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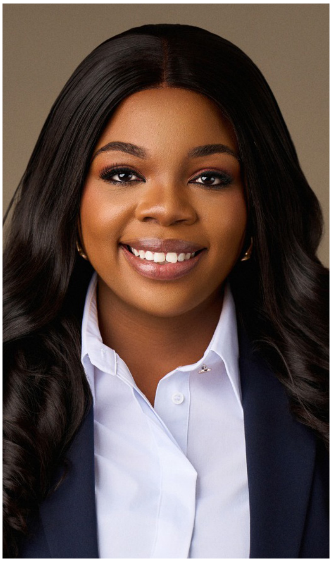
News Worth Knowing

Middle East tensions raise fuel and fiscal risks for Namibia

TUESDAY 03 MARCH 2026

MAIN STORY



Middle East tensions raise fuel and fiscal risks for Namibia

Escalating tensions involving Iran and growing risks around the Strait of Hormuz are expected to place direct pressure on Namibia's fuel prices, inflation outlook and fiscal position, as global crude markets price in heightened geopolitical risk.

Oil prices have climbed sharply in recent days, rising from about US$58 per barrel last week to roughly US$75, with gains of more than 2% per day recorded at points during the escalation.

Analysts say that while Namibia's regulated fuel pricing framework offers short-term cushioning against volatility, sustained higher oil prices would likely

Crucial Dates

- **Bank of Namibia Monetary Policy announcement dates:**
  - * 22 April 2026
  - * 17 June 2026
  - * 12 August 2026
  - * 21 October 2026
  - * 02 December 2026
- **Namibia Oil and Gas Conference 18–21 August 2026 in Windhoek**

translate into increased pump prices and mounting strain on the National Energy Fund within weeks.

Standard Bank Group Economist Helena Mboti said Namibia remains structurally exposed to global oil price cycles due to its reliance on imported fuel.

"Namibia is a net fuel importer and therefore structurally exposed to global oil price cycles. In highly integrated energy markets, supply disruptions anywhere in the world are transmitted rapidly through global pricing mechanisms, and further escalation that disrupts physical supply would likely push prices higher almost immediately," Mboti said.

She noted that although the country's fuel pricing mechanism can smooth short-term fluctuations, it cannot indefinitely absorb prolonged price increases.

"If elevated global prices persist, limited fiscal space means that most of the increase would ultimately need to be passed on to consumers. Sustained elevated prices would also increase pressure on the fuel pricing framework and potentially widen fiscal risks if government attempts to cushion consumers," she said.

Simonis Storm Economist Almandro Jansen said oil markets typically reprice geopolitical risk within hours, often before any physical supply disruption occurs.

"The first move is usually a risk premium, as traders begin to factor in the probability of disrupted exports, damaged infrastructure or interference with shipping routes. Even if no physical barrels are removed from the market, this insurance premium can meaningfully lift prices within hours," Jansen said.

He warned that in the event of a genuine supply shock, such as export restrictions or significant shipping disruption, crude prices could move into a US$90 to US$130 range, depending on the severity and duration of the disruption.

For Namibia, he said, the key factor is the landed cost of refined fuel products, including freight, insurance and wider product spreads, which ultimately determine pressure on domestic pump prices.

"In practical terms, global oil markets reprice in real time, while Namibia's pump prices adjust in measured steps over the following weeks. The key vulnerability lies less in the speed of transmission and more in the scale and persistence of the shock, and how much of it is ultimately passed through to consumers," he said.

High Economic Intelligence research Analyst Lewis Komu said that if tensions persist through at least mid-March, the current fuel price review period would capture higher international product prices, increasing Namibia's import costs.

"That would lead to under-recoveries within the Ministry's pricing model and increase the likelihood of fuel price increases in April or May," Komu said.

He added that while short-term volatility can be absorbed to prevent frequent price adjustments, prolonged elevated prices would increase the subsidy burden and fiscal risk.

"The longer the period of elevated prices, the greater the subsidy burden and fiscal risk, and the higher the probability of a material fuel price adjustment rather than gradual smoothing. Sustained high oil prices would therefore strain the sustainability framework and increase the likelihood of a significant pump price increase," he said.

Although current prices remain below the June 2022 peak of about US$97 per barrel, crude had traded below US$70 for most of 2025, making the recent acceleration significant for a net fuel importer such as Namibia.

REVIEWED INTERIM GROUP RESULTS AND CASH DIVIDEND DECLARATION

for the six months ended 31 December

2025

FirstRand NAMIBIA

FirstRand Namibia Ltd
(Incorporated in the Republic of Namibia)
(Registration number: 88/024)
ISIN: NA0003475176 | Share Code (NSX): FNB
("FirstRand Namibia Ltd" or "the Company")

Building a globally competitive Namibia, providing access to opportunities

We are a large employer, deeply invested in our 2 461 employees (2024: 2 335)

- Paid N$874 million in salaries for employees (2024: N$791 million)
- Invested N$8.4 million in employee development (2024: N$12.4 million)
- Onboarded 36 (2024: 29) individuals in our Graduate and FirstJob internship programmes
- Increased access to opportunities with interest-free staff study loans through our staff assistance trust N$10.8 million (2024: N$11.4 million)
- Awarded Top Employer Namibia | Top Employer Africa for two consecutive years

We have an expansive branch network and digital solutions supporting financial inclusion

- 41 branches including digital hubs (2024: 41)
- 8 809 Point of Sale devices (including Speedee) (2024: 8 799)
- 332 ATMs & ADTs (2024: 340)
- 3 015 Cash@Till Merchants (2024: 1 732)
- 411 CashPlus Agents (2024: 351)
- 15 465 DigiPlus accounts (2024: 14 842)

We are an enabler of financial return

- N$1.0 billion in interest paid to clients (2024: N$1.4 billion)
- Deposits N$49.8 billion (2024: N$47.9 billion)
- N$315 million dividends paid to Namibians (2024: N$200 million)
- FNB rewards payout N$19.5 million (2024: N$17.4 million)
- N$13.9 million (2024: N$11.0 million) assets under management as part of our ETN programme
- N$21.4 billion (2024: N$17.9 billion) total assets under management with Ashburton
- Financial Literacy (FinLit) programme reached 3 077 people

We contribute meaningfully to society

- Green loans extended of N$477.6 million as part of our strategy to positively impact stakeholders by advancing environmental sustainability
- Tax payments to the Namibian fiscus of N$454 million (2024: N$427 million)
- The FirstRand Namibia Foundation supported all regions in Namibia with an investment of N$19.1 million (2024: N$17.2 million)

We partner for economic growth and job creation through enterprise development

- Accessible housing (low-income residential property valued at less than N$500 000)
  - Number of properties financed 28 (2024: 33)
  - Value of properties financed N$9.0 million (2024: N$11.0 million)
- Paid N$390 million to local suppliers (2024: N$397 million)

FirstRand Namibia delivered a strong set of interim results for the six months ended 31 December 2025, with headline earnings increasing by 15.2% to N$1.1 billion. The increase in headline earnings was driven by growth in the advances book and higher transaction volumes supported by a reduction in impairment charges. Further, a reduction in institutional funding on the back of strong franchise deposit growth resulted in a lower interest expense. Disciplined cost management further strengthened overall performance. Our interim financial results announcement is available on our website at www.firstrandnamibia.com.na/investors/financial-results.

The group is well positioned to navigate Namibia's evolving economic environment, supported by strong operational discipline and a clear strategic focus, as reflected in the performance achieved during the first six months of the 2026 financial period.

Positive momentum in agriculture, uranium production, mining, and infrastructure is expected to underpin growth in 2026, while a potential oil and gas final investment decision could further transform the economic landscape. Supportive monetary conditions and improving consumer sentiment are likely to bolster credit extension. Continued investment in digital innovation, human capital, and robust risk management will enable the group to deliver exceptional client service and sustainable value and meeting our purpose of BUILDING A GLOBALLY COMPETITVE NAMIBIA, BY PROVIDING ACCESS TO OPPORTUNITIES.

O Shikongo (Chairperson) / **C Dempsey** (CEO)

Dividend declaration

Notice is hereby given that an ordinary dividend of 221.77 cents per share (number 65) for the six months ended 31 December 2025 was declared on 19 February 2026. The last day to trade shares on a cum dividend basis will be on 13 March 2026 and the first day to trade ex-dividend will be 16 March 2026. The record date will be 20 March 2026 and the payment date 02 April 2026.

By order of the board: **Nelago Makemba,** Company Secretary, 27 February 2026.

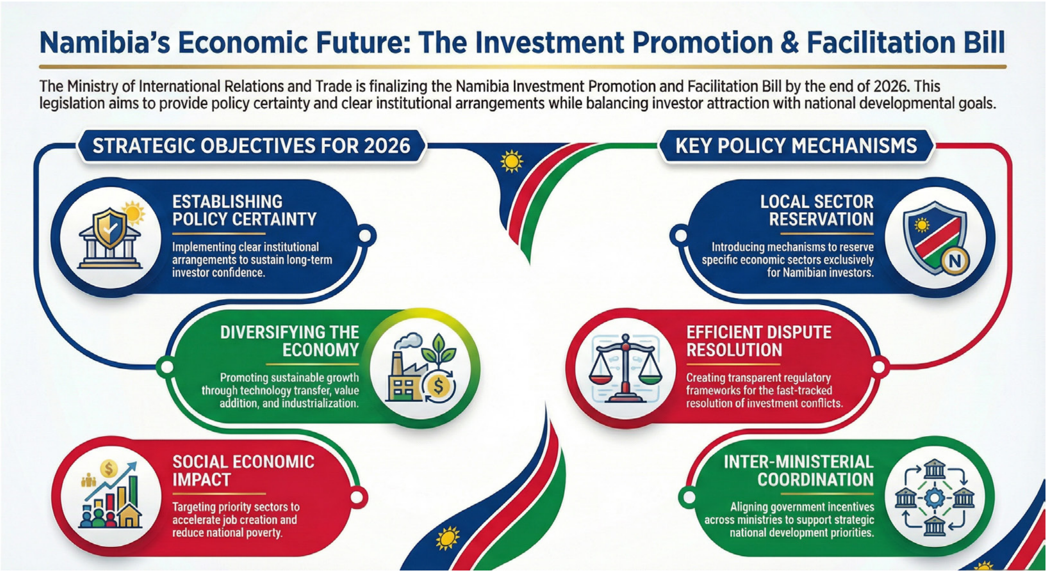
	Reviewed		Audited
	six months ended December 2025	six months ended December 2024	year ended June 2025
Statement of comprehensive income			
Basic earnings per ordinary share (cents)	399.9	346.2	715.8
Headline earnings per share (cents)	399.3	345.7	714.5
Headline earnings (N$ million)	1 066	925	1 908
Statement of financial position			
Total assets (N$ million)	61 519	63 129	56 274
Advances (N$ million)	41 934	39 352	39 222
Deposits (N$ million)	49 804	47 881	45 604
Financial performance			
Return on equity (%)	30.2	29.6	28.6
Return on assets (%)	3.4	3.0	3.3
Cost to income ratio (%)	47.4	46.5	46.2
Share statistics			
Number of ordinary shares in issue (million)	267.6	267.6	267.6
Weighted number of ordinary shares in issue (million)	267.1	267.1	267.1
Closing share price (cents)	5 450	4 650	4 712
Market capitalisation (N$ million)	14 584	12 443	12 609
Capital adequacy ratios			
	Banking group		
Tier 1	17.1%	15.7%	16.9%
Tier 2	2.2%	2.3%	2.3%
Total	19.3%	18.0%	19.2%
Tier 1 leverage ratio	11.0%	9.2%	11.5%
	Regulated consolidated group		
Tier 1	18.2%	16.9%	18.2%
Tier 2	2.1%	2.2%	2.1%
Total	20.3%	19.1%	20.3%
Tier 1 leverage ratio	12.0%	10.4%	12.5%

Directors: ON Shikongo (Chairperson), SL Balsdon*, J Coetzee, C Dempsey (Chief Executive Officer), LD Kapere, MJ Lubbe**, LP Smit (Chief Financial Officer), E van Zyl
**South African and Irish | **South African with Namibian Permanent Residence*

Registered office: @Parkside, 130 Independence Avenue, PO Box 195, Windhoek, Namibia

Transfer secretary: NSX Financial Market Services (Pty) Ltd, 4 Robert Mugabe Avenue, P O Box 2401, Windhoek, Namibia, Registration No. 93/713

Sponsor: Cirrus Securities (Pty) Ltd, 35 Schanzen Road, Windhoek, P O Box 27, Windhoek, Namibia, Registration No.98/463



Namibia to finalise Investment Promotion Bill before year end

The Ministry of International Relations and Trade has committed to finalising the Namibia Investment Promotion and Facilitation Bill before the end of 2026, as government moves to strengthen policy certainty for investors.

Minister of International Relations and Trade Selma Ashipala-Musavyi said the legislation is central to sustaining investor confidence while aligning investment flows with national development priorities.

"We remain committed to finalising the Namibia Investment Promotion and Facilitation Bill before the end of this calendar year, to ensure that when it comes to investing and doing business in Namibia, there is policy certainty and clear institutional arrangements," she said.

Ashipala-Musavyi added that the Bill is intended to strike a balance between attracting investment and safeguarding the country's developmental objectives.

"One of the key policy documents that keeps me up at night, and which has a bearing on investments, is the Namibia Investment Promotion and Facilitation Bill. The team is busy incorporating those comments so that we can deliver a policy document that supports the strategic objectives of government without discouraging investment," she said.

According to the 2021 draft of the Investment Promotion and Facilitation Bill, the legislation seeks to drive sustainable economic development by attracting both foreign and domestic investment.

Its primary objectives include promoting economic growth, reducing unemployment and diversifying the economy through targeted investment mobilisation.

"The legislation introduces mechanisms for reserving certain sectors for Namibian investors, efficient dispute resolution, and inter-ministerial coordination on incentives," the ministry said.

More broadly, the Bill aims to support the development of a more industrialised economy through job creation, technology transfer and value addition.

It also seeks to address poverty and inequality by accelerating growth in priority sectors and positioning Namibia as an attractive investment destination through transparent regulatory frameworks and investor support services.

Namibia to launch first green hydrogen-powered freight locomotive later this year

Namibia is set to launch its first green hydrogen-powered heavy-duty freight locomotive later this year, according to CMB.TECH.

The project is being spearheaded by CMB.TECH Namibia in partnership with TransNamib Holdings Limited and Africa Global Logistics. The locomotive is currently being assembled at the facilities of Traxtion, a South African rail engineering and refurbishment specialist.

"Hydrogen-powered rail freight is coming to Namibia later this year. CMB.TECH Namibia, together with TransNamib and Africa Global Logistics, is developing Namibia's first heavy-duty freight locomotive, powered by locally produced green hydrogen," CMB.TECH said.

The locomotive will operate on the Walvis Bay–Windhoek freight corridor during a trial phase, completing 50 return trips between the Port of Walvis Bay and the container depot near Windhoek. The route spans 414 kilometres, rising from 6 metres above sea level at the coast to 1,601 metres in the Namibian highlands.

According to the company, the steep gradient provides a practical test of traction performance, fuel substitution and system reliability under continuous load conditions.

Green hydrogen for the project will be produced off-grid at CMB.TECH Namibia's hydrogen plant in Walvis Bay. The locomotive is equipped with a 2,250-horsepower BeHydro dual-fuel hydrogen combustion engine, developed through a joint venture between CMB. TECH and Anglo Belgian Corporation.

The engine can operate on both diesel and green hydrogen, enabling immediate emission reductions while maintaining operational flexibility. Hydrogen will be stored on a dedicated fuel tender positioned behind the locomotive, carrying two 20-foot storage units with a capacity of up to 360 kilograms of compressed hydrogen each.

The system allows for refuelling via a mobile unit while the storage module remains on the tender, or for rapid container swapping to minimise downtime. The locomotive retains full functionality at all times. Should the hydrogen system become unavailable, the engine automatically continues operating on diesel, ensuring service continuity for freight operators.

"The locomotive retains full functionality at all times. Even if the hydrogen system is unexpectedly unavailable, the locomotive automatically continues running on traditional fuel alone. This ensures maximum reliability and gives operators the confidence to integrate hydrogen into their operations without compromising service continuity," the company said.

The development comes as TransNamib explores modernisation options, including repowering parts of its fleet using dual-fuel hydrogen technology. Rather than investing in entirely new rolling stock, the initiative centres on converting an existing operational locomotive, demonstrating how hydrogen can be integrated into freight rail without major infrastructure changes.

The middle class and fiscal drag: Who is carrying the system?

By Erastus Kalenga Hamunjela

Inflation adjusted tax brackets are a technical feature of income tax systems, yet their absence has material distributional consequences. Namibia's personal income tax thresholds have not been consistently adjusted in line with inflation.

As a result, nominal wage increases that merely preserve purchasing power can push taxpayers into higher marginal brackets, increasing effective tax rates without any real income gain. This mechanism, commonly referred to as fiscal drag, functions as an implicit annual tax increase.

It raises revenue without legislative rate changes and shifts the tax burden incrementally toward salaried households.

Inflation averaged 4.2 percent in 2024, following 5.9 percent in 2023. A worker whose wages rose in line with inflation over this period would experience little to no improvement in real purchasing power. However, in a non-indexed tax system, that nominal wage increase may be partially taxed at a higher marginal rate.

The consequence is bracket creep. Over time, this erodes disposable income relative to inflation-adjusted living costs. The tax system becomes less progressive in real terms, even if statutory rates remain unchanged.

> "The long-term question is not whether the middle class contributes significantly to Namibia's fiscal architecture.

The households most exposed to fiscal drag are those in the N$50,000 to N$150,000 annual income range. This income band constitutes Namibia's formal-sector middle, including teachers, nurses, junior civil servants, and mid-level private sector employees.

These households typically do not qualify for targeted social transfers and therefore rely on net wage income as their primary buffer against cost-of-living pressures.

They also represent a stable and predictable PAYE base. In systems where informal activity remains significant, formally employed salaried workers carry a disproportionate share of personal income tax collection.

The structure of expenditure further clarifies this dynamic. The social sector receives N$54.3 billion, equivalent to 61.7 percent of the non-interest budget. Education alone accounts for N$28 billion and health N$13.1 billion.

These allocations represent significant redistribution through public goods and transfers. However, middle-income households often face quality constraints in public services and may supplement with private education or medical aid.

In effect, they finance public provision through taxation while partially self-providing through private expenditure. The incidence of fiscal drag therefore compounds a dual financial burden: rising effective tax rates alongside persistent private spending for essential services.

Debt service intensifies this structural position. Interest payments are projected at N$16.2 billion in FY2026/27, equivalent to 18.1 percent of total revenue. Personal income tax, collected primarily through PAYE, remains a central revenue pillar.

While revenue composition is diversified across SACU, corporate tax, and VAT, the predictability of PAYE makes it fiscally attractive. When interest absorbs a growing share of revenue, the effective contribution of salaried taxpayers extends beyond service funding into debt servicing. Unlike expenditure on health or education, interest payments generate no direct public good. They represent the cost of past borrowing decisions.

The distributional implication is that the middle class contributes not only to current services but to accumulated fiscal commitments.

The 2026/27 budget proposes adjusting personal income tax brackets over two financial years. This is economically justified. Bracket indexation restores neutrality by preventing inflation from altering real tax burdens. However, the adjustment is phased and the magnitude unspecified. The effectiveness of the reform depends on whether thresholds are recalibrated in line with cumulative inflation over previous years or adjusted marginally. Partial adjustment may slow further fiscal drag without reversing accumulated erosion. Full realignment would require thresholds to reflect compounded inflation over the period of non-indexation.

From a distributional perspective, fiscal drag alters the balance between direct taxation and service benefit incidence. Middle-income households typically do not receive large-scale direct transfers, unlike lower-income households, and do not benefit from capital gains or corporate structuring flexibility available to higher-income groups. Their primary interface with the state is through wage taxation and consumption taxation. As VAT and excise duties operate proportionally on consumption, the overall tax mix can become increasingly burdensome in real terms when bracket creep is not corrected.

A structurally sustainable tax system requires alignment between revenue extraction and service value. When effective tax rates rise without corresponding improvements in public service quality or visible fiscal consolidation, perceived fairness weakens. The proposed bracket adjustment signals recognition of this imbalance. Whether it meaningfully restores neutrality depends on legislative precision and implementation timing.

Fiscal drag is not dramatic in any single year. Its effect is cumulative. Over multiple years of moderate inflation, the absence of indexation can produce a measurable shift in effective tax burdens within the formal sector. In an environment where interest payments absorb 18.1 percent of revenue and development spending remains constrained, the pressure on the salaried middle becomes structurally embedded. Correcting bracket thresholds is therefore not a concession. It is a restoration of real tax neutrality within a constrained fiscal framework.

The long-term question is not whether the middle class contributes significantly to Namibia's fiscal architecture. It does. The question is whether the structure of taxation, expenditure quality, and debt dynamics evolves in a way that preserves that contribution without gradually eroding disposable income through technical mechanisms that operate beneath public attention.

Namibia's 2026/27 budget balances capital spending, revenue and debt sustainability

Executive Director at the Ministry of Finance, Oscar Capelao, says government has structured the 2026/27 national budget to balance fiscal sustainability with realistic expenditure, ensuring that both operational and development priorities are funded.

He was speaking at a National Budget in Focus session hosted by Deloitte Namibia and Cirrus Capital in Windhoek.

Capelao said total expenditure for the upcoming financial year stands at N$89 billion, with N$6 billion allocated to capital projects aligned with historical implementation capacity.

"This ensures capital projects are deliverable rather than a wish list. Including funding through public enterprises that access capital markets directly, effective capital expenditure should be closer to N$10 billion to N$12 billion," he said.

He noted that the ministry had spent considerable time assessing fiscal space before setting expenditure ceilings to ensure revenue assumptions are realistic and supportive of growth.

"We spent significant time determining the fiscal space. We needed to make sure that the N$89 billion is realistic. We can't afford unnecessary pessimism and forced cuts," Capelao said.

Internal deliberations focused on revenue potential, the primary balance, debt levels and interest obligations in order to avoid unsustainable deficits.

"Those who generate revenue are few, those who want to spend are many. We had to demonstrate fiscal indicators and determine where cuts were required to ensure sustainability," he added.

On operational spending, Capelao said growth would be contained over the medium-term expenditure framework, supported by savings measures and stricter oversight.

"Given the interest expense and debt numbers, we need to manage these collectively. The public sector is expected to operate within allocated ceilings, with Treasury approval required for any additional spending," he said.

Revenue for the current fiscal year is projected at N$87.4 billion, slightly below earlier mid-term estimates, but expected to rise to just under N$100 billion over the medium term.

"Each line has been interrogated, and the budget is a baseline figure. There is no optimism or pessimism embedded in the N$87.4 billion for the current year," Capelao said.

He acknowledged risks stemming from global and regional developments, including pressures in agriculture and geopolitical uncertainty, but maintained that the fiscal framework remains credible.

"Risks exist, but our numbers are sound. No single line is designed to artificially balance the budget," he said.

The ministry is also encouraging state-owned enterprises to access capital markets directly to supplement public funding and accelerate infrastructure delivery.

"This approach allows us to support SOEs such as NamPower, NamWater and NHE to raise capital and deliver more. The focus is on quality, executable projects rather than a long list still in planning or design," Capelao said.

However, economists and tax specialists at the session raised concerns about revenue underperformance, rising expenditure and reliance on growth assumptions.

Cirrus Capital economist Oliver Diggle said revenue for 2025/26 had been revised down to N$87.4 billion, around N$4 billion below earlier projections, while expenditure increased to N$105.9 billion, complicating deficit reduction efforts.

"The budget has become increasingly

dependent on revenue growth rather than expenditure restraint. Relying on the revenue line instead of tightening spending is concerning," Diggle said.

He added that interest payments are estimated at N$14 billion, equivalent to around 16% of revenue, with public debt remaining close to 60% of gross domestic product. Government aims to stabilise debt over the medium term.

Deloitte Namibia Country Leader Melanie Harrison said the budget reflects competing pressures between fiscal consolidation and economic support.

"The National Budget tells a wider story about priorities: balancing consolidation and growth, maintaining fiscal discipline while enabling expansion through infrastructure investment and stronger public services," she said.

Harrison noted that development expenditure has declined to just over 6% of total spending, raising concerns about capital formation and long-term growth capacity.

On taxation, Deloitte Tax Director Gerda Brand said several reforms are advancing towards legislative implementation.

"It is not just words any more. There are tangible changes to the laws that we are starting to see," she said.

Proposed measures include a 10% dividend withholding tax for local shareholders, adjustments to the taxation of long-term insurers, reinstatement of mining rehabilitation deductions and a reduced 20% corporate tax rate for qualifying small and medium enterprises.

Additional reforms under consideration include accelerated capital allowances, a review of individual tax brackets, expanded ring-fencing provisions and changes to VAT administration.

Bank of Namibia and South African Reserve Bank sign revised cooperation pact

The Governor of the Bank of Namibia, Ebson Uanguta, and his South African counterpart, Lesetja Kganyago, have signed a revised Memorandum of Understanding in Pretoria, reinforcing cooperation between the two central banks.

The agreement was concluded during Uanguta's courtesy visit to the South African Reserve Bank, replaces the previous memorandum.

Officials said the updated framework reflects significant changes in the financial sector landscape in both countries, including expanded supervisory mandates, stronger resolution frameworks and the growing complexity of cross-border financial institutions operating in Namibia and South Africa.

The two economies are closely integrated, with strong financial market linkages and banking groups operating across both jurisdictions.

The revised memorandum establishes a formal framework for cooperation in central banking, financial supervision, regulation and resolution planning for institutions and financial groups with cross-border operations.

Areas of cooperation include strengthening regional integration, enhancing coordination between monetary and fiscal authorities, promoting cross-border financial stability and supporting capacity-building initiatives.

The agreement is also aimed at improving supervisory coordination, bolstering crisis

> The agreement is also aimed at improving supervisory coordination, bolstering crisis preparedness and protecting depositors in both countries.

preparedness and protecting depositors in both countries.

The central banks said the framework would help maintain confidence in the regional financial system through structured engagement and policy alignment.

The memorandum does not create legally binding obligations and does not affect the statutory independence of either institution.

Speaking at the signing, Uanguta said the revised agreement reflects the enduring and constructive relationship between the two central banks, grounded in shared history, regional integration and a common commitment to monetary and financial stability.

"In an increasingly complex global environment marked by digital transformation and emerging risks, regional cooperation is essential to strengthening resilience and safeguarding financial stability," Uanguta said.

Namibia identified as priority growth market in Nedbank Africa strategy

Namibia has been singled out as a priority growth market within Nedbank Group's Africa Regions segment, underpinned by anticipated oil and gas investment, expanding corporate banking activity and rising demand for infrastructure and energy finance.

In its latest financial report, Nedbank said Mozambique and Namibia remain its primary focus markets outside South Africa, citing strong prospects across the energy, infrastructure and resources sectors.

"We aim to unlock further value in Mozambique and Namibia as key drivers in their energy, infrastructure and resources sectors present significant growth opportunities," the bank said.

Nedbank Group Chief Executive Jason Quinn said performance within the Nedbank Africa Regions business reflects the group's strategic emphasis on client growth and regional expansion.

He noted that active clients within the segment now account for a substantial share of the group's overall client base, with 70% digitally active. Quinn highlighted Namibia's contribution to loan growth and regional profitability.

"Namibia's outlook is improving as the final investment decision on oil and gas is due in 2026, and our wholesale banking activities are benefiting from increased corporate engagement," he said.

Quinn added that return on equity for 2026 is expected to remain above 15%, with medium-term growth projected at around 17%, supported by stronger revenue growth and disciplined cost management.

For the financial year ended 31 December 2025, gross loans and advances in the Africa Regions segment increased by 20%, largely driven by strong wholesale lending growth in Namibia and Mozambique.

In Namibia, the bank pointed to an improved macroeconomic outlook, with a final investment decision on major oil and gas developments anticipated next year. Credit impairments in the country declined by 7% to R292 million, reflecting improved recoveries and adjustments to expected credit losses.

Across the Southern African Development Community region, net interest income rose 9% to R2.928 billion, while net income from fees and commissions increased 5% to R1.841 billion, supported by higher corporate and transactional activity.

Nedbank has also expanded its distribution footprint in Namibia. Physical points of presence increased to 81 in 2025, while cash-accepting ATMs rose to 52 from 31 the previous year, with further growth planned.

The bank said Nedbank Namibia had partnered with ATM Solutions to lease and maintain infrastructure, offering both card-based and cardless services. Nineteen sites were activated in 2025, with a further 15 scheduled for 2026.

At group level, Nedbank reported headline earnings of R17.2 billion for the year ended 31 December 2025, up 2% from the previous year. Return on equity stood at 15.4%, remaining above the group's cost of equity.

The bank described 2025 as a transformational year, citing the restructuring of its Retail and Business Banking and Wealth clusters, the acquisition of fintech firm iKhoka, and an offer to acquire a 66% stake in Kenya-based NCBA Group as key strategic developments.

The public sector of the future: Efficiency to adaptation

By Onesmus Keudaneko Joseph

Like any other part of the world, the role of the public sector may be viewed on the surface as that of providing policy and regulations interventions, but in practice, the role is to provide those much-needed basic essential services to the citizen as part of the social contract.

Hence, the role of the public sectors on lives and livelihoods of people can not be overemphasised.

Timely as it should be, Namibia has just concluded its first Public Sector Innovation Conference, framed around the theme “From Policy to Practice.”

It was an O’clock for the sector to reflect on policies that are implemented and how innovation can redefine service delivery. I had the privilege of moderating a panel discussion on the integration of public sector services under one roof, and the conversations were both encouraging and revealing.

What became clear from the conference is that innovation is indeed happening across government. Innovation ranges from digitalisation to online platforms aimed at improving efficiency and responsiveness.

There is a genuine effort to respond to citizen demands for faster and seamless service delivery. I can confidently say that, as a country, we have what it takes to enter the 5.0 industrial revolution; all that is needed is to nurture it.

> **“The public sector of the future in Namibia will not be defined only by shorter queues or faster processing times, important as those are.**

That as it may be, as the discussions unfolded, another pattern became visible. Much of the innovation is taking place within institutional silos, with similar tools being developed independently across different ministries.

I can tell you, this limits impact, duplicates effort, and limits technology pollination within the sector. Instead of creating system-wide value through integration, fragmentation diminishes effectiveness and wastes scarce resources.

For me, this observation leads to a deeper realisation: innovation is driven primarily by present needs. While such efforts may resolve immediate inefficiencies, they often fail to anticipate the environment in which these systems will be required to function five or ten years from now. From a strategic foresight perspective, that is where the sector’s true vulnerability lies, not in the absence of innovation, but in the absence of future-oriented innovation.

The world around us is changing, consistently driven by technological acceleration, demographic shifts, climate pressures, geopolitical tension and new resource discoveries; the public sector will inevitably be reshaped in profound ways.

The question is not whether change will occur, but whether we can anticipate and make sense of it. Hence, our conversation should shift towards a strategic foresight, as a structured planning discipline, which will enable the public sector to scan the environment systematically, identify emerging drivers, develop the public sector's future scenarios and innovate with clarity about what lies ahead.

In doing so, it strengthens not only efficiency, but resilience and adaptability in the face of disruption.

I am not a prophet, but as a strategic foresight practitioner, it is clear that Namibia’s public sector is being shaped by external forces that are accelerating in both speed and complexity. Artificial intelligence is transforming administration and service delivery. Remote technologies are redefining how institutions operate.

Citizens are more digitally aware and participatory, demanding transparency and responsiveness. Climate variability continues to strain water and agricultural systems, while regional disruptions quickly affect our economy.

At the same time, oil and gas discoveries present transformative opportunities that require disciplined, forward-looking governance. When viewed together, these drivers suggest that the public sector of the future will look fundamentally different from the one we have today.

The public sector of the future in Namibia will not be defined only by shorter queues or faster processing times, important as those are. It will be defined by its ability to anticipate risk, absorb shocks, coordinate across sectors, manage resource wealth prudently, and continue delivering essential services even when the external environment shifts unexpectedly. Simple Integrated, intelligent, anticipatory, and innovation-driven

If this is the trajectory, then innovation without foresight becomes risky. Systems designed today without anticipating technological shifts, demographic changes or economic volatility can quickly become obsolete. Strategic foresight helps to shift innovation from being a response to immediate pressures to being a deliberate step toward a desired future state.

I can tell you, the rate at which the global environment is evolving leaves little room for incremental adjustment. What Namibia requires is not just more innovation, but better-directed innovation; innovation that is informed by a structured understanding of where the world is heading. If we accept that technological acceleration, economic opportunity and global volatility will define the coming decade, then strategic foresight is no longer a luxury.

It must therefore become a core governance capability; one that requires deliberate investment, sustained leadership commitment and serious national conversation. The future is our business, simply because we will spend much of our time there. That future will not pause for our readiness; it will be shaped by how intentionally we prepare for it today.

Onesmus Keudaneko Joseph is a Business Strategy and Chartered Corporate Governance Practitioner with a strong focus on strategic foresight and futures literacy. He is currently the Manager for Intellectual Property Enforcement and Frameworks at BIPA. He writes in his personal capacity.

MTC to equip 30 ǁKharas youth with vocational skills and N$5000 seed capital

Mobile Telecommunications Limited (MTC) will roll out the 2026 edition of its MTC 4 Life programme in the ǁKharas Region in April, targeting 30 young people with vocational training and start-up capital aimed at tackling youth unemployment.

The initiative will focus on self-employed and unemployed Namibians aged between 18 and 35, equipping them with practical skills and basic business support to help them establish or grow small enterprises.

Under the programme, participants will undergo seven days of intensive, hands-on training in trades including hairdressing, barbering, baking, leatherwork, sewing and cell phone repair. Each trade will accommodate up to five trainees to allow for close mentorship and skills transfer.

In addition to technical training, each beneficiary will receive a starter toolkit aligned to their chosen trade, as well as a seed grant of N$5,000 to assist with launching or expanding a micro-business.

MTC's Chief Brand, Marketing, Communications and Sustainability Officer, Tim Ekandjo, said the programme forms part of the company's broader commitment to social and economic development.

"We aim to invest in initiatives that change lives, empower youth and contribute to building a Namibia that future generations can be proud of. Programmes like MTC 4 Life are about creating real opportunities and enabling young people to shape their own futures," Ekandjo said.

The company said the 2026 cycle will be implemented in partnership with regional stakeholders to ensure effective delivery and support for the selected participants.

Youth unemployment remains one of Namibia's most pressing socio-economic challenges, particularly in rural regions where access to skills training and start-up capital is limited.

By combining vocational training with financial support, the programme seeks to move beneficiaries towards self-reliance and income generation.

Namibian banks lend N$534.7m more in January as credit growth slows

Namibian banks lent out N$534.7 million more to businesses and households in January than they had in December, representing a 0.4% rise month-on-month.

Total credit extended to the private sector rose to N$122.85 billion, according to the latest credit update from IJG Securities.

Despite the monthly increase, annual private sector credit extension slowed to 3.9% in January from 4.4% in December, largely due to weaker uptake and net repayments by corporates.

IJG said the moderation in growth was driven mainly by reduced borrowing activity in the corporate segment, echoing the assessment of the Bank of Namibia.

"The slowdown in PSCE growth emanated from lower uptake and net repayments by the corporate sector during the period under review," IJG noted.

Credit extended to individuals increased marginally by 0.1% month-on-month, with annual growth accelerating to 3.0% from 2.7% in December.

The monthly expansion in household credit was largely supported by overdrafts, which grew by 2.0% month-on-month and 1.4% year-on-year, marking the strongest annual increase in that category since September 2024.

Growth in other loans and advances, which include term loans, personal loans and credit card debt, remained firm at 6.9% year-on-year.

Mortgage lending to individuals declined by 0.1% month-on-month but edged up to 0.3% year-on-year, compared to 0.2% recorded in December.

IJG said the increase in overdraft usage may point to short-term liquidity pressures among households rather than confidence-driven borrowing.

On the corporate side, credit to businesses rose by 0.9% month-on-month, but annual growth slowed to 5.8%, the lowest level recorded over the past 12 months.

The central bank attributed the slowdown to weaker demand and net repayments in the manufacturing, financial and telecommunications sectors. Corporate mortgage loans contracted by 0.3% year-on-year, while other loans and advances and overdraft facilities increased by 3.4% and 8.6%, respectively. Instalment credit to corporates recorded strong growth of 22.3% year-on-year.

"Despite relatively low interest rates, credit growth remains subdued, suggesting that monetary conditions alone are not sufficient to stimulate borrowing," IJG said.

Average commercial bank liquidity declined to N$4.5 billion in January, down 12.4% month-on-month from N$5.2 billion in December.

The Bank of Namibia said the decline was consistent with seasonal trends, as liquidity typically falls from January to mid-March before rebounding ahead of the fiscal year-end on the back of increased government spending.

International reserves rose to N$51.9 billion in January, a 0.6% month-on-month increase, largely supported by Southern African Customs Union inflows.

According to IJG, this translated into import cover of 3.3 months, or 3.8 months when excluding oil and gas exploration-related imports.

Including financing requirements linked to oil and gas activities, reserves covered 9.6 times the currency in circulation, remaining sufficient to support the Namibian dollar's peg to the South African rand and to meet short-term external obligations.

Food exports help push Namibia into N$193m trade surplus in January

Namibia returned to a trade surplus in January 2026, buoyed by strong food exports, according to the latest Merchandise Trade Bulletin released by the Namibia Statistics Agency (NSA).

The country recorded an overall trade surplus of N$193 million during the month, a marked improvement from the N$391 million deficit registered in December 2025.

Total export earnings rose by 6.7 percent to N$11.4 billion, while imports stood at N$11.2 billion.

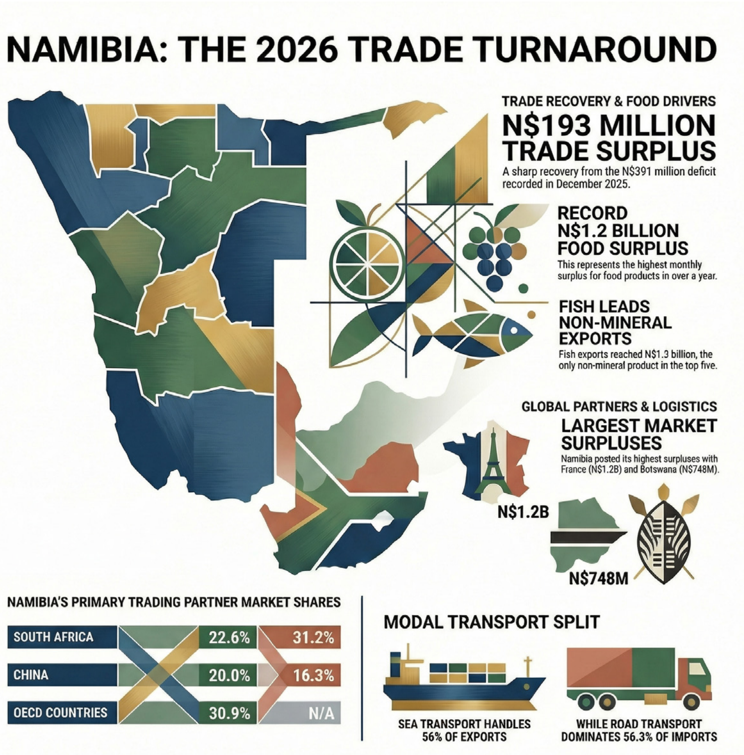
"In January 2026, Namibia's trade balance, the difference between the country's exports and imports, recorded a surplus of N$193 million. This development reflects a notable improved trade balance when compared to a N$391 million deficit recorded a month earlier. Further analysis shows a N$2.9 billion deficit recorded year-on-year," the NSA said. Food items played a central role in the improved performance. The country recorded a substantial N$1.2 billion trade surplus in food products during January, the highest monthly surplus observed over the past year.

Fish emerged as the leading food export, valued at N$1.3 billion, and was the only non-mineral product to feature among Namibia's top five overall export categories. The fruit and nuts segment contributed a further N$340 million in export earnings.

The NSA reported that between January 2025 and January 2026, Namibia's trade in food items averaged a surplus of N$459 million. The N$1.154 billion surplus recorded in January 2026 was the highest over the period, followed by December 2025 at N$869 million and July 2025 at N$792 million. No trade deficits in food items were recorded during the 12-month period.

Despite the monthly recovery, Namibia's year-on-year trade position remains under pressure, with a N$2.9 billion deficit compared to January 2025.

On the global front, Namibia posted its largest trade surpluses with France, amounting to N$1.2 billion, and Botswana at N$748 million. The largest trade deficit was recorded against South Africa, at N$927



million.

South Africa remained Namibia's most significant trading partner. It was the leading export destination, accounting for 22.6 percent of total exports, followed by China at 20.0 percent. France, Zambia and Botswana also ranked among the top five export markets.

In terms of imports, South Africa accounted for 31.2 percent of goods imported into Namibia, followed by China at 16.3 percent. Zambia, India and Bahrain completed the list of the country's top five import sources.

Regionally, the Organisation for Economic Co-operation and Development (OECD) countries were the primary destination for Namibian exports, with a 30.9 percent share. The Southern African Customs Union (SACU) remained the largest source of imports, accounting for 31.9 percent.

Sea transport handled the bulk of exports, at 56.0 percent, while road transport dominated imports, carrying 56.3 percent of inbound goods.

The latest figures point to the continued importance of food exports, particularly fish, in supporting Namibia's external trade position alongside its dominant mining sector.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