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THE BRIEF
News Worth Knowing

Standard Bank reports N$1.053 billion after tax profit

MONDAY 10 MARCH 2025

MAIN STORY

Standard Bank reports N$1.053 billion after tax profit

SBN Holdings Limited, the holding company for Standard Bank Namibia Limited, has recorded a profit after tax of N$1.053 billion for the year ended 31 December 2024.

This marks a significant increase from N$770 million in 2023, crossing the N$1 billion mark for the first time.

The Group attributed this growth to strategic initiatives, including funding optimization, expansion of digital banking platforms, improved cost efficiency, and disciplined credit risk management.

"This impressive growth is directly attributable to a combination of strategic initiatives, funding optimization, the successful scaling of our digital banking platforms driving increased transactional volumes, enhanced cost efficiency achieved through operational improvements, and a steadfast commitment to disciplined credit risk management," said Chief Executive Officer Erwin Tjipuka.

Pre-provision profit increased by 27.6% from N$1.279 billion in 2023 to N$1.631 billion in 2024. Meanwhile, net interest income surged to N$2.067 billion, marking a 14.8% increase from the prior year.

"This growth was underpinned by strong average balance sheet growth and higher margins resulting from funding optimization

Crucial Dates

- Bank of Namibia Monetary Policy announcement date:
  * 16 April 2025
  * 18 June 2025
  * 13 August 2025
  * 15 October 2025
  * 3 December 2025

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strategies," the bank noted.

Net interest margin increased by 40 basis points to 5.6% in the current year. Non-interest revenue rose by 15.3% to N$1.678 billion, driven by increases in net fee and commission revenue (9%), trading revenue (11.7%), other revenue (31.7%), and other gains and losses on financial instruments (46.8%).

"The main driver for the increase in net fee and commission revenue was the growth in transactional volumes. Trading volumes, expanded client propositions, foreign exchange and commodity volatilities underpinned the growth in trading revenue," Standard Bank stated.

Other revenue growth stemmed from a 7.9% increase in insurance-related revenue and profits earned from the disposal of Spearmint Investments (Pty) Ltd-related entities.

"The increase in other gains and losses in financial instruments is largely due to a 57.2% growth in distributions from financial investments driven by higher investments resulting from excess funds held during the year," the bank added.

Credit impairments decreased by 35.1% year on year, attributed to the regularization of group scheme home loan accounts, previously impaired due to technical challenges, and the implementation of the bank's non-performing loan (NPL) strategy.

"The credit loss ratio (CLR) decreased to 0.37% compared to 0.59% in the prior year. The CLR improved due to the decrease in credit impairment charges and the growth in loans and advances. The group is prudent in its provisioning and closely monitors and reassesses its strategic NPL initiatives to ensure they are fit for purpose," the bank noted.

Operating expenses growth slowed to 6.9%, a 10.8% decrease from the prior year, aligning more closely with the average inflation rate of 4.3%.

Loans and advances to customers increased by 3.8% year on year, reversing a 2.8% decline in the prior year.

"The franchise portfolio increased as follows: CIB by 9.8%, driven by the growth experienced in medium-term loans, and BCB and PPB portfolios by 1.7%, underpinned by growth in vehicle and asset finance and unsecured lending as a result of the digital lending introduced in the current year," the results revealed.

Deposits from customers saw a significant 10.9% increase, driven by growth in demand and term deposits and a strategic decrease in negotiable certificates of deposit.

"The aforementioned increase is a result of our efforts to diversify our deposit mix to meet strategic goals. Debt securities decreased by 23.2% following the redemption at maturity of the SBNA24 and SBNO2 facilities with an issuance volume of N$658.5 million during the year," the bank noted.

The group's liquidity position remained strong and within approved risk appetite and tolerance limits.

"The group continuously ensures that it has sufficient marketable assets available in its portfolio to meet the outflow demand in both business-as-usual and stress circumstances," SBN stated.

NamWater's unpaid water bills surge to N$2.4 billion

The Namibia Water Corporation Ltd (NamWater) has revealed that outstanding payments for water services have surged to N$2.4 billion as of February 2025, marking a 16% increase from N$2.1 billion recorded in June 2024.

NamWater's Head of Public Relations and Corporate Communications, Lot Ndamanomhata, said the growing debt burden poses a significant risk to the sustainability of the corporation's revenue collection.

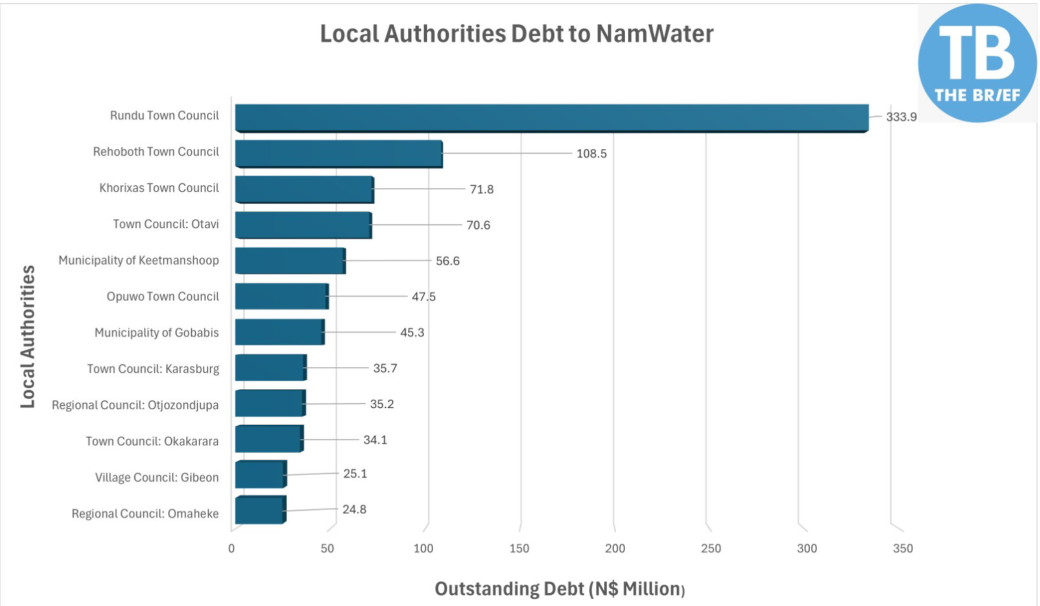
"NamWater is a state-owned enterprise, meaning it is 100% government-owned. It receives no subsidies from its shareholder and has not had a tariff adjustment in the last five years. Revenue collections fluctuate based on water consumption and payment compliance. The growing debt burden—currently at N$2.4 billion—poses a significant risk to sustainable revenue collection. Meanwhile, the cost of providing water—particularly energy costs—continues to rise," Ndamanomhata said.

As of February 28, 2025, local authorities accounted for N$889 million of the total outstanding debt. Rundu Town Council remains the largest defaulter, owing N$333 million, followed by Rehoboth Town Council at N$108 million and Khorixas

Town Council at N$71 million.

Private consumers' debt has reached N$341 million, while rural water communities owe N$676 million, according to NamWater data.

Ndamanomhata warned that the continued failure to settle outstanding



water bills severely impacts NamWater's ability to operate efficiently.

"The continued failure to settle water bills severely affects NamWater's ability to operate effectively. Unlike profit-driven businesses, NamWater relies solely on revenue from water sales to maintain operations, infrastructure, and service delivery," he said.

He further highlighted that while the Namibian government, through NamWater, provides water to 87% of the population, the increasing financial strain caused by unpaid debts could hinder future expansion efforts.

"NamWater is a bulk water supplier that relies on revenue from water sales to maintain operations, upgrade infrastructure, and expand access. When local authorities or other customers fail to settle their debts, it directly affects our ability to provide reliable services," Ndamanomhata added.

NamWater continues to urge consumers, local authorities, and other stakeholders to honor their financial obligations to ensure the sustainable provision of water services across the country.

Nedbank delivers improved financial performance.

Positions itself for growth with realignment of business banking and wealth divisions

Salient features

- ▲ Headline earnings increased by 8% to R16,9bn.
- ▲ ROE increased to 15,8%
- ▲ Capital and liquidity ratios strong with CET1 of 13,3% and tier 1 capital ratio of 15,1%.
- ▲ Strong growth in digital clients and volumes
- ▲ Organisational restructure to unlock new growth opportunities
- ▲ Final dividend of 1 104 cents, up 8%

JOHANNESBURG, 4 March 2025 – Nedbank Group delivered an improved financial performance for the year ended 31 December 2024 as headline earnings increased by 8% to R16,9bn, diluted headline earnings per share increased by 11%, and the group's ROE strengthened to 15,8%, from 15,1% in the prior period, reflecting steady progress towards its ROE targets.

Headline earnings growth was underpinned by good non-interest revenue growth, a lower impairment charge and targeted expense management, offsetting muted net interest income growth given slower loan growth and margin pressure. Balance sheet metrics all remained very strong, enabling the declaration of a final dividend of 1 104 cents per share, up by 8% at a payout ratio of 57%.

Nedbank CE Jason Quinn highlighted that despite a challenging economic environment, the bank achieved significant successes from a strategic perspective. "A key highlight of 2024 was the fundamental completion of our Managed Evolution IT transformation, which has delivered a refreshed and modern technology platform. This platform, along with our enhanced digital capabilities, supported ongoing strong digital growth, market-leading client satisfaction metrics, solid main-banked client gains, and higher levels of cross-sell."

"With our strategic portfolio tilt, we achieved market share gains in key areas such as home loans, vehicle finance, wholesale term-lending and retail deposits. We also continued to make strides in creating positive impacts through R183bn of lending that supports sustainable development finance, aligned with the United Nations Sustainable Development Goals. The increase in renewable energy exposures of 32% to almost R40bn, and Nedbank being awarded significant renewable energy mandates in Q4 2024, reinforce our leadership in this space."

These achievements, among others, led to Nedbank being named SA Bank of the Year by the prestigious magazine, The Banker.

Organisational restructure to provide substantial benefits

To sharpen execution of the Nedbank strategy, compete more effectively in the market, enhance cross-sell and unlock new growth opportunities, the bank has embarked on an organisational restructure of its Retail and Business Banking (RBB) and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity.

The new group structure will see the creation of Personal and Private Banking (PPB), an individual/non-juristic focused cluster, that will provide a full suite of solutions to individual clients across the youth, entry-level, mass, middle, affluent and high-net-worth segments.

The reorganisation will also see the creation of Business and Commercial Banking (BCB), a juristic-focused cluster, that will cover the spectrum of SME, Commercial and Mid-corp clients, to unlock accelerated growth opportunities through new compelling value propositions, while elevating this business to a group executive level.

As part of the reorganisation, Nedbank Insurance and Nedbank Wealth Management will be incorporated into PPB as the group seeks to grow insurance and unlock cross and upsell opportunities into the existing Nedbank client base, create scale, leverage capability synergies between Wealth Management and Private Clients to strengthen the group's value position in the market. The Asset Management business will move into Corporate Investment Banking and focus on building out its product offerings while improving new business origination on the back of our new client-centric model. Nedbank Wealth will no longer exist as a stand-alone cluster.

"We anticipate substantial benefits for all our stakeholders. Employees will be more empowered as we break down structural barriers to collaboration, create increased focus and align incentives across the organisation."

"For clients, the reorganisation represents a transformative leap forward in how they will experience Nedbank. By unifying our personal and juristic business segments into distinct, focused clusters, we will be able to offer more seamless and integrated banking experiences. Clients will benefit from relevant holistic financial solutions, enhanced client service, more tailored business solutions from BCB, greater access to financial expertise in PPB, and increased investment and innovation in product offerings enabled by efficiencies and accelerated growth."

"Our shareholders can expect improving financial performance from Nedbank over time, underpinned by delivering of focused growth strategies, including the unlock of cross-sell opportunities and increased productivity. Streamlining our operations and creating increased segment focus, would contribute to us achieving our long-term ROE of greater than 18%," Quinn said.
The changes will become effective from 1 July 2025.

NAR Performance

NAR's financial performance was impacted by several factors, most importantly, once off items that are non-repeatable. NAR HE excluding the ETI reversal of R175m and Zimbabwe FX is up 14% at R1 619m. Including the impact, HE is down 14%.

The Southern African Development Community (SADC) HE excluding the forex gains is up 60%. When the impact is included, HE down is 12,1%. NII increased by 11% to R2 690m, NIM increased to 7,87% (2023: 7,82%) and a marginal increase (1%) in average loans and advances. NIR for the cluster decreased by 5% to R1 757 m Impairments have increased by 25% to R315m, largely driven by higher charges in Mozambique and Namibia.

Our ETI associate investment HE is down by 16% to R1 037m

- Associate income down by 18% to R1 139m, down 6% excluding the prior year Ghana reversal
- ROTE increased to 31,2% (9M23: 25,6%)
- Ecobank Nigeria remains suboptimal (ROE: 2,7%)

(Nedbank Group has shareholding of 21,2% in ETI. We account for in our results a quarter in arrears.)

Dr Terence G. Sibiya, Group Managing Executive: Nedbank Africa Regions, says, "Nedbank's Africa Regions business remains resilient and continue focus on the key unlocks to drive growth and transformation in our business. Our financial performance in 2024 is testament of that."

Some highlights in the SADC operations include the following:

- ✔ **Winning 5 awards**: Best Mobile banking application in Lesotho, Most Innovative Digital bank in Mozambique from International Finance, Best Digital Bank in Mozambique from Global Banking and Finance Review and Best Bank for Diversity and Inclusion in Mozambique from Euromoney to name a few.
- ✔ **Successfully launching Zaca** a remittance solution that enables clients to send money between South Africa and Lesotho.
- ✔ **Positive client growth achieved,** we have grown our December 2023 base by more than 13%.
- ✔ **Continuing to deliver great client experiences across our business.**

Nedbank remains the leader in NPS in Mozambique. We are #1 in brand sentiment in all our markets.

- **Growing our digitally active clients and increasing their overall usage:** digital active clients now make up 70.6% of our active retail client base.
- **Improved the employee NPS score in the Pulse Survey to** continue to assist us in creating conducive environments for our staff to thrive and deliver exceptional results.
- **Collaboration with NCIB** to foster growth in Namibia and Mozambique, as growth vectors for NAR and the Group, and unlock opportunities that may materialise with the anticipated growth.

Winning digitally

Retail digital transaction volumes and values in SA grew by 12%. Digitally active retail clients increased by 7% to 3,1 million, representing 70% of retail main-banked clients, while digitally active clients across the NAR business increased from 64% to 72% of its total active client base.

Active Nedbank Money app clients increased by 14% to 2,7 million in 2024, while transaction volumes increased by 16% and transaction values increased by 21%.

These digital innovations support high levels of client satisfaction, as demonstrated by Nedbank's Net Promoter Score (NPS), which ranked #1 among the large South African banks in 2024 (Kantar survey) when surveying all clients.

Outlook

Looking forward, Nedbank remains cautiously optimistic and expects the economic environment in SA to improve off a low 2024 base, although risks associated with global geopolitics and trade wars remain.

SA's GDP is forecast to increase by 1,4% in 2025, inflation to remain well within the SARB target range of 3% to 6%, and the South African prime lending rate to decline by a further 50 bps in 2025, reaching 10,75%. Corporate lending should pick up while growth in household lending is expected to remain muted, only picking up in the second half of the year. The risks are however to the downside.

"Our improved financial performance in 2024 – together with the progress made in executing on our strategy, our new transform agenda and better economic prospects – gives us confidence that we will continue to make progress to increase our ROE to greater than 16% in 2025, greater than 17% in the medium term and above 18% in the longer term."

"I am extremely comfortable with the strong foundations that Nedbank has built, including strong capital and liquidity levels, a strong and vibrant culture, a focus on transformation (diversity, equity and inclusion), leading ESG credentials and significant investments in technology, all culminating in exciting prospects for the group," Quinn said.

About Nedbank Group

Nedbank Group is a bank holding company listed on the JSE Limited, with a market capitalisation of R137bn as at 31 December 2024. Nedbank is one of Africa's largest banking groups, with operations in South Africa, Namibia, Eswatini, Mozambique, Lesotho and Zimbabwe, and offshore in the Isle of Man and Jersey. It also has representative offices in other Africa countries, including Kenya, and has key global financial centres to provide international banking services for SA-based multinational and high-net-worth clients in London and Dubai. The group is a diversified financial services provider, offering a wide range of wholesale and retail banking and financial services. Nedbank has maintained its level 1 BBBEE status for the past 7 years and rates in the top quartile of local and international banks on ESG scores. group.nedbank.co.za

NEDBANK

DR TERENCE GUGULETHU SIBIYA
Group Managing Executive: Nedbank Africa Regions

Dr Sibiya is currently the Group Managing Executive for Nedbank Africa Regions (NAR). He is responsible for leading and managing the SADC owned and managed businesses and the investment in Ecobank Transnational Incorporated (ETI) to ensure that they grow and achieve the key strategic objectives of building scale, increase market share, as well increase NAR share of contribution to overall Group's earnings.

Terence previously was the Managing Executive of Client Coverage Nedbank Corporate and Investment Bank for several years. This role entailed the delivery of a solid client value proposition on behalf of Nedbank, to all of the bank's major clients. He was primarily responsible for developing and institutionalising the Client Value Management ("CVM") & Relationship Management process for the entire wholesale bank, while running short term asset book of roughly R35bn. He has also been active in pursuing a culture of total collaboration between various clusters of the Nedbank Group with a clear focus on Corporate and Investment banking product cross sell and solutions driven Origination.

Brief Career History

Prior to this, Terence was a Director and Head of Power, Infrastructure, Construction, Oil, Gas & Renewable Energy in the Corporate and Investment Banking ("CIB") of the Standard Bank Group. As a Senior Banker responsible for this sector, his primary role was to develop and manage executive relationships with the top tier clients in this sector locally, regionally, across the African continent and globally, particularly in countries and emerging markets where Standard Bank/Stanbic is represented. In addition to this he also originated large transactions for Investment & Transactional Banking as well as Global Markets & Treasury Sales. Terence also sat on the CIB Coverage Exco and often presented top tier client coverage strategy to the banks Group Exco.

Before that, he was the Head of Global Markets Sales at Standard Bank Group's Global Markets Division after having successfully run the Foreign Exchange Sales division for 3 years.

Earlier in his career at Standard Bank CIB he was a Manager in Corporate Finance then became a Director in the Equity Investments Division within CIB. As head of the Strategic Equity Investments team, his primary responsibility was Private Equity & Strategic BBBEE financing for the Corporate and Investment Bank. He also sat on the bank's Transformation Steering Committee among others such as Credit and Business Development committees.

Alongside 200+ young African leaders Terence is also an Archbishop Tutu Fellow as well as being an Aspen Global Leadership Network Fellow and a former board member of the African Leadership Institute (AfLI) that is built upon a passionate belief in the importance of good leadership and governance across the African continent, be it in business, government, or civil society. A few years back Dr Sibiya also served as the US based Aurora Associates International Inc.'s Executive Project Manager for the multi-million-dollar USAID-funded ICT Networking and Connectivity Project. This project greatly impacted the South African governments' ability to deliver obligatory services through ICT in four provinces across the country & neighbouring Swaziland and Namibia.

Dr Sibiya has published various articles on delivering Power & Infrastructure financing in Africa and the delivery of Capital Projects during times of adversity. Qualifications: BSc, Information & Decision Systems (Carnegie Mellon University, USA), Masters and Doctorate, Instructional Systems Design & Information Technology (University of Pittsburgh, USA), Advanced Management Programme (Duke University, USA)

Oryx Properties allocates N$228m for Goreangab project, Maerua Mall refurbishment

Oryx Properties has committed N$228 million in capital allocation for the interim period ending 31 December 2024, earmarked for key developments including the Maerua Mall refurbishment and the Goreangab project.

The company allocated N$7 million for the Maerua Mall refurbishment and N$196 million to the Goreangab project.

According to Simonis Storm's Junior Equity Analyst, Kara van den Heever, these investments aim to enhance asset value and improve rental income streams as cash generated from operations stood at N$128.6 million, with a tenant collection rate of 101%.

This comes as the investment property portfolio was valued at N$4.242 billion at the period's end, incorporating N$74 million in capital additions.

The valuation increase reflects capital expenditures on strategic developments, including Maerua Mall and Goreangab, rather than broad-based revaluation uplifts.

"The absence of significant fair value gains suggests that valuation adjustments were muted in this period, aligning with stable market conditions. The fair value adjustment on investment properties was N$1.85 million (Dec 2023: N$6.39 million), indicating limited property revaluations during the period," said Kara van den Heever.

Revenue increased by 5.4% year-on-year to N$237.2 million, driven by positive rental escalations and strong tenant renewals.

Net rental income grew to N$162.4 million, reflecting a 5.3% increase despite property expenses rising by 5.7%.

The EBITDA margin remained stable at 68.5%. Van den Heever noted that headline earnings per linked unit declined to 65.24 cents, primarily due to the non-recurring N$33 million settlement income from the prior period.

"Core earnings, represented by Funds from Operations (FFO), totalled N$74.2 million, translating into an FFO yield of 6.6% on NAV. Adjusted FFO (AFFO), which excludes maintenance capex and straight-line rental adjustments, amounted to N$67.3 million, reflecting the Group's underlying earnings capacity," she said.

Meanwhile, gearing improved to 36.1%, with total interest-bearing borrowings at N$1.67 billion.

The weighted average cost of debt reduced to 9.3%, supported by a repo rate cut and improved funding efficiency. The hedge ratio increased to 49%, mitigating interest rate volatility risks.

Furthermore, the net asset value per linked unit rose to 2,436 cents, though the discount to NAV widened to 47.4%, suggesting ongoing market scepticism. The implied cap rate on the portfolio stands at 8.7%, with an equity trading yield of 10.3%.

The company retains N$311 million in unutilised facilities, providing ample liquidity to meet its short-term commitments. The debt-to-property value ratio stands at 36.1%, reinforcing a stable leverage position.

Standard Bank

STANDARD BANK NAMIBIA **COMMITS TO TRAILBLAZING SOLUTIONS TO FUND THE COUNTRY'S MINING SECTOR GROWTH.**

Shetugwana Shipena
Relationship Manager: Mining and Metals Sector

Nelson Lucas
Head of Corporate and Investment Banking

Standard Bank Namibia's commitment to Namibia is evident in its purpose: Namibia is our Home, We drive Her Growth, and its reaffirmed commitment to supporting the country's mining sector by providing tailored financial solutions that address emerging opportunities and persistent challenges is a testament to it.

Shetugwana Shipena, the bank's Mining and Metals Sector Relationship Manager, recently attended the 2025 African Mining Indaba in Cape Town, South Africa, where he highlighted the crucial role of alternative financing models in enabling Namibia's mineral wealth and driving economic progress. "Financing opportunities are emerging through sustainability funds and alternative financing models. Sustainability funds support projects with cleaner technologies and responsible environmental practices, whilst alternative models such as royalty and streaming agreements and project finance help secure capital with less debt. These tools bridge early-stage funding gaps."

Despite Namibia's vast mineral potential, junior mining companies struggle to secure initial capital for exploration and development. Shipena acknowledges this challenge, emphasising that Standard Bank Namibia is well-positioned to provide structured financing, project finance solutions and advisory services tailored to the industry's evolving needs; We understand the complexities of funding mining activities and are committed to supporting companies with solutions that are both innovative and sustainable."

The bank will continue to capitalise on insights gained at events like the Mining Indaba to strengthen its advisory services and inform clients about key industry trends. Shipena stresses that policy advocacy and stakeholder engagement would be a priority, particularly in promoting local beneficiation and value addition—"We will actively engage with industry stakeholders and policymakers to advocate for reforms that encourage local beneficiation, ensuring that more value is retained within Namibia's economy."

According to Shipena, a major takeaway from the Indaba was the growing emphasis on sustainability and digital transformation in the mining industry. This highlighted the increasing importance of Environmental, Social, and Governance (ESG) principles and technological advancements in shaping the sector's future. He noted, "It's becoming more important than ever to accelerate the adoption of innovative digital solutions, such as AI, automation, and data analytics, to improve efficiency and safety. Additionally, embedding ESG principles into business strategies is no longer optional. Companies prioritising transparency, community engagement and responsible environmental management will mitigate operational risks and attract long-term investor confidence and financing."

Namibia's mining sector remains stable, with considerable untapped potential in exploration. Shipena notes that critical minerals present a unique opportunity for the country to shift from raw material exports to value-added processing and refining. The country can benefit greatly by shifting its focus to raw material exports to capture more local value. Shipena also emphasises that investing in refining and downstream processing will improve economic growth and strengthen Namibia's global mineral supply chain position.

Another critical discussion at the Indaba was balancing resource nationalism and maintaining an investor-friendly environment. Many African nations, including Namibia, are exploring policies mandating local value addition while ensuring foreign investment remains attractive. Shipena stresses the need for Namibia to develop policies safeguarding local interest without deterring foreign investment and that a well-balanced regulatory framework will ensure the country can maximise the benefits from its mineral resources while maintaining competitiveness.

The AI war

By Stantin Siebritz

Remember when AI supremacy seemed confined to a battle among American tech giants like Google, Microsoft, and OpenAI? What started as a "civil war" among these Silicon Valley powerhouses has rapidly evolved into a global showdown, especially between the United States and China. The battle lines are clearly drawn, and with each new AI release, the stakes only get higher.

The AI War explained

Initially, the AI war was a competition for dominance among American companies, each striving to build more powerful, intuitive, and creative AI tools. However, this rivalry escalated dramatically with China's powerful entry into the AI arena through innovations like DeepSeek-R1 and Alibaba's impressive Qwen models.

In response, we've witnessed American AI companies uniting strategically, launching coordinated updates to demonstrate transparency, such as openly displaying AI reasoning processes; a direct response to China's advancements. Just recently, Elon Musk's xAI unveiled Grok-3, an AI that not only emphasizes reasoning transparency but also introduces advanced real-time interaction, showcasing just how intense the rivalry has become.

The underlying issue nobody is talking about

Beneath the surface-level competition of AI models lies an even more crucial battle: compute power. Scripture reminds us that a king who is about to go to war will have to first sit down and consider whether he is able to win a war with ten thousand men against an invading army with twenty thousand?

"Initially, the AI war was a competition for dominance among American companies, each striving to build more powerful, intuitive, and creative AI tools.

Has China accurately assessed its compute resources? With the U.S. imposing a strict ban on exporting advanced GPUs to China, there's speculation that Chinese AI firms might have underestimated the resource demands necessary for sustained competition. But China's reliance on alternative hardware solutions like Huawei's Ascend 910Bs suggests they might possess a hidden arsenal of computing power, still largely unknown to the broader global community.

Furthermore, Qualcomm Snapdragon chips have recently overtaken Intel in mobile computing efficiency. Although these are CPU-focused, such technological leaps indicate potential cross-application in GPU and AI acceleration, hinting at China's alternative pathways in semiconductor innovation.

The Implication of a War on Multiple Fronts: AI Models, Compute, and Video Generation

The AI war now includes multiple battlefronts, not just language and reasoning models, but also groundbreaking video

AI generation. Recent advancements by China's Tencent with Hunyuan AI, alongside OpenAI's pioneering video-generation technology, Sora, mark a transformative phase in AI capabilities. These developments signify that the competition is no longer restricted to static content but encompasses dynamic, multimodal AI applications.

As AI capabilities diversify, the real winner emerges clearly, not the United States or China alone, but the broader global AI community, particularly communities across Africa and emerging markets like Namibia. Heightened competition compels innovation, drives down costs, and accelerates the availability of cutting-edge technology. AI startups, students, and research institutions globally now have more affordable access to technologies previously limited to elite circles.

Conclusion

The AI War, intensified by the recent launches of Grok-3, Qwen, and cutting-edge video generation technologies from Tencent's Hunyuan and OpenAI’s Sora, presents an exciting yet complex landscape. Rather than fearing this fierce rivalry, we should recognize the immense opportunities it creates.

More competition leads to more innovation, better affordability, and increased accessibility…benefits that resonate deeply within Africa's technology ecosystems.

In this battle, the ultimate victory might belong to the global community of innovators and dreamers, poised to leverage these technologies for transformative local impact.

As Doc Brown famously said in Back to the Future, "Roads? Where we're going, we don't need roads." Indeed, in this rapidly evolving AI era, we're building new pathways every day.

***Stantin Siebritz is Managing Director of New Creation Solutions, and a Namibian Artificial Intelligence Specialist**

ACC, IPPR call for transparency in Welwitschia Sovereign Wealth Fund Bill

The Anti-Corruption Commission (ACC) and the Institute for Public Policy Research (IPPR) have called for greater transparency and accountability in the drafting and implementation of the Welwitschia Sovereign Wealth Fund Bill, currently before Parliament.

The fund, designed to support Namibia's economic recovery and provide financial security for future generations, was initially launched on May 12, 2022.

It consists of two accounts—one to shield the country from macroeconomic shocks and another as a long-term savings vehicle.

The Bank of Namibia manages the fund independently in consultation with the Ministry of Finance, benchmarking it against the Norwegian Government Pension Fund Global, widely regarded as one of the most transparent sovereign wealth funds globally.

IPPR Executive Director Graham Hopwood emphasized the need for inclusive dialogue in the fund's governance.

"Our goal is to ensure, first, that the law is well-crafted before reaching Parliament and, second, that the fund is effectively managed in the best interests of all Namibians. This is not about criticizing the Bank of Namibia or the Ministry of Finance but rather fostering an interactive and inclusive dialogue to ensure these matters are handled properly for the benefit of all Namibians in the future," Hopwood said.

The fund currently holds N$460 million, with an initial investment of N$270 million.

According to Hopwood, it is structured into short- and long-term investments, with 70% allocated to equities and the remaining portion spread across fixed-income assets, real estate, and private equity.

ACC Director-General Paulus Noa stressed the need for a legal framework that instills public confidence.

"The law must be crafted in such a way that it addresses all the concerns, especially those raised here. It is important that not only the executive plays a role in a fund like this, but society in general should have representatives who are actively involved in ensuring its transparency," Noa said.

The Bank of Namibia has underscored that the fund's diversified investment approach aims to maximize returns while effectively managing risks.

A bank representative highlighted efforts to prevent Namibia from falling into the so-called "resource curse," where countries mismanage their natural wealth.

"Feedback from the Bank of Namibia, together with the Ministry of Finance, has been gathered through visits to Norway to ensure that the drafting of the bill is correct. It is important that as the bill moves through the process, all stakeholders provide their input," the representative said.

Noa further emphasized the importance of parliamentary oversight in finalizing the law.

"The good thing is that their law has not yet been finalized, and this is an opportunity for stakeholders to make their input. Every voice must be heard, and parliamentarians have a critical role to play to ensure there is no suspicion surrounding the fund's management," he added.

Unsung drivers of economic development in Namibia

By Wade Henckert

In Namibia, regional governors and mayors have frequently been reduced to administrative duties with little appreciation for their potential as important forces behind economic change.

However, it is critical to reevaluate the strategic significance of these posts in a time when local and regional governance is becoming more closely associated with economic advancement. In addition to facilitating national policies, regional and local leaders also act as catalysts for sustainable development, investor attraction, and economic growth. Namibia's long-term economic success depends on their capacity to comprehend and take advantage of global changes in FDI destinations throughout Africa.

Decentralisation, a policy aimed at giving local and regional government organisations more political, administrative, and financial power, is emphasised in Namibia's governance structure. The purpose of this strategy is to enable local leaders to effectively address the unique requirements of their respective regions. Although decentralisation has enormous potential for economic growth, its effectiveness primarily depends on the abilities of mayors and governors. In addition to overseeing local economic activity, these officials are responsible for coordinating it with national development plans such the Harambee Prosperity Plan and Vision 2030.

Subnational governance frameworks are crucial for drawing in foreign investment in many nations. Through strong municipal leadership, cities like Cape Town, South Africa, and Kigali, Rwanda, have effectively positioned themselves as investment-friendly locations. The mayors and regional

> **Decentralisation, a policy aimed at giving local and regional government organisations more political, administrative, and financial power, is emphasised in Namibia's governance structure.**

governors of Namibia must take a similar tack, actively looking for investments that complement the comparative advantages of their areas, whether those advantages are in industry, tourism, agriculture and renewable energy.

Regional leadership must create a business-friendly atmosphere that eases bureaucratic red tape and streamlines investment procedures in order to do this. In addition to drawing in investors, creating special economic zones, improving infrastructure, and establishing transparent regulatory frameworks will encourage local business. A region's capacity to establish a supportive business environment is directly related to its level of success.

Furthermore, by launching effective marketing campaigns both domestically and abroad, regional leaders should concentrate on positioning their communities as top investment locations. This calls for direct interaction with foreign investors as well as active involvement in regional and international trade shows and economic forums. Governors and mayors can establish a niche in the cutthroat African investment market by highlighting the advantages and investment possibilities of their regions.

Furthermore, encouraging public-private partnerships (PPPs) has the potential to revolutionise regional economic growth. Regional authorities can promote the growth of service industries, industrial parks, and infrastructure projects by working with private sector stakeholders. These collaborations strengthen Namibia's economic resilience by ensuring that investment projects are in line with market demands and technology improvements in addition to providing much-needed financing.

Africa is becoming a major destination for foreign direct investment (FDI), marking a significant shift in the global investment environment. Foreign investors are increasingly seeking alternate locations that provide political stability, effective regulations, and economic promise in instead of more conventional hubs like South Africa, Nigeria, and Kenya. Namibia has a special chance to establish itself as a desirable investment destination because of its stable government, advantageous location, and wealth of natural resources.

But to do this, regional governors and mayors must actively follow international investment patterns.They must comprehend the industries such as technology, agribusiness, infrastructure development, and renewable energy that are attracting foreign direct investment into Africa. Additionally, they must streamline bureaucratic procedures, develop incentives for companies to operate in their areas, and implement investment-friendly laws at the local level.

Regional economic diplomacy is one of Namibia's most underutilised economic planning techniques. Regional leaders must join the conversation, even while national leaders often participate in international investment negotiations. Developing strategic alliances with cities and regions in other nations, networking with foreign investors, and taking part in international investment conferences are all components of a proactive approach to regional economic diplomacy. Walvis Bay, for instance, has the potential to develop into a Southern African hub for trade and logistics. Local leadership must converse with global shipping businesses, logistics companies, and cross-border trade organisations in order for this to become a reality. Likewise, collaborations with international agribusiness companies could be advantageous for the Kunene and Kavango regions, given their considerable agricultural potential.

In order for regional governors and mayors to successfully carry out their roles as economic leaders, specific capacity-building initiatives are required. These ought to emphasise policy innovation, investment promotion, and economic governance. Policy changes should also give local governments the freedom to decide on matters that directly affect their economies. It is necessary to review the administrative restrictions that currently restrict regional governments' capacity to authorise investment projects and oversee local financial resources.

Local and regional leaders need to embrace their role as economic strategists and transcend their conventional responsibilities of providing services. The success stories of cities and regions around the world show that local visionary leadership is frequently the missing piece that connects policy goals with observable economic results.

Namibia's economic destiny is influenced by the vision and efficacy of regional governors and mayors in addition to national authorities. These leaders are essential to attracting investment and fostering local economic growth. They must have the knowledge and independence required to participate in international investment dynamics in order to realise their full potential. Namibia's regional leadership must step up to the challenge of establishing their jurisdictions as attractive investment destinations as the global economy continues to change. This is an economic requirement as well as a governance imperative.

Wade Henckert is an international relations expert

Affordable 7-Seaters for Namibian families

By Max Lodewyk

A friend with a growing family recently asked me for recommendations on practical and affordable seven seater vehicles. My immediate suggestion was the Toyota Fortuner, but they were actually looking for something more budget friendly, an entry level people mover. Similar to my friend, many Namibian families seek spacious, fuel efficient and cost effective seven seaters for school runs, road trips, and everyday errands.

In this article, we explore four popular options readily available in the Namibian market, focusing on affordability and the practicality of their seven seat configurations. These options include the Toyota Rumion, Suzuki Ertiga, Mitsubishi Xpander and the Renault Triber.

1. Toyota Rumion

The Toyota Rumion, a rebadged version of the Suzuki Ertiga, offers the reliability and solid engineering, a comfortable ride, and practical seven seat functionality all at a starting price of N$301,400.

Key Features:

• Engine: 1.5L petrol, 77 kW / 138 Nm

• Transmission: 5-speed manual or 4-speed automatic

• Fuel Economy: 6.2L/100km

• Safety: Dual airbags, ABS, stability control, rear parking sensors

• Boot Space: 500L

Toyota highlights the Rumion's versatile cabin, with a second row that folds down for extra luggage space. The model's fuel efficiency and relatively low maintenance costs (thanks to shared Suzuki components) make it an attractive option for budget conscious families. However, while practical, the Rumion is somewhat basic in terms of technology and safety features.

Suzuki Ertiga

For those prioritizing affordability, the Suzuki Ertiga offers a nearly identical package to the Rumion but at a lower starting price of N$284,665.

Key Features:

• Engine: 1.5L petrol, 77 kW / 138 Nm

• Transmission: 5-speed manual or 4-speed automatic

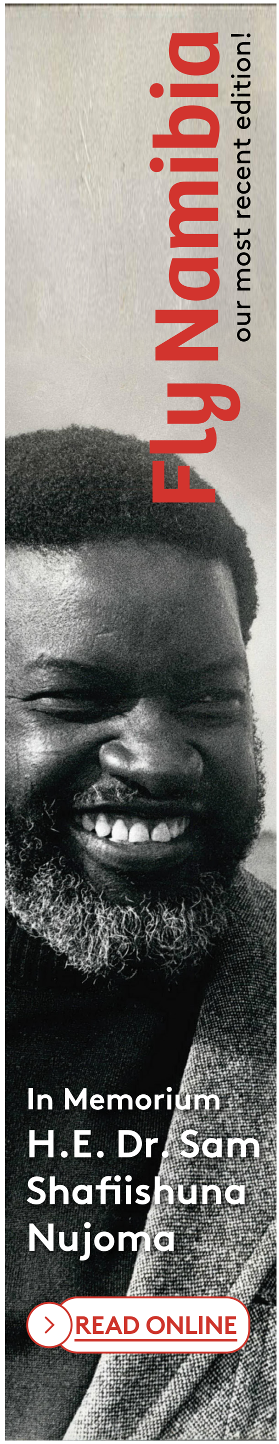
• Fuel Economy: 6.2L/100km

• Safety: Dual airbags, ABS, EBD

The Ertiga is a budget friendly option while maintaining practicality and efficiency. It's a great choice for families looking for a no frills, reliable people mover with low running costs. However, like the Rumion, it lacks advanced tech and safety features.

Mitsubishi Xpander

For families looking for a seven-seater with a bit more



style, the Mitsubishi Xpander stands out with its SUV-inspired design. Priced at N$329,995, it offers practicality with a modern aesthetic.

Key Features:

• Engine: 1.5L petrol, 77 kW / 141 Nm
• Transmission: 5-speed manual or 4-speed automatic
• Fuel Economy: 6.9L/100km
• Safety: ABS, dual airbags, stability control

With higher ground clearance (205 mm) than most competitors, the Xpander is well suited for Namibia's road conditions. It also provides a comfortable ride and ample interior space. However, its 4 speed automatic transmission is said to feel outdated and the boot space is limited when all seven seats are occupied.

Renault Triber

For families on a tight budget, the Renault Triber is the most affordable seven seater available in Namibia, with a starting price of N$242,900.

Key Features:

• Engine: 1.0L petrol, 52 kW / 96 Nm
• Transmission: 5-speed manual or 5-speed automatic
• Fuel Economy: 5.5L/100km
• Safety: Dual airbags, ABS, rear parking sensors

The Triber is an excellent choice for city driving, thanks to its compact size and exceptional fuel economy. However, its small engine is reported to struggle when fully loaded and the interior is quite basic compared to its competitors.

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Rössing Uranium-funded police station creates jobs, enhances security in DRC area

The construction of a new police station in the Democratic Resettlement Community (DRC) area of Swakopmund, funded by Rössing Uranium, created 100 jobs, with 85% of the workforce being local residents.

The N$23.2 million facility is set to enhance security in the informal settlement, which is home to over 40,000 people.

The newly built police station includes four holding cells, each with its own exercise courtyard, an interrogation room, a doctor's consultation room, a visitors' room, and an armory. It also features four offices, staff ablution areas, a secure passage for inmate drop-offs, a staff kitchen, and a server/radio room.

Rössing Uranium's Board Chairperson, Steve Galloway, said the police station was constructed in response to community concerns over security.

"Our employees have on numerous occasions become victims of crime, either on their way to a bus stop or after being dropped from a shift. Crime statistics show that most of the crimes in Swakopmund, in particular, are committed in isolation. In response to a community outcry—which aligns with a core value Rössing strongly upholds, safety—we took action to enhance security in the informal DRC," Galloway said.

Inspector General of the Namibian Police Force, Joseph Shikongo, emphasized the importance of community involvement in crime prevention.

"Combating crime can only be achieved when the community is involved. Provided that none of us want to see crime increasing, we should work together with the Police to ensure that criminals are arrested," Shikongo said.

Minister of Home Affairs, Immigration, Safety, and Security, Albert Kawana, acknowledged the challenges the community faced due to the lack of a nearby police station for years.

"For many years, residents in this area faced challenges due to the absence of a nearby police station. The completion of this facility will bring police services closer to the people, ensuring rapid response to crime and enhancing public safety," Kawana said.

The new police station is expected to significantly improve security in the DRC area, reducing crime rates and fostering a safer environment for residents.

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SIMONIS STORM

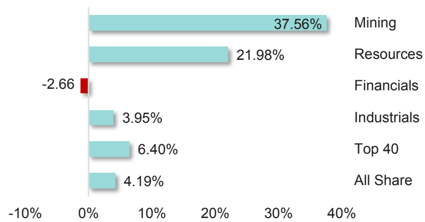
Enriching Generations

FINANCIAL MARKET MONITOR

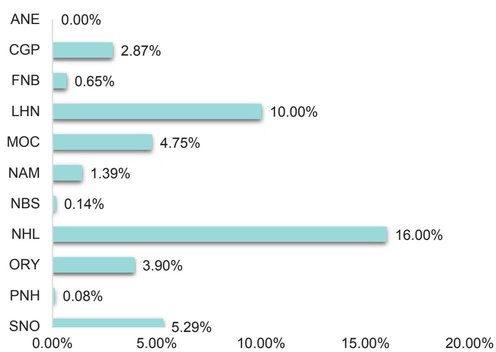
Commodities	
Spot Gold	2902.49
Platinum	967.26
Palladium	951.06
Silver	30.95
Uranium	65.20
Brent Crude	69.86
Iron Ore	95.40
Copper	9619.40
Natural Gas	4.48
Lithium	9.85

Currencies	
USD/ZAR	18.2575
EUR/ZAR	19.2300
GBP/ZAR	23.5710
USD/CNY	7.2576
EUR/USD	1.0836
GBP/USD	1.2910
USD/RUB	87.8722
CPI	3.60%
Repo Rate	6.75%
Prime Rate	10.50%

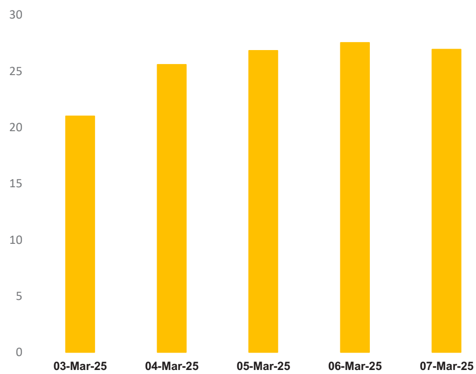
JSE Sectors: Year to Date in %



NSX Local Stocks: Year to Date in %



JSE ALL SHARE VALUE TRADED (ZAR BILLIONS)



Global Indices: Year to Date in %