106.8	108.1
	Feb	75.0	67.2	69.1	112.6	106.0	107.2
	Mar	74.0	66.1	68.0	110.9	104.6	105.7
	Apr	74.3	66.6	68.4	111.4	105.4	106.4
	May	73.5	65.5	67.4	110.5	103.9	105.1
	Jun	72.0	63.6	65.6	108.5	101.2	102.6
	Jul	71.6	63.2	65.2	108.0	100.8	102.1
	Aug	69.5	60.8	62.8	105.4	97.3	98.9
	Sep	67.0	58.0	60.1	102.2	93.1	95.0
	Oct	67.5	58.4	60.6	102.8	93.9	95.7
	Nov	65.9	56.8	58.9	100.9	91.6	93.4
	Dec	63.3	54.0	56.2	97.3	87.2	89.3
2016	Jan	59.5	50.0	52.2	94.4	83.4	85.7
	Feb	61.1	51.7	53.9	96.8	86.5	88.7
	Mar	62.2	52.9	55.1	98.8	89.0	91.0
	Apr	64.3	55.2	57.4	102.2	93.2	95.1
	May	61.9	52.5	54.7	100.5	90.4	92.5
	Jun	63.1	53.9	56.1	102.9	93.4	95.4
	Jul	66.3	57.7	59.8	109.3	101.8	103.3
	Aug	68.6	60.3	62.4	112.5	106.0	107.3
	Sep	67.5	59.0	61.1	110.9	103.8	105.3
	Oct	68.8	60.7	62.7	113.1	107.2	108.4
	Nov	69.1	61.1	63.1	113.6	108.0	109.0
	Dec	69.6	61.7	63.7	114.5	109.1	110.0

LIST OF ABBREVIATIONS

AACB	Association of African Central Banks
AAU	Addis Ababa University
ACH	Automatic Clearing House
ATM	Automated Teller Machine
BCC	Boston City Campus
BoN	Bank of Namibia
CCBG	Committee of Central Bank Governors
EMDEs	Emerging Markets and Developing Economies
EMV	Europay, MasterCard and Visa
EUR	Euro currency
FDI	Foreign Direct Investment
FIC	Financial Intelligance Contre
Harvard-KSG	Harvard Kennedy School of Government
GC17	Government internal registered stock maturing 2017
GC18	Government internal registered stock maturing 2018
GC20	Government internal registered stock maturing 2020
GC21	Government internal registered stock maturing 2021
GC22	Government internal registered stock maturing 2022
GC24	Government internal registered stock maturing 2024
GC27	Government internal registered stock maturing 2027
GC30	Government internal registered stock maturing 2030
GC32	Government internal registered stock maturing 2032
GC35	Government internal registered stock maturing 2035
GC37	Government internal registered stock maturing 2037
GC40	Government internal registered stock maturing 2040
GC45	Government internal registered stock maturing 2045
GC45	Government internal registered stock maturing 2045
GDE	Gross Domestic Expenditure
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit
GNDI	Gross National Disposable Income
GNI	Gross National Income
Govt	Government
IDR	Issuer Default Rating
IIP	International Investment Position
IMF	International Monetary Fund
IRs	Internal Registered Stocks
IRSRA	Internal Registered Stock Redemption Account
JSE	Johannesburg Stock Exchange
LBS	London Business School
LTV	Loan to Value
M1	Narrow money
M2	Money Supply

MOF	Ministry of Finance
MPC	Monetary Policy Committee
MSM	Maastricht School of Management
MU	Maastricht University
N$	Namibia Dollar
NAAMSA	National Association of Automobile Manufacturers of South Africa
NCPI	Namibia Consumer price index
NEER	Nominal Effective Exchange Rate
NFA	Net Foreign Asset
NHIES	National Income and Expenditure Survey
NPLs	Non-performing Loans
NSA	Namibia Statistic Agency
NSX	Namibia Stock Exchange
ODCs	Other Depository Corporations
OPEC	Organization of the Petroleum Exporting Countries
PINs	Personal Identification Numbers
PoN	Polytechnic of Namibia
PSCE	Private Sector Credit Extended
REER	Real Effective Exchange Rate
RHS	Right Hand Side
ROA	Return on Assets
ROE	Return on Equity
RSS	Rich Site Summary
RWCR	Risk Weighted Capital Ratio
SACCRA	South African Credit and Risk Reporting Association
SACU	Southern Africa Customs Union
SBS	SÄID Business School, University of Oxford
SMCU	Swiss Management Centre University
SOE	State-Owned Enterprise
SUNY	State University of New York
TB’s	Treasury Bills
TN	Technikon Namibia
TUT	Tshwane University of Technology
UG	University of Glamorgan
UKZN	University of KwaZulu-Natal
UL	University of London
ULIV	University of Liverpool
UNAM	University of Namibia
UNICAF	Cardiff University, Wales
UP	University of Pretoria
US	University of Stellenbosch
USA	United States (of America)
USB	University of Stellenbosch Business School
US$	United States Dollar
USD	United States Dollar
UWC	University of the Western Cape
WIBAR	Windhoek Interbank Agreed Rate
WITS	University of the Witwatersrand

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