



THE IMPACT OF THE GLOBAL
FINANCIAL CRISIS ON THE SOUTHERN
AFRICA FINANCIAL SECTOR.

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Bank of Namibia



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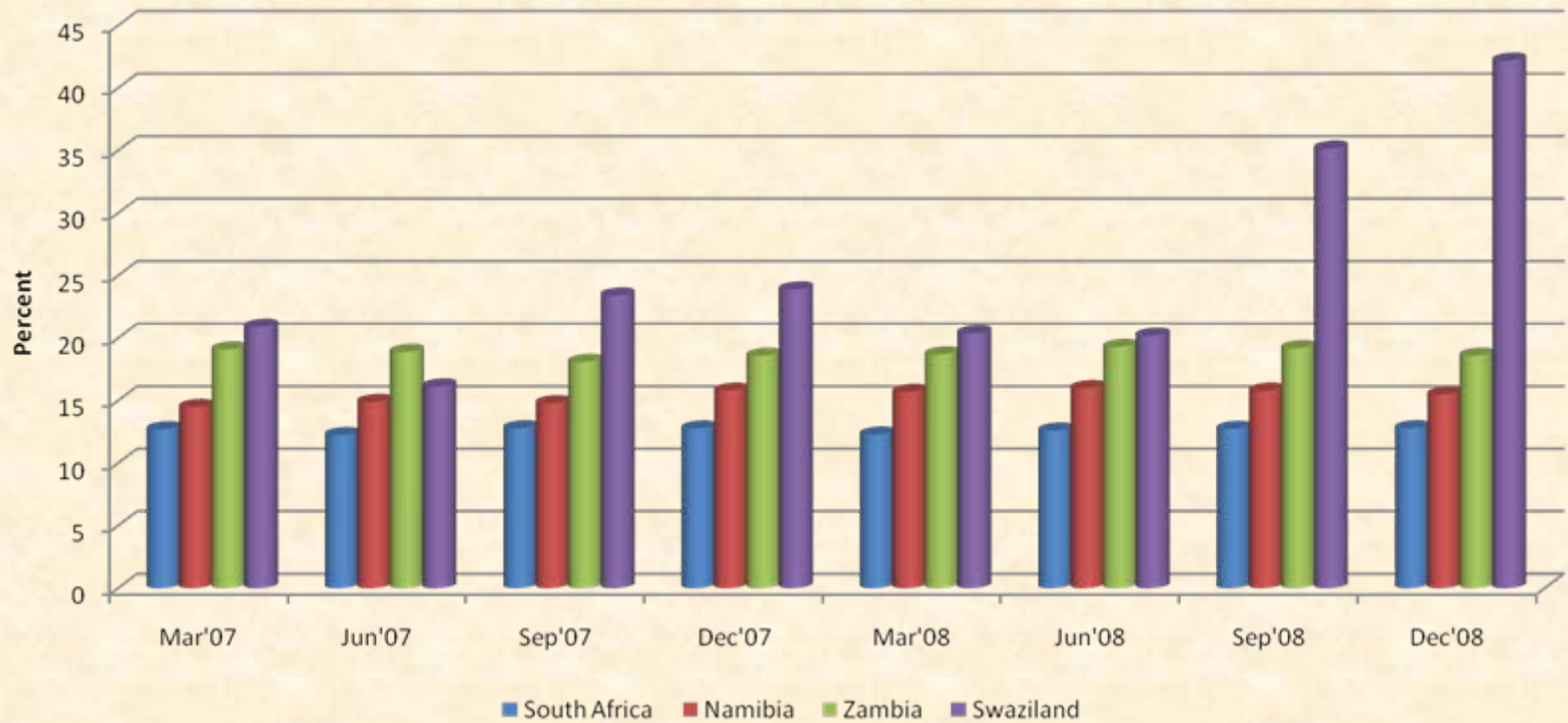


Landscape of Banking in Southern Africa

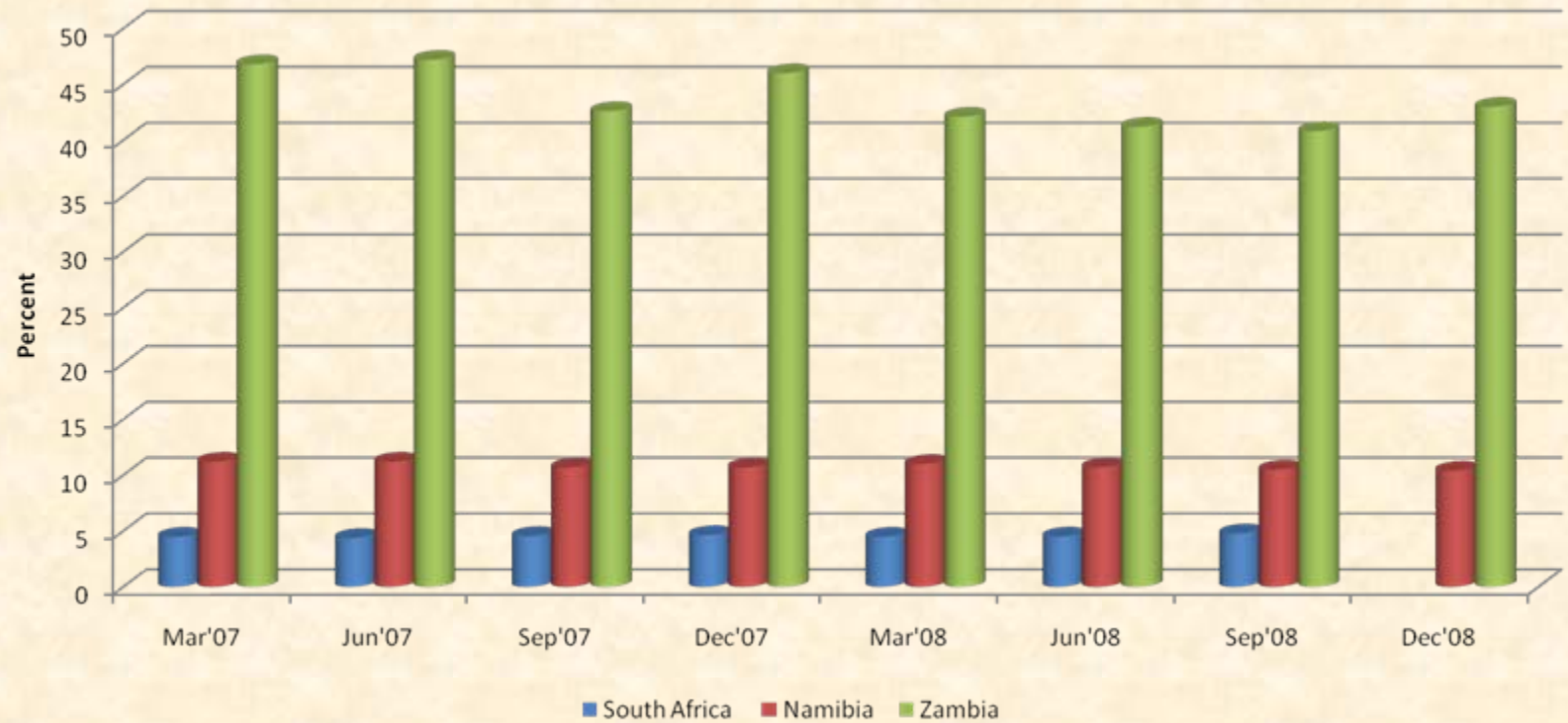
- **Banks had no direct exposure to the sub-prime**
- **Banks rely on deposits for funding**
- **Typically in Vanilla banking products**
- **Securitisation is still in nascent stage**
- **Non-bank foreign exposure is limited**



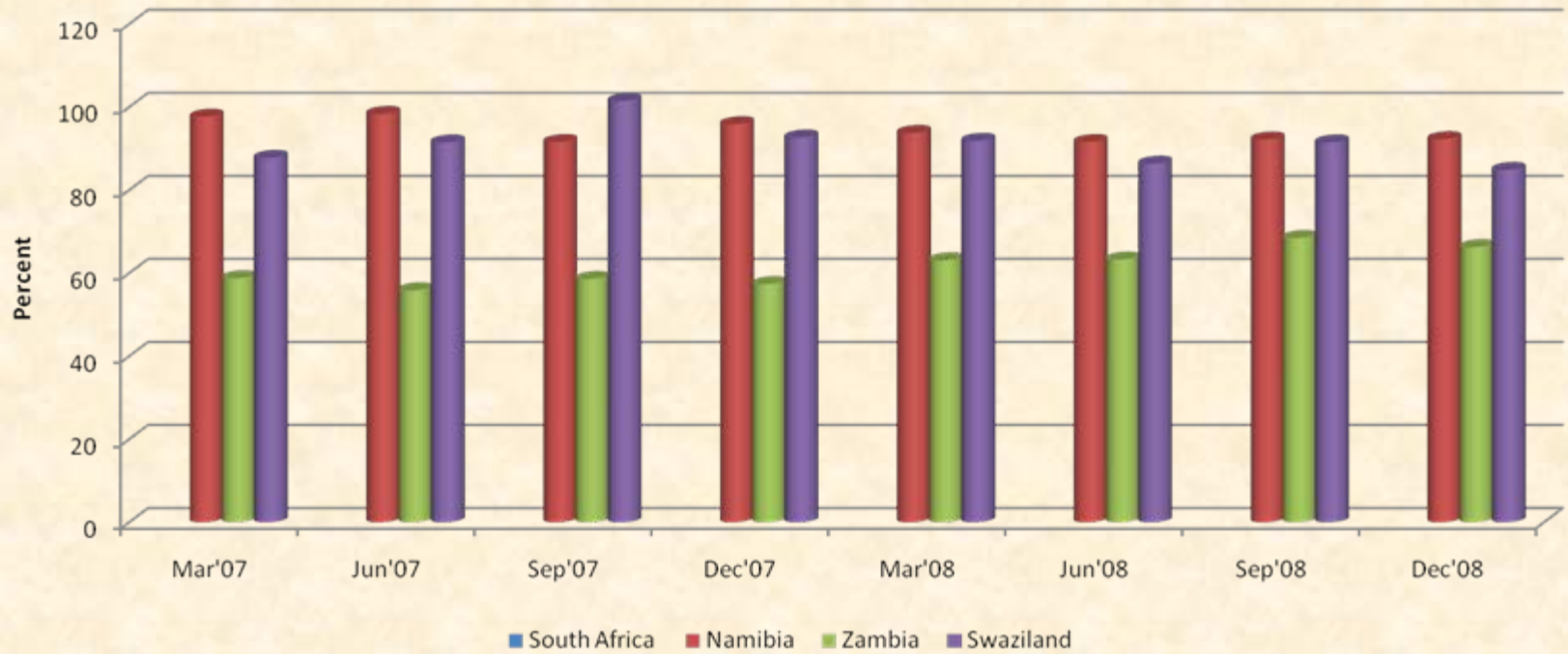
Capital Adequacy Ratios: Total qualifying capital to total risk weighted assets



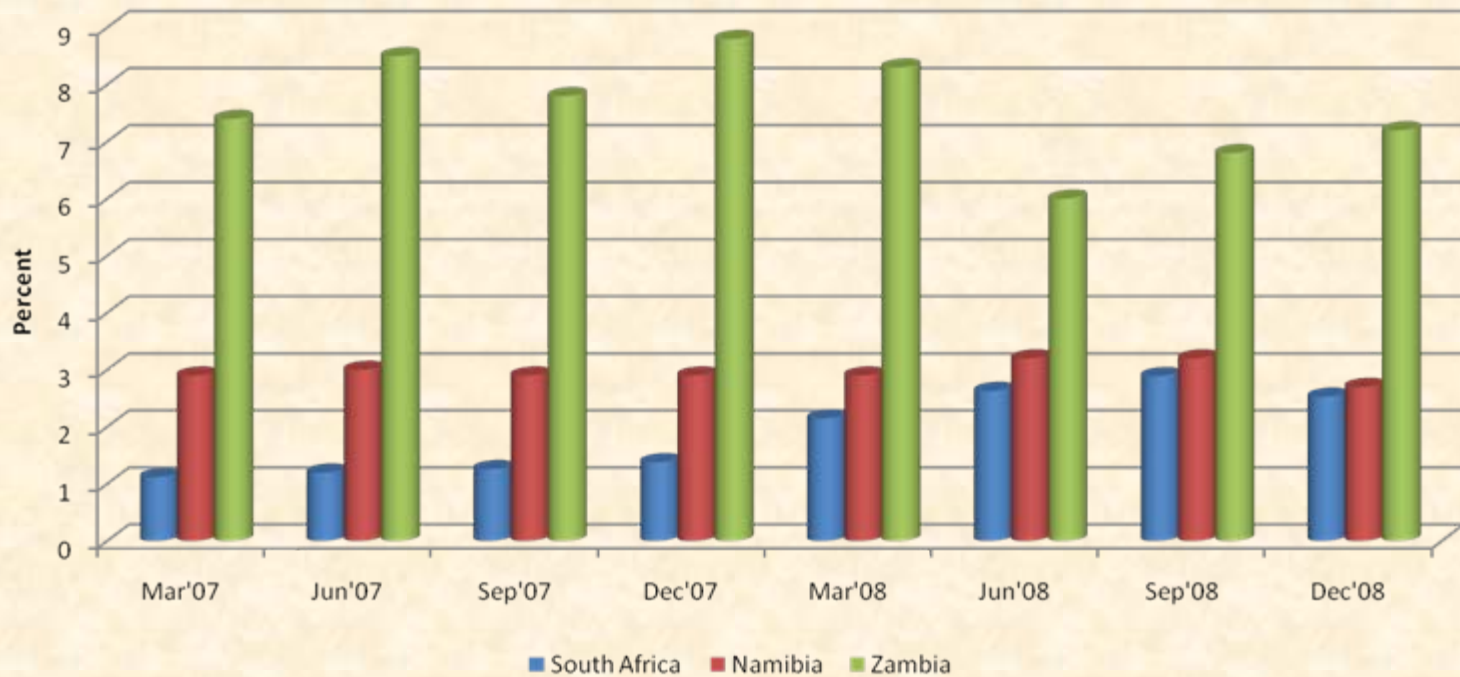
Liquidity Ratios: Liquid assets/average total liabilities



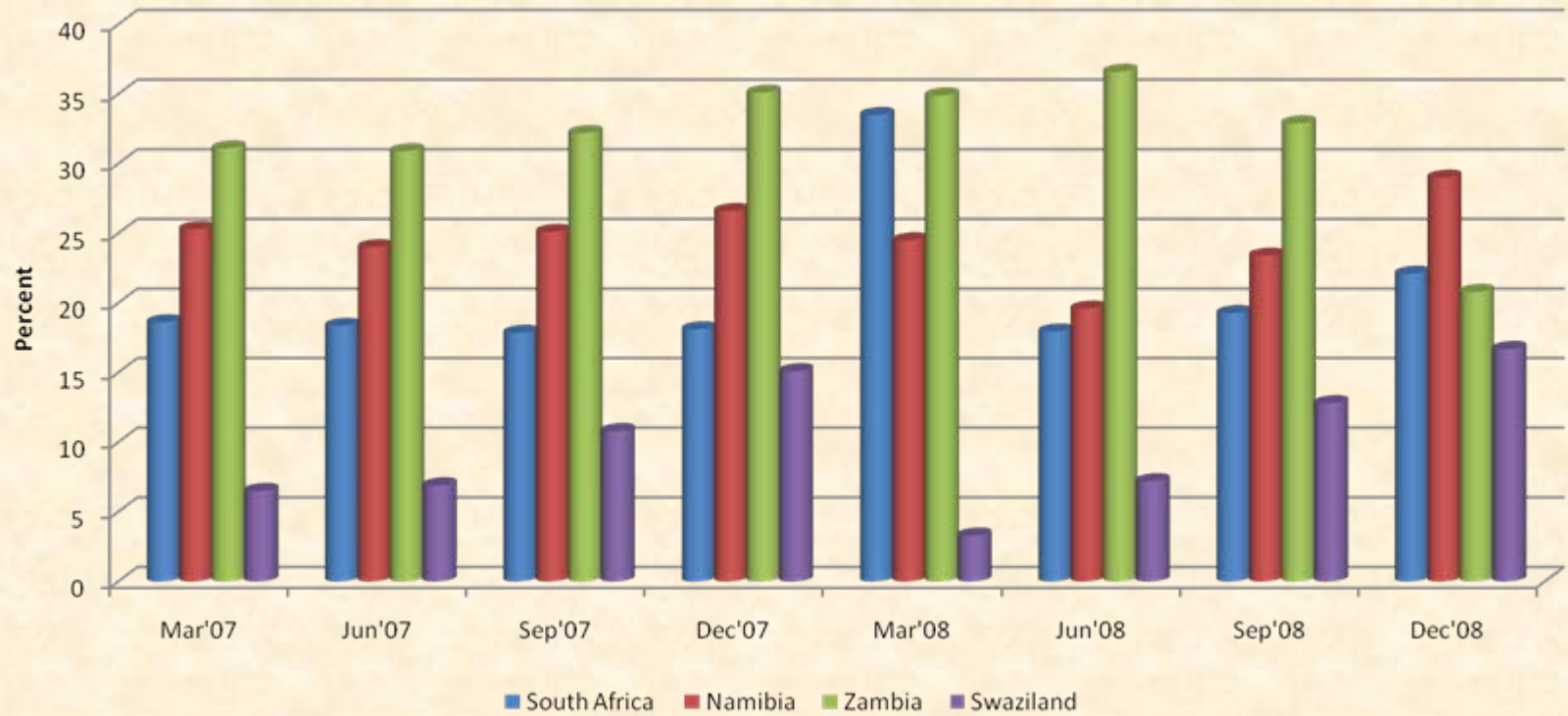
Total Loans to Deposits



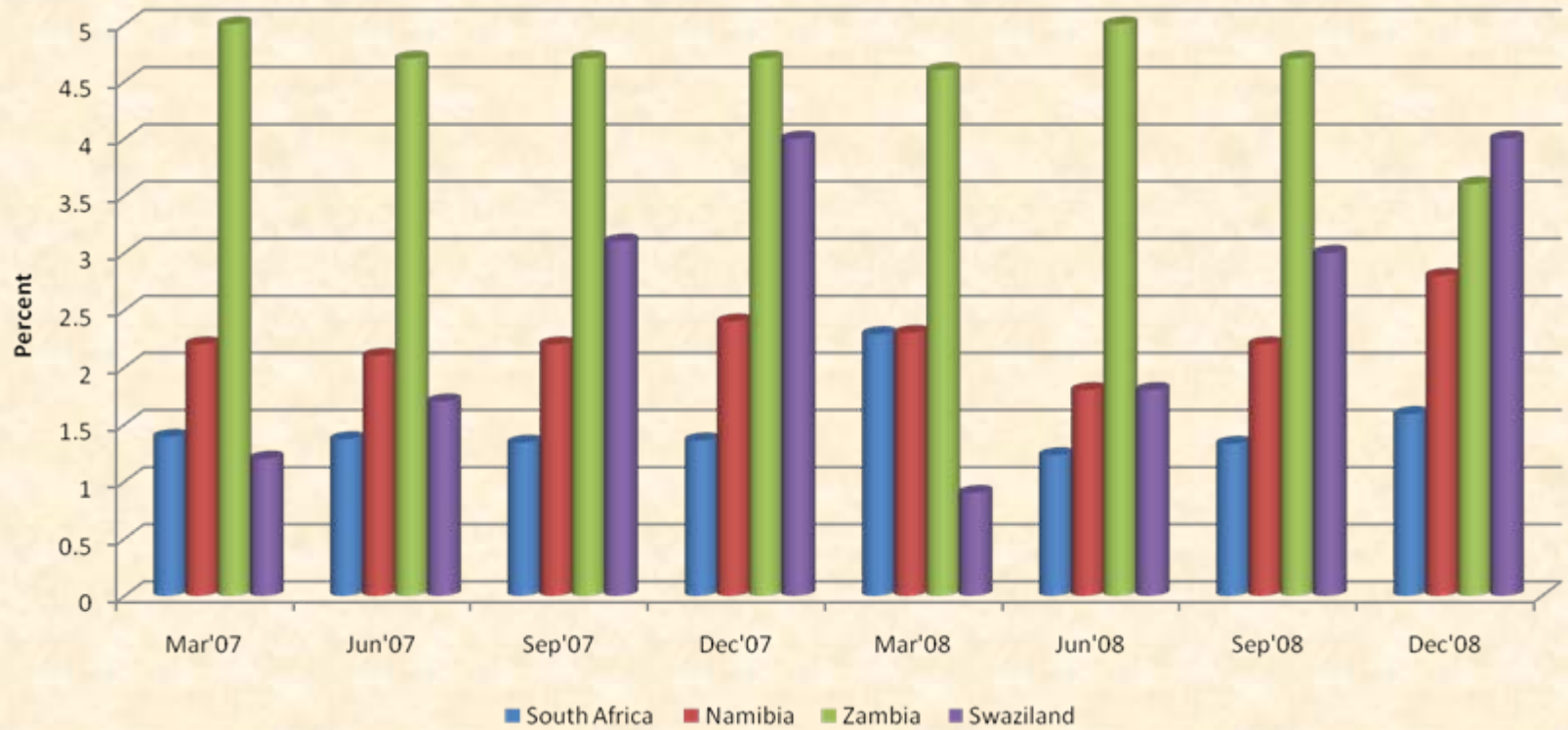
Non Performing Loans to total assets



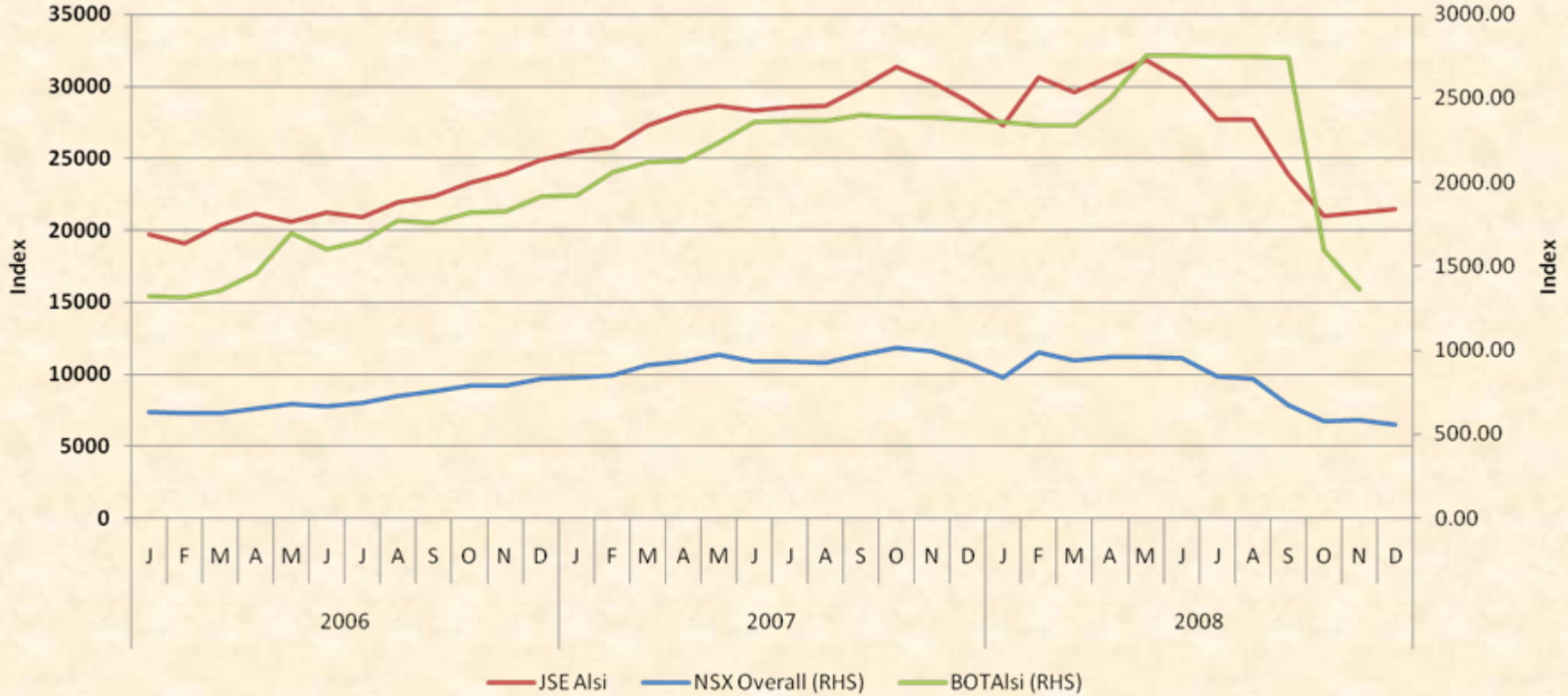
ROE



ROA



Equity Prices



Summary

- **Limited impacts on banks**
- **Economies affected though averse feedback loop**
- **Employment effects are being felt especially in mining**
- **This in turn affect NPL of banks, but reasonable level**
- **Ultimately only the length and depth will tell**



Possible Policy Response

- **Stay close to pulis**
- **Support good banks, get rid of bad ones**
- **Roles of all players should be clear**
- **Strengthen supervision**
- **Cross border coordination**
- **Deposit insurance?**

