PAN

PAYMENT ASSOCIATION OF NAMIBIA

2025 ANNUAL REPORT

20 YEARS OF EVOLUTION

BUILDING TRUST IN NAMIBIA'S NATIONAL PAYMENT SYSTEM

20TH ANNIVERSARY

20 YEARS OF EVOLUTION

BUILDING TRUST IN NAMIBIA'S NATIONAL PAYMENT SYSTEM

Every payment tells a story.

It is the salary or wage that reaches a family's bank account at the end of the month. The purchases that allow small businesses to grow. The transactions that connect a traveller to a destination, or a community to essential services. Payments enable commerce, create opportunity and sustain everyday life. Yet their greatest value lies not in the movement of money, but in the confidence that every transaction will be processed safely, securely and reliably.

That confidence is built over time.

It is built through collaboration and trust between regulators, financial institutions and payment service providers. It is strengthened through shared standards, sound governance and continuous innovation. It is maintained through a collective commitment to ensuring that Namibia's National Payment System (NPS) remains resilient, interoperable and responsive to the changing needs of the economy.

Over the past two decades, Namibia's NPS has evolved in response to the changing needs of consumers, businesses and the broader economy. The journey began with the establishment of the foundational payment infrastructure, including the Namibia Interbank Settlement System (NISS), the cheque processing system and Electronic Funds Transfer (EFT) capabilities, which provided the basis for secure and efficient payment processing.

As consumer demand shifted towards faster, more convenient and accessible payment services, the NPS progressively transitioned from paper-based instruments, including the phasing out of cheques, towards digital payment methods. This evolution was further advanced through the introduction of e-Money, the participation of non-bank payment service providers and the expansion of digital payment channels, improving access to financial services and fostering greater innovation and competition.

Today, the pace of change is accelerating. Digital innovation, evolving customer expectations, regional integration and emerging technologies are redefining how value is exchanged. The focus has shifted beyond the digitisation of individual payment instruments towards the creation of a fully interoperable payments ecosystem through initiatives such as instant payments, standardised QR code payments and Open Banking. This next phase of modernisation seeks to ensure that payments can be made seamlessly across all payment service providers, irrespective of the payment instrument or institution used, supporting a more inclusive, efficient and digitally connected economy. These developments present new opportunities, but they also demand continued collaboration, responsible leadership and a steadfast commitment to safeguarding the integrity of the payment ecosystem.

For twenty years, Payments Association of Namibia (PAN) has grown alongside Namibia's payments landscape while remaining committed to one enduring principle: building trust in the NPS. This report chronicles our journey during the 2025 financial year and reflects on twenty years of progress while looking ahead to the next chapter of Namibia's payments evolution.

TABLE OF CONTENTS

ABBREVIATIONS

API	Application Programming Interface
ATM	Automated Teller Machine
BRD	Business Requirement Document
CNP	Card Not Present
CBPR+	Cross-Border Payments and Reporting Plus
EEFT	Enhanced Electronic Funds Transfer
EFT	Electronic Funds Transfer
e-Money	Electronic Money
EnCR	Enhanced Credit Transfers
EnDO	Enhanced Debit Order
FIFSC	Financial Institution Fraud and Security Committee
FinTech	Financial Technology
IMF	Incident Management Forum
IPN	Instant Payment Namibia
IPP	Instant Payment Programme
IPS	Instant Payment Solution
IS	Immediate Settlement
ISO	International Organization for Standardization
ITAS	Integrated Tax Administration System
NAMQR	Namibia Quick Response Code Standard
NaSIA	Namibia Savings and Investment Association
NPS	National Payment System
NPS Strategy 2021–2025	NPS Vision and Strategy 2021–2025
NPS Strategy 2026–2030	NPSVision and Strategy 2026–2030
NRTC	Near- Real- Time Credit Transfers
OBS	Open Banking Standards
PAN	Payments Association of Namibia
PCI DSS	Payment Card Industry Data Security Standards
PMB	PAN Management Board
POS	Point-of-Sale
PSF	PAN Stakeholder Forum
PSP	Payment Service Provider
QR	Quick Response
RCSO	Regional Clearing System Operator
SADC	Southern African Development Community
SADC-RTGS	SADC Real Time Gross Settlement System
STP	Straight- Through Processing
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TCIB	Transactions Cleared on an Immediate Basis
ToR	Terms of Reference

ABOUT THIS REPORT

The PAN Annual Report 2025 provides an overview of the Association's performance, strategic progress and governance during the reporting period, while reflecting on a significant milestone: twenty years of supporting the development and evolution of NPS.

This report has been prepared for PAN Members, the Bank of Namibia ("the Bank"), payment service providers, financial institutions, policymakers, industry partners and other stakeholders with an interest in the continued advancement of Namibia's payments ecosystem. It presents an account of PAN's key strategic initiatives, governance developments, industry collaboration, technical forums and projects undertaken during the year under review, demonstrating how the Association continues to fulfil its mandate in an increasingly digital and interconnected payments environment.

This report also reflects PAN's commitment to transparency, accountability and continuous improvement.

As PAN celebrates two decades of industry leadership, this report reflects on the progress made during the reporting year and importantly, also considers the opportunities and challenges that will shape the future of payments in Namibia.

REPORTING PERIOD

This report covers the activities of PAN for the period 1 January 2025 to 31 December 2025, unless otherwise stated.

REPORTING BOUNDARY

The report focuses on the activities and performance of PAN in fulfilling its mandate under the Payment System Management Act, 2023 (Act No. 14 of 2023), including governance, strategic initiatives, industry collaboration and the work undertaken through PAN's technical forums and stakeholder engagements.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to PAN's strategic priorities and the future development of Namibia's NPS. These statements reflect the Association's expectations at the time of publication and should be considered within the context of an evolving regulatory, technological and economic environment.

WHO WE ARE

OUR MANDATE

PAN derives its statutory mandate from the PSM Act. The PSM Act provides for the continuation of the former Payment System Management Body as PAN and recognises PAN as a legally recognised, not-for-profit entity responsible for supporting the effective functioning and development of Namibia's NPS.

Since its establishment, PAN has evolved alongside Namibia's financial sector, supporting the introduction of modern payment solutions, strengthening industry collaboration and contributing to the development of payment infrastructure that underpins the country's economy. Working under the oversight of the Bank, the Association brings together payment system participants to collectively advance industry standards, support payment system development and address matters affecting the safety, efficiency and resilience of the payments ecosystem.

In fulfilling its statutory mandate, PAN:

- acts as a collaborative platform for its members;
- subject to the approval of the Bank, sets standards for member participation in payment systems and forums;
- participates in relevant regional and international initiatives and platforms in the promotion of regional and international integration of payment systems;
- reports to the Bank on matters affecting the NPS; and
- performs such further functions relating to payment, clearing or settlement system as the Bank may assign to it.

Through these responsibilities, PAN contributes to a NPS that supports public confidence, economic participation and sustainable financial sector development.

OUR PURPOSE

To facilitate collaboration among payment system participants in advancing a safe, efficient, interoperable, and inclusive NPS for the benefit of Namibia.

OUR MISSION

To promote the safety, efficiency, integrity, and interoperability of the NPS through industry collaboration, innovation, and adherence to national and international standards.

OUR VISION

To support the development of a modern, inclusive, and interoperable payments ecosystem that contributes to Namibia's NPS Strategy 2026–2030 and broader socio-economic development.

OUR CORE VALUES

INNOVATION
We promote innovation and continuous improvement to support the evolution, efficiency, and accessibility of Namibia's payments ecosystem.

RESPECT
We respect and protect the dignity of everyone by valuing each other 's contributions and space at PAN.

GROWTH
We encourage and empower everyone to grow to their full potential through training, coaching and delegated decision making.

FLEXIBILITY
We embrace change and remain responsive to the evolving needs of the payments ecosystem and the broader financial sector.

INTEGRITY
We are honest, truthful, and consistent in applying PAN's policies. We take responsibility for our words and actions and behave with consideration and reliability.

COLLABORATION
We work together with members, regulators, and stakeholders to advance a safe, efficient, interoperable, and inclusive NPS.

MESSAGE FROM INDEPENDENT CHAIRPERSON

ADRIANUS VUGS
Independent Chairperson
PAN Management Board

Trust is the foundation of every payment made within Namibia's economy. Every transaction, between individuals, businesses or institutions, depends on confidence in the systems, governance and partnerships that underpin the NPS. For twenty years, PAN has worked alongside the Bank and industry participants to strengthen that trust by fostering collaboration, promoting sound governance and supporting the continued evolution of Namibia's NPS.

As we commemorate 20 Years of Evolution: Building Trust in Namibia's NPS, the year under review stands as another defining chapter in PAN's institutional journey: the conclusion of the NPS Strategy 2021–2025. The payments landscape has evolved significantly, shaped by technological innovation, changing consumer expectations, regulatory reform and an increasingly interconnected financial system. However, PAN has continually transformed alongside the industry it serves, ensuring that it remains responsive to emerging developments.

In alignment with the PSM Act, the Association successfully transitioned from the PAN Management Council (PMC) to the PAN Management Board (PMB), establishing a governance structure that enhances strategic oversight, strengthens accountability and supports more effective decision-making. This transition reflects PAN's commitment to ensuring that its governance arrangements continue to evolve alongside the increasingly sophisticated and dynamic payments environment.

As part of this transformation, the Board was further strengthened through the appointment of Ms Selma Ambunda and Mr Titus Kanyanda as Independent Non-Executive Directors. Bringing independent expertise in finance and human resources respectively, their appointments broaden the Board's collective capabilities while reinforcing the principles of independent oversight, sound governance and informed decision-making.

During 2025, extensive industry engagement was undertaken in the development of the NPS Strategy 2026–2030. While the NPS Strategy 2026–2030. While the Strategy was formally approved after the reporting period, its development was driven throughout 2025 through a comprehensive consultative process led by the Bank and supported by PAN. By bringing together banks, payment service providers, payment system operators and other stakeholders, the process ensured that the Strategy reflects a shared vision for the future of payments in Namibia while responding to the opportunities and challenges presented by an increasingly digital economy.

The year reaffirmed an enduring principle that has guided PAN over the past twenty years: that meaningful progress is achieved through collaboration.

PAN's role extends beyond coordinating industry initiatives; it is about creating an environment where diverse participants can build consensus, align priorities and collectively strengthen the NPS. In doing so, the Association continues to build the trust that is essential to a modern, resilient and inclusive payments ecosystem.

Meaningful progress is achieved through collaboration.

As Namibia's payments ecosystem continues to diversify, so too has PAN evolved to better reflect and support the growing range of banks, non-banking financial institutions and other entities contributing to the NPS. The reforms undertaken during the year therefore represent more than structural changes; they reflect PAN's continued commitment to building an organisation that is responsive, resilient and equipped to meet the evolving needs of the industry it serves. Institutional resilience is equally reflected in leadership continuity. During the year, both PAN and the broader financial sector experienced important leadership transitions that marked the close of one chapter while laying the foundation for the next.

On behalf of the Board, I wish to express our sincere appreciation to Dr Johannes !Gawaxab upon the conclusion of his tenure as Governor of the Bank. His leadership coincided with one of the most transformative periods in the evolution of Namibia's financial sector. We equally welcome Mr Ebson Uanguta as Governor of the Bank and look forward to continuing the longstanding partnership between the Bank and PAN as we collectively advance the implementation of the NPS Vision and Strategy 2026–2030 and support the continued development of a resilient, innovative and inclusive payments ecosystem.

The Board also bids farewell to Ms Annette Rathenam, who retired as Chief Executive Officer after thirteen years of dedicated service to PAN. On behalf of the Board, I extend our sincere appreciation for her exceptional leadership, commitment and lasting contribution to the organisation.

As Independent Chairperson, I remain confident that PAN is well positioned to support the next era of payments in Namibia. The progress reflected in this report is evidence that PAN's greatest strength lies not only in its governance structures or operations, but in the enduring partnerships that sustain them. The continued commitment demonstrated by the Bank, our members, Board colleagues, the Executive Office, industry stakeholders and strategic partners demonstrate a shared understanding that trust is built through collaboration, transparency and a collective commitment to strengthening Namibia's NPS.

Looking ahead, our purpose remains unchanged: to build trust by fostering collaboration, strengthening governance and enabling innovation that supports a safe, efficient, resilient and inclusive payments ecosystem for the benefit of all Namibians.

CELEBRATING A LEGACY OF LEADERSHIP & INCLUSION

A TRIBUTE TO FORMER BANK OF NAMIBIA GOVERNOR

DR. JOHANNES !GAWAXAB

PAN pays tribute to Dr Johannes !Gawaxab as he concludes his tenure as Governor of the Bank of Namibia, recognising his distinguished leadership and significant contribution to Namibia's financial sector.

During his tenure, Dr !Gawaxab championed a vision of a more inclusive, resilient and digitally enabled financial system. Under his leadership, the Bank drove important reforms, including the development of IPN, a transformative initiative that enables instant, secure, and affordable payments for all Namibians, including underserved and unbanked communities. Beyond such reforms, Dr. !Gawaxab championed for accelerated modernisation of the NPS and strengthened regulatory frameworks to govern Namibia's payments ecosystem. He was critical to the enactment of the PSM Act, the progression of the Instant Payment Project, and the launch of the Namibia Financial Sector Transformation Strategy 2025–2035, reinforcing the Bank's commitment to financial inclusion, innovation and long-term financial sector development.

PAN extends its sincere appreciation to Dr !Gawaxab for his distinguished service, visionary leadership and enduring contribution to Namibia's financial sector. His legacy will continue to shape the country's financial landscape for years to come. The Association also congratulates Mr Ebson Uanguta on his appointment as Governor of the Bank of Namibia and looks forward to continuing its longstanding partnership with the Bank in advancing a safe, efficient, inclusive and innovative NPS.

LEADERSHIP TRANSITION

RECOGNISING THE SERVICE OF CHIEF EXECUTIVE OFFICER

MS ANNETTE RATHENAM

The year under review also marked an important leadership transition for PAN as the Association bid farewell to its Chief Executive Officer, Ms Annette Rathenam, following her early retirement after more than thirteen years of dedicated service.

Throughout her tenure, Ms Rathenam championed collaboration as the cornerstone of a modern and resilient NPS. Under her leadership, PAN evolved into the trusted platform through which regulators, financial institutions, payment service providers and emerging industry participants worked together to shape the future of Namibia's payments ecosystem. She also guided the Association through successive NPS strategies, helping to strengthen industry governance, advance interoperability, support regulatory reform and lay the foundations for a more inclusive, innovative and digitally enabled payments landscape.

PAN extends its sincere appreciation to Ms Rathenam for her exceptional leadership, unwavering commitment and invaluable contribution to the Association and the payments industry. Her legacy of collaboration, industry stewardship and service has left an enduring mark on both PAN and Namibia's NPS. The Board, members and the wider payments community wish her every success in the next chapter of her journey.

MESSAGE FROM
THE CHIEF EXECUTIVE OFFICER

ANNETTE RATHENAM
Chief Executive Officer
2012 – 2025

Looking back on my thirteen years as Chief Executive Officer of PAN, I am struck by how much our payments landscape has changed, and equally, by how significantly the role of PAN has evolved alongside it. What began as an organisation primarily supporting the banking industry has grown into a collaborative platform representing an increasingly diverse and dynamic payments ecosystem, bringing together banks, payment service providers, payment system operators, e-Money issuers, regulators and industry stakeholders in pursuit of a shared vision for Namibia's NPS.

As we commemorate 20 Years of Evolution: Building Trust in the Namibian Payment System, the 2025 financial year represents the successful conclusion of the NPS Strategy 2021–2025. Over the past five years, the Bank, PAN and industry stakeholders pursued a common ambition of building a payment system that is more modern, secure, interoperable and inclusive. Reflecting on the achievements of the reporting year, I am proud of the progress realised through this collective commitment, demonstrating the value of collaboration as the driving force behind sustainable industry transformation.

Among the year's defining achievements was the successful advancement of several initiatives that strengthened the digital foundations of Namibia's NPS. The finalisation of the Namibian QR Code Standards and Open Banking Standards (OBS) established important enablers for interoperability, competition and innovation, while the successful migration of the Namibia Interbank Settlement System (NISS) to the ISO 20022 messaging standard aligned Namibia with international best practice, improving data quality, compliance capabilities and operational efficiency.

Progress also continued towards enabling interoperable instant payments through the Bank of Namibia's Instant Payment Programme (IPP), a national initiative spearheaded by the Bank to modernise Namibia's payments landscape. During the year, implementation advanced through the development of the Instant Payment Switch, supported by new directives on Straight-Through Processing (STP) and e-Money interoperability. The year also marked the establishment of a dedicated payment system operator for the IPS, strengthening the institutional and operational arrangements required to support secure, interoperable and real-time payments. Collectively, these developments advanced the modernisation of the National Payment System and reinforced the digital infrastructure needed to support innovation, financial inclusion and economic growth.

As digital payments continued to expand, so too did the importance of safeguarding the integrity of the payments ecosystem. During the year, PAN worked closely with the Bank and industry participants to strengthen sector-wide fraud mitigation, cybersecurity coordination and consumer awareness initiatives. Collaborative platforms such as the Financial Sector Cyber Resilience and Fraud Mitigation Council reinforced industry cooperation while supporting a coordinated response to emerging cyber risks.

The year also demonstrated the value of collaboration in preparing the industry for the future. Through PAN's technical forums, stakeholder platforms and the Stock Take Workshops conducted in partnership with the Bank, the industry reflected on the achievements of the NPS Strategy 2021–2025, assessed emerging opportunities and collectively shaped the priorities that now underpin the NPS Strategy 2026–2030. I am particularly proud that these priorities for the next strategic period were not developed in isolation, but through genuine industry partnership and shared ownership.

The value of collaboration has been the driving force behind sustainable industry transformation.

Throughout the year, PAN also continued to strengthen its contribution beyond Namibia's borders. Working alongside the Bank and regional industry stakeholders, the Association actively supported initiatives that advance payment system harmonisation, interoperability and regional integration across the Southern African Development Community (SADC) and the Common Monetary Area. The implementation of the Directive on the Regularisation of Cross-Border Low-Value Electronic Funds Transfers (EFT) within the Common Monetary Area (CMA) (PSDIR-10), and the establishment of the Cross-Border Forum demonstrate Namibia's commitment to a more integrated regional payments ecosystem. These initiatives not only improve the efficiency of cross-border transactions, but also strengthen regional trade, financial connectivity and economic integration.

The achievements reflected throughout this report belong to many people. I extend my sincere appreciation to the PAN Management Council for its guidance and stewardship, to the Bank for its enduring partnership and leadership, to our members for their continued collaboration, and to the Executive Office and every member of the PAN team whose professionalism and commitment have made these achievements possible. I also acknowledge the many technical committees, forums and working groups whose expertise and willingness to collaborate have continued to strengthen Namibia's NPS.

As I conclude my tenure at PAN, I do so with immense confidence in what lies ahead. Over the years, I have come to appreciate that trust is not built through any single project, institution or individual. It is earned through sustained collaboration, shared purpose and the collective willingness to evolve in service of a stronger NPS. That has been PAN's story for the past twenty years, and I have every confidence that it will continue to define the Association for many years to come.

2025 STRATEGIC HIGHLIGHTS

Successfully concluded the NPS Strategy 2021–2025, achieving an 87% average implementation rate across the five-year implementation period.

Developed the NPS Strategy 2026–2030, establishing a shared roadmap for the continued modernisation of Namibia's NPS.

Strengthened governance and institutional leadership through the establishment of the PAN Management Board and successful executive leadership succession.

Modernised Namibia's high-value payments infrastructure through the implementation of Straight-Through Processing (STP) and migration of the Namibia Interbank Settlement System (NISS) to the ISO 20022 MX messaging standard.

Advanced digital payments interoperability through the finalisation of the NamQR Standard, completion of the Open Banking Specifications and continued industry readiness for the Instant Payment Programme (IPP).

Maintained sound financial stewardship, receiving an unmodified audit opinion while ending the year with N$5.5 million in accumulated reserves and approximately N$6.0 million in cash and cash equivalents.

Strengthened industry resilience against financial crime and cyber threats through enhanced sector collaboration, strengthened cybersecurity standards and coordinated fraud mitigation initiatives.

01.

GOVERNANCE AND STEWARDSHIP

BUILDING TRUST THROUGH RESPONSIBLE GOVERNANCE AND STEWARDSHIP

PAN's governance framework is designed to provide strategic oversight, effective decision-making and clear accountability in support of its mandate and the continued development of Namibia's NPS. The framework distinguishes between strategic governance, exercised by the PMB, and operational management, undertaken by the PAN Executive Office, ensuring that oversight and execution remain clearly defined.

The PMB is responsible for providing strategic direction, overseeing the affairs of the Association and exercising the powers necessary to fulfil PAN's mandate. The Board is supported by the PAN Executive Office, led by the Chief Executive Officer, which is responsible for the day-to-day management of the Association and the implementation of the Board's strategic decisions.

GOVERNANCE STRUCTURE

PAN Management Board

ADRIANUS VUGS
CHAIRPERSON

HERMAN KRUGER

STEPHEN CHASE

DAVID LEWIS

FABIAN TAIT

RODNEY SHIVANGULULA

IRENE VENTER

ALLVAN FARMER

SELMA AMBUNDA

Independent Non-Executive Director

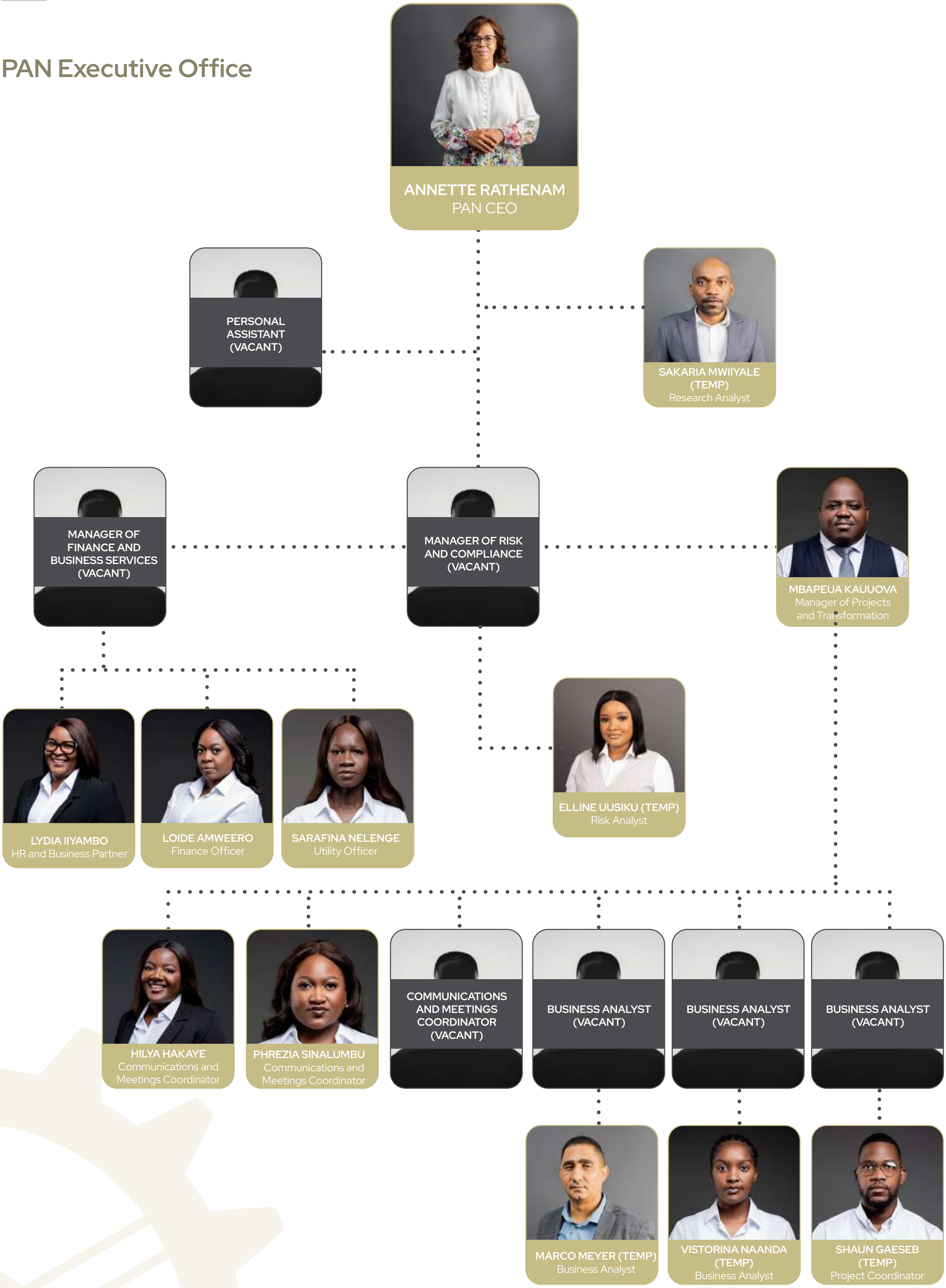
TITUS KANYANDA

Independent Non-Executive Director

ELLINE UUSIKU
SECRETARY

PAN Management Council Members (PMC transitioned to PMB)	
Adrianus Vugs	Independent Chairperson (Appointed to Board)
Annette Rathenam	PAN Chief Executive Officer (Appointed to Board)
Mbo Luvindao	Council Member
The Bank Director: National Payment System & Financial Surveillance	Council Member
Stephen Chase	Council Member
Chris Diemer	Council Member
Andries Swarts	Council Member
Jacques Marais	Council Member
Natalia Oliveira	Council Member
Pieter Swanepoel	Council Member
Elline Uusiku	Secretary, Risk & Compliance (Temp) (Appointed to Board

PAN Executive Office



STRENGTHENING GOVERNANCE FOR A CHANGING PAYMENTS LANDSCAPE

The continued evolution of Namibia's NPS requires governance arrangements capable of responding to technological innovation, regulatory reform and an increasingly diverse community of payment system participants. During the reporting year, PAN continued strengthening its governance framework to ensure that the Association remains equipped to fulfil its expanding responsibilities while preserving the confidence, transparency and collaborative principles upon which the NPS is built.

A defining achievement was the continued implementation of the governance reforms introduced through the PSM Act. Recognising that an expanded statutory mandate required equally robust institutional arrangements, PAN progressed the development of its Governance and Funding Models through an extensive consultative process involving the Bank, banking institutions, non-bank payment service providers and independent governance expertise. Guided by a dedicated Transition Committee, this process ensured that the future governance architecture reflected both sound governance principles and the practical realities of an increasingly interconnected payments ecosystem.

These reforms extended beyond institutional compliance. They established a governance model designed to support broader industry participation, strengthen independent oversight and improve the quality of strategic decision-making across the Association. The transition from the PMC to the PMB represented an important step in this evolution, reinforcing accountability while aligning the Association's governance structures with its expanded legislative mandate. The appointment of an Independent Non-Executive Chairperson and Independent Non-Executive Directors further strengthened the Board's ability to exercise objective oversight and provide strategic leadership during a period of significant institutional change.

Governance reform also continued to strengthen the regulatory environment supporting the NPS. Working in close partnership with the Bank and industry stakeholders, PAN contributed to the review and refinement of key Payment System Determinations, ensuring that the regulatory framework remained responsive to emerging technologies, evolving payment models and changing market expectations. These collaborative efforts supported the continued implementation of the NPS Strategy 2021–2025 while laying the regulatory foundations required to advance the priorities of NPS Strategy 2026–2030, including greater interoperability, innovation, financial inclusion and industry collaboration.

Equally important was PAN's continued commitment to collaborative governance. Throughout the reporting year, the Association provided structured platforms through which regulators, banks, non-bank payment service providers and industry stakeholders could collectively shape the future direction of the NPS. By fostering transparent engagement, encouraging shared ownership of industry priorities and strengthening consensus-based decision-making, PAN continued reinforcing one of the defining characteristics of Namibia's payments ecosystem: that its long-term resilience depends not only on effective regulation, but on sustained collaboration between the institutions responsible for its development.

Collectively, these governance reforms strengthened the institutional foundations upon which confidence in the NPS depends. More than changes to organisational structures or decision-making processes, they enhanced PAN's capacity to lead an increasingly sophisticated payments ecosystem, positioning the Association to steward the next phase of Namibia's payments modernisation with greater accountability, inclusivity and strategic focus.

STRENGTHENING ACCOUNTABILITY THROUGH RISK AND ASSURANCE

As Namibia's payments ecosystem continues to evolve, maintaining confidence in the NPS requires more than innovation and regulatory reform. It demands governance arrangements capable of anticipating emerging risks, protecting system integrity and ensuring that technological advancement is matched by disciplined oversight. Throughout the reporting year, PAN continued strengthening its risk and assurance environment to support a secure, resilient and trusted payments ecosystem.

The Association maintained a coordinated approach to enterprise-wide risk management by working closely with the Bank and industry participants to monitor operational, technological and regulatory risks affecting the NPS. Particular attention was given to cybersecurity, payments fraud, operational resilience, vendor concentration risk and compliance with Payment Card Industry Data Security Standard (PCI DSS), reflecting the growing complexity of an increasingly digital payments environment. At the same time, PAN continued supporting strategic industry initiatives, including Straight-Through Processing and instant payments, ensuring that innovation remained underpinned by appropriate governance, technical standards and risk management practices.

Risk oversight remained embedded within PAN's collaborative governance model. Through its technical forums and specialist committees, the Association facilitated coordinated industry responses to emerging risks, promoted adherence to Forum Rules and technical standards, and strengthened cooperation between regulators, banks and non-bank payment service providers. This collaborative approach recognises that the resilience of the NPS depends not only on the effectiveness of individual institutions, but on the collective commitment of all participants to maintaining common standards, operational discipline and system-wide accountability.

Looking ahead, the establishment of the Audit and Risk Committee under the PMB will further strengthen enterprise-wide governance by enhancing Board oversight of strategic and operational risks. This evolution reflects PAN's continued commitment to embedding risk management within institutional decision-making while ensuring that PAN remains adaptable to a dynamic payments ecosystem.

Collectively, these measures reinforced the integrity, resilience and stability of Namibia's NPS. By strengthening governance, promoting disciplined risk management and supporting a culture of compliance across the industry, PAN continued building confidence in an ecosystem capable of supporting innovation without compromising security, reliability or public trust.

DELIVERING THE NPS VISION 2021–2025

Strategic Themes Advanced

Funding and Governance

- Strengthened enterprise-wide governance and assurance.

Collaboration

- Coordinated industry oversight through PAN's governance structures.

Consumer-Centric Innovation

- Enabled secure implementation of strategic payment innovations through risk-based governance and technical oversight.

02.

OUR OPERATING ENVIRONMENT IN 2025

OUR OPERATING ENVIRONMENT IN 2025

The 2025 financial year marked a defining period in the evolution of Namibia's NPS . While digital payments continued to grow in scale and sophistication, the broader operating environment was characterised by rapid technological advancement, evolving regulatory expectations, increasing cyber risks and growing consumer demand for seamless, secure and inclusive financial services.

These developments unfolded against a backdrop of accelerating digital transformation across both the domestic and global financial sectors. Payments increasingly became recognised not merely as financial transactions, but as critical national infrastructure supporting economic participation, financial inclusion, public service delivery and private sector competitiveness.

For PAN, the year therefore represented more than operational delivery. It marked the transition between two strategic eras of payments modernisation: building on the achievements realised under the NPS Strategy 2021–2025 while contributing to the collaborative development of the NPS Strategy 2026–2030.

The conclusion of the NPS Strategy 2021–2025 represented an important milestone delivering significant reforms including the enactment of the PSM Act, expansion of digital payment services, enhanced interoperability and the adoption of international standards, collectively establishing a stronger foundation for continued innovation and competition.

Rather than representing the end of a programme of work, these achievements created the platform upon which the next generation of payment innovation will be built.

KEY STRATEGIC INITIATIVES	
1.	Operationalisation of the Instant Payment Programme.
2.	The enactment and implementation of the Payment System Management Act, 2023 (Act No. 14 of 2023).
3.	Publication of the Open Banking and Namibia Quick Response (NAMQR) Code Standards.
4.	The successful implementation of the ISO 20022 Messaging Standards.
5.	Adoption of the Risk Management Framework.
6.	CSIRT Fraud Awareness Strategy - an awareness campaign to elicit consumer needs and behaviours with regard to payments.
7.	Collaboration with the various stakeholders to tailor payment courses for Namibia.
8.	Adoption of the Revised Project Management Framework.
9.	Adoption of the User Notice Management Process.
10.	Identifying and implementing measures to enhance the skills and competencies of internal staff to be able to handle all streams effectively.
11.	Explore and implement development programmes such as staff exchange programmes to enhance competencies and skills within the NPS.

Table 1: The aforementioned initiatives remain in progress and are scheduled to roll over into the next strategic cycle.

PAYMENT SYSTEM MEGATRENDS

When the NPS Strategy 2021–2025 was developed, it recognised that the future of payments would be shaped foremost by domestic priorities, but also by profound technological, regulatory and societal shifts transforming payment ecosystems across the world. Five years later, these anticipated trends have become defining characteristics of the payments landscape, influencing the strategic direction of Namibia's NPS and informing the development of the NPS Strategy 2026–2030.

As digital transformation continues to accelerate, these trends reinforce the importance of maintaining a payment ecosystem that is secure, interoperable, innovative and responsive to the changing needs of consumers, businesses and the wider economy.

Megatrends Shaping Namibia's NPS

MEGATREND	RELEVANCE TO NAMIBIA'S NPS	HOW IT WAS REFLECTED DURING 2025
Digital Acceleration	The continued digitisation of financial services is transforming how payments are initiated, processed and settled, increasing demand for faster, secure and always-available payment services.	Progress on instant payments, the issuance of the Directive on e-Money Interoperability (PSDIR-11) to support implementation of the Instant Payment Switch (IPS) in the National Payment System, the successful ISO 20022 migration, and continued digital payments modernisation reinforced the transition towards a more inclusive and digitally connected payments ecosystem.
Open Banking Standards	Secure data sharing through Application Programming Interfaces (APIs) is creating new opportunities for innovation, competition and customer-centric financial services.	Industry collaboration culminated in the finalisation of the OBS, establishing a foundation for greater interoperability and innovation.
Stakeholder Collaboration	Payments innovation increasingly depends on collaboration between regulators, banks, fintechs, payment service providers and payment system operators, including on payments interoperability and instant payments.	Expansion of governance structure ensuring diverse presentation among PAN members; Continuous stakeholder consultations on strategic priorities including Extensive industry consultation informed the NPS Strategy 2026–2030, while PAN's technical forums continued coordinating strategic and operational initiatives.
Financial Inclusion	Expanding access to affordable, digital financial services remains essential to increasing participation within the formal financial system.	Progress towards interoperable instant payments and e-Money interoperability continued supporting broader financial inclusion objectives.
Shift Towards Smart, Data-Driven Regulation	Regulatory authorities are increasingly adopting technology-enabled, risk-based supervisory models (SupTech and RegTech) to strengthen oversight, enhance compliance, and support innovation without compromising stability.	Ongoing regulatory reforms, strengthened governance arrangements and modernised payment standards enhanced oversight and operational resilience.
Common Standards	Common technical standards enable interoperability, efficiency and consistency across the payments ecosystem.	The implementation of ISO 20022, together with the finalisation of NAMQR and OBS, strengthened interoperability across the NPS.

Payments Fraud and Cybersecurity	Increasing digital adoption continues to heighten the importance of cyber resilience, fraud prevention and coordinated risk management.	The revision of the Determination on the Operational and Cybersecurity Standards within the National Payment System (PSD-12), together with collaborative industry efforts through the Financial Sector Cyber Resilience and Fraud Mitigation Council and ongoing fraud mitigation initiatives, strengthened the resilience of the payments ecosystem and enhanced confidence in the NPS.
Value-added Services	Consumers increasingly expect payment solutions to provide integrated digital services, rewards and enhanced customer experiences beyond transaction processing.	PAN's technical forums and stakeholder engagements provided industry players with a space to present innovative products and projects, supporting the evolution of value-added, customer-centric payment solutions across the ecosystem.
Regional & Cross-Border Integration	As regional and continental payment systems become more interconnected, demand is growing for seamless, transparent and cost-effective cross-border payment solutions that support trade, financial inclusion and economic growth.	The issuance and implementation of the Determination on the Conduct of Electronic Funds Transfer in the National Payment System (PSD-9), together with the issuance of the Directive on the Regularisation of Cross-Border Low-Value Electronic Funds Transfers within the Common Monetary Area (CMA) (PSDIR-10), strengthened the regulatory framework for cross-border payments and further laid the foundation for enhanced regional payment integration.

The convergence of these global and domestic trends demonstrates that the NPS is operating within an increasingly dynamic environment where innovation, collaboration and resilience have become essential to long-term success. Importantly, many of the initiatives delivered during the reporting year, including payments modernisation, interoperability, cybersecurity enhancements and the development of the NPS Strategy 2026–2030, represent direct responses to these evolving trends. As such, they reflect the successful implementation of NPS Strategy 2021–2025 while positioning Namibia to navigate the next phase of payments transformation with confidence.

CROSS-BORDER PAYMENTS CONTINUE TO EVOLVE

Regional payments integration continued to advance across SADC and Common Monetary Area (CMA), reinforcing the importance of interoperable payment infrastructure for trade, investment and financial inclusion.

As Namibia's economy remains closely integrated with regional markets, continued harmonisation of payment standards and cross-border settlement arrangements has become increasingly important in supporting economic growth while improving the efficiency and accessibility of regional transactions.

The broader international payments landscape also continued to evolve rapidly during the year under review. Across developed and emerging markets alike, payment systems increasingly adopted instant payment capabilities, OBSs, application programming interfaces (APIs), digital identity solutions and data-driven financial services.

Financial institutions also accelerated investment in artificial intelligence, cybersecurity and cloud-enabled payment infrastructure to improve operational efficiency while responding to increasingly sophisticated fraud risks. Simultaneously, central banks and payment authorities across multiple jurisdictions continued exploring digital currencies, tokenised assets and new approaches to cross-border payments.

These developments are reshaping expectations around how value should move within modern economies. Consumers increasingly expect payments to be immediate, frictionless and secure, while businesses require interoperable payment systems capable of supporting increasingly digital commercial activity.

PERFORMANCE OVERVIEW

STRENGTHENING THE INSTITUTION BEHIND NAMIBIA'S NATIONAL PAYMENT SYSTEM

Twenty years after its establishment, and in the final year of the NPS Strategy 2021–2025, PAN entered a new phase of institutional maturity. The reporting year represented more than the conclusion of a five-year strategic cycle. It marked the transition from building the foundations of a modern NPS to strengthening the institution responsible for stewarding its continued evolution.

This transition occurred against a rapidly changing payments landscape. Digital acceleration, the emergence of OBS, growing collaboration between banks and fintechs, increasing consumer expectations, evolving regulatory requirements and the growing sophistication of cyber threats continue to redefine how payment systems are governed and operated. At the same time, Namibia's NPS has become increasingly interconnected, requiring stronger coordination between regulators, financial institutions, payment service providers and emerging market participants.

Within this environment, PAN's role continued to evolve. Beyond coordinating payment streams and facilitating industry collaboration, the Association increasingly served as an institutional enabler of payments modernisation, supporting regulatory development, strengthening industry governance, facilitating innovation and promoting confidence in the integrity, safety and efficiency of the NPS. These responsibilities became more pronounced following the enactment of the PSM Act, which established a stronger statutory framework for the governance of Namibia's payments ecosystem and reaffirmed PAN's strategic role within it.

Accordingly, the Association's performance during 2025 extended beyond the delivery of individual projects and industry initiatives. It was equally reflected in the deliberate strengthening of the institution itself. Throughout the reporting year, PAN invested in reinforcing its governance architecture, enhancing financial stewardship, strengthening organisational capability and embedding a more mature assurance environment capable of supporting an increasingly dynamic and technology-driven payments ecosystem. Collectively, these initiatives advanced the strategic priorities of the NPS Strategy 2021–2025 while positioning the Association to support the successful implementation of the NPS Strategy 2026–2030.

The following illustrates how these institutional investments translated into stronger governance, greater organisational resilience and sustained strategic delivery, reinforcing stakeholder confidence in PAN's stewardship of Namibia's NPS.

STEWARDING RESOURCES FOR SUSTAINABLE INDUSTRY DEVELOPMENT

The long-term sustainability of the NPS depends upon an institution that is financially resilient, operationally disciplined and capable of investing in its future. During the reporting year, PAN continued demonstrating prudent financial stewardship by maintaining a stable financial position while directing resources towards strengthening the institutional capability required to support an expanded statutory mandate and an increasingly sophisticated payments ecosystem.

Membership contributions remained the Association's principal source of funding, increasing to N$10.48 million and reaffirming the collective commitment of members to a shared institutional platform responsible for advancing Namibia's NPS. Together with a total revenue of N$10.62 million, which includes service provider fees, this stable funding base enabled the Association to continue investing in governance reform, organisational development and strategic initiatives that strengthen the safety, efficiency and inclusivity of the payments ecosystem.

The reporting year also reflected a deliberate shift from sustaining operations to strengthening institutional capability. Resources were strategically directed towards implementing the revised organisational structure, strengthening executive and technical capacity, and supporting the governance reforms required under the PSM Act. These investments were not discretionary operating costs, but targeted interventions designed to ensure that PAN possesses the institutional capability required to lead the next phase of payments modernisation.

While these investments resulted in a modest accounting deficit of N$15,891, the Association concluded the year with more than N$5.5 million in accumulated reserves and approximately N$6.0 million in cash and cash equivalents, demonstrating that institutional strengthening was achieved without compromising financial sustainability. The receipt of an unmodified independent audit opinion further reaffirmed the integrity of PAN's financial reporting and the effectiveness of its governance and internal control environment.

Beyond the financial statements, these outcomes reflect a broader philosophy of stewardship. As the custodian of an increasingly interconnected NPS, PAN's responsibility extends beyond balancing annual budgets to ensuring that sufficient institutional capacity, financial resilience and governance discipline exist to support long-term industry development. Maintaining a strong balance sheet, investing responsibly in organisational capability and upholding robust financial governance collectively strengthen confidence that the Association is well positioned to continue coordinating an increasingly complex payments ecosystem.

Financial stewardship therefore remained more than an exercise in sound financial management. It provided the stability from which PAN could continue investing in strategic reform, supporting industry collaboration and preparing the institution to deliver on the ambitions of the NPS Strategy 2026–2030.

BUILDING AN INSTITUTION READY FOR THE FUTURE

During the reporting year, PAN implemented a comprehensive organisational restructuring programme designed to align leadership capacity, technical capability and operational functions with the future needs of the NPS. Significant progress was made in operationalising the approved organisational structure through the appointment of key management positions and the strengthening of executive leadership. Transitional staffing arrangements ensured operational continuity while recruitment processes progressed, enabling the Association to maintain organisational stability throughout a period of institutional change.

The restructuring programme also strengthened functional alignment across the organisation. Leadership roles were redefined to reflect expanded responsibilities, specialist positions were redesigned to enhance business analysis and project coordination, and additional executive support capacity was established to improve organisational coordination and the delivery of strategic initiatives. Departmental responsibilities were similarly refined through the establishment of the Finance and Business Services Department and the Projects and Transformation Department, reinforcing a stronger alignment between organisational structures and the Association's evolving mandate.

Institutional capability is, however, shaped not only by structures and systems, but also by organisational culture. Throughout the reporting year, PAN continued fostering a collaborative and values-driven working environment through initiatives that strengthened communication, teamwork and employee wellbeing. These investments reinforced a culture of shared accountability and continuous improvement, recognising that the Association's ability to serve the NPS ultimately depends upon the capability, commitment and professionalism of its people.

Collectively, these organisational reforms strengthened PAN's capacity to deliver on its expanded statutory mandate while ensuring that the institution remains agile, resilient and responsive to the changing needs of Namibia's payments ecosystem.

DELIVERING THE NPS STRATEGY 2021–2025

Strategic Themes Advanced

Funding and Governance

- Progressed the Governance and Funding Models.
- Supported implementation of the Payment System Management Act, 2023.
- Strengthened Board governance through the transition to the PMB.

Collaboration

- Convened regulators, banks and non-bank participants through structured governance and consultation mechanisms.
- Strengthened collective stewardship of the NPS.

Achieving the NPS Strategy 2021–2025

The performance of PAN during 2025 is best understood within the broader context of the NPS Strategy 2021–2025. While the reporting year concluded the final phase of the NPS Strategy 2021–2025's implementation, it also represented a period of institutional transition, during which PAN strengthened the governance, capability and partnerships required to support the next generation of payments reform.

Throughout the implementation of the NPS Strategy 2021–2025, the Association worked collaboratively with the Bank and industry stakeholders to advance a more resilient, innovative and inclusive NPS. Progress extended beyond the delivery of individual initiatives to the strengthening of the institutional and regulatory environment within which the payments ecosystem operates. Governance arrangements evolved, industry collaboration deepened, regulatory frameworks matured and organisational capability was enhanced to support an increasingly complex and interconnected operating environment.

This sustained approach to implementation is reflected in the performance of the NPS Strategy 2021–2025 itself. Based on the August 2025 NPS Vision Stock Take, implementation averaged 87% across the five-year lifecycle, with annual execution consistently exceeding 85% between 2021 and 2024 and achieving 100% implementation during 2024. While the August 2025 assessment recorded 67% implementation, this represented a mid-cycle stock take rather than the final position at year-end, with several strategic initiatives scheduled for completion during the remaining implementation period. Taken together, these results reflect sustained institutional performance rather than isolated annual achievements.

Equally significant was the manner in which these outcomes were achieved. Rather than relying solely on regulatory intervention, the implementation of the NPS Strategy 2021–2025 was characterised by collaboration between the Bank, PAN, banking institutions, non-bank payment service providers and other industry stakeholders. This collaborative governance model has become one of the defining strengths of Namibia's NPS, enabling diverse institutions to collectively address emerging challenges while maintaining the safety, efficiency and integrity of the payments ecosystem.

Ultimately, the significance of the reporting year extends beyond the completion of another strategic cycle. It reflects the continued evolution of an institution that has spent two decades strengthening the systems, partnerships and governance arrangements upon which confidence in Namibia's NPS depends. As the payments landscape continues to evolve, PAN remains committed to working collaboratively with regulators and industry stakeholders to ensure that the NPS remains safe, resilient, inclusive and responsive to the needs of the Namibian economy.

03.

THE NAMIBIAN NATIONAL PAYMENT SYSTEM

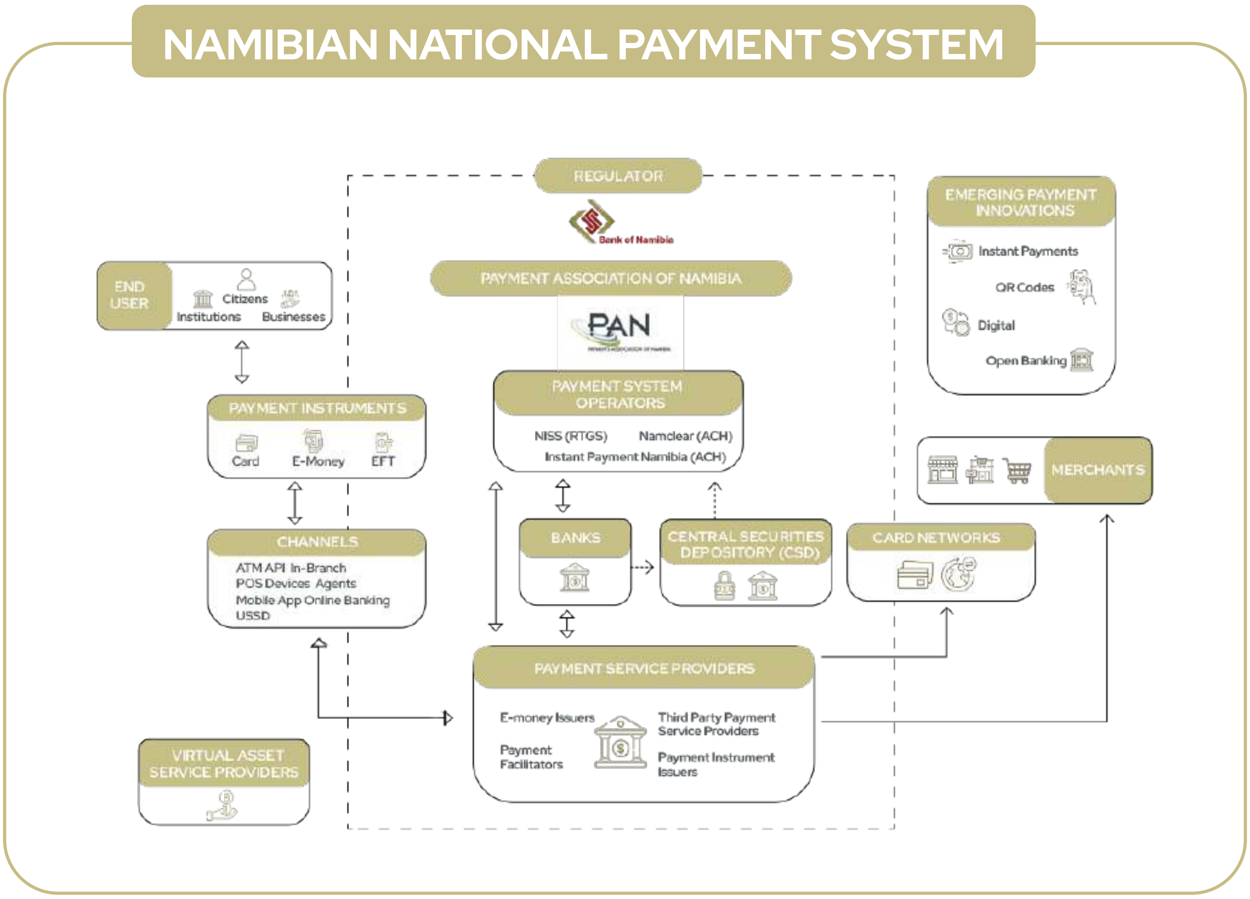
NAMIBIAN NATIONAL PAYMENT SYSTEM ECOSYSTEM

The NPS is the financial infrastructure that enables the secure, efficient and reliable transfer of money throughout Namibia's economy. It comprises the payment, clearing and settlement systems, together with the legal and regulatory frameworks, standards, technologies, payment instruments and institutions that facilitate the movement of funds and securities between individuals, businesses, financial institutions and government.

As the payments landscape continues to evolve, the NPS depends on the effective coordination of a diverse network of institutions, each performing a distinct but complementary role. The Bank, as the regulator and overseer, safeguards the safety, soundness and stability of the NPS. The PAN serves as the industry's coordinating and administrative body, bringing together payment system participants to facilitate collaboration, administer industry arrangements and standards, coordinate strategic initiatives and support the continued development of the payments ecosystem. Banks, payment service providers, payment system operators and technology providers deliver the infrastructure and payment services that enable transactions across the economy, while merchants, businesses and consumers drive the adoption and use of these services.

At the heart of the NPS is the NISS, which provides RTGS services for high-value and time-critical payments, ensuring the final settlement of transactions in central bank money. Retail payment transactions, including EFTs and card payments, are cleared through the ACH, operated by Namclear, while the IPN switch is strengthening interoperability and supporting the continued growth of instant digital payments.

Together, these infrastructures, technologies and institutional arrangements form an integrated and resilient NPS that underpins economic activity, financial stability and public confidence. As Namibia's payments ecosystem continues to evolve, collaboration between regulators, industry participants and technology providers will remain essential to advancing innovation, strengthening interoperability and ensuring the long-term resilience of the NPS.



PAN MEMBERSHIP FRAMEWORK

The promulgation of the PSM Act and the adoption of PAN's revised Constitution marked a significant evolution in the Association's membership framework during the reporting period. While PAN has historically served as the collaborative body for payment system participants, the revised legislative framework formalised and expanded its membership base to reflect the increasingly diverse NPS.

In terms of the Constitution, membership is now compulsory for Payment Service Providers, System Participants and other relevant stakeholders as determined by the Bank. The Constitution further enables, with the Bank's approval, the admission of additional organisations that have a direct interest in, influence on or reliance upon payment services, ensuring that PAN's membership evolves alongside developments in the payments ecosystem.

This expanded membership framework strengthens PAN's role as the industry's coordinating body by bringing together the institutions responsible for the development, operation and oversight of payment services within a single collaborative governance structure, supporting greater coordination, interoperability and industry participation across the NPS.

As at 31 December 2025, the Association comprised 9 banking institutions, 1 non-banking financial institution, 19 payment service providers, 2 payment system operators, 4 e-Money issuers, and 2 affiliate members. The tables below provide an overview of PAN's membership composition.

LIST OF PAN MEMBERS

Table 2: List of licensed payment service providers as of 31 December 2025

PAYMENT SERVICE PROVIDER	CATEGORY OF PAYMENT SERVICE LICENSE
Virtual Card Services T/A Network	Third Party Payment Service Provider & Payment Facilitation Service Provider
Q Link Transact	Third Party Payment Service Provider & Payment Facilitation Service Provider
Selcom Payment Namibia	Third Party Payment Service Provider & Payment Facilitation Service Provider
Adumo Online Namibia	Third Party Payment Service Provider
ATM Solutions (Namibia)	Third Party Payment Service Provider
Hyphen Technology Namibia	Third Party Payment Service Provider
Innervation Value Added Services	Third Party Payment Service Provider
Mobicash Payment Solutions	Third Party Payment Service Provider
Ecentric Payment Systems Namibia	Third Party Payment Service Provider

Buddy Industries	Payment Facilitation Service Provider
Collexia Payments	Payment Facilitation Service Provider
Payat Payment Services (Namibia)	Payment Facilitation Service Provider
PayMate	Payment Facilitation Service Provider
RealPay Namibia	Payment Facilitation Service Provider
Finatic Technologies	Payment Facilitation Service Provider
United PayPoint	Provisional Authorisation to Offer Payment Services
Sika Technologies Investments Namibia	Provisional Authorisation to Offer Payment Services
Transaction Junction (Namibia)	Provisional Authorisation to Offer Payment Services
TPTS Financial Technology Group	Provisional Authorisation to Offer Payment Services
Virtual Technology Services	e-Money Issuer
Nam-mic Payment Solutions	e-Money Issuer
Vivo Energy Namibia Ltd.	e-Money Issuer
MTC Maris	e-Money Issuer

Table 3: List of System Participants as of 31 December 2025

SYSTEM PARTICIPANT	CATEGORY
Bank of Namibia	Central Bank
First National Bank	Commercial Bank
Bank Windhoek	Commercial Bank
Nedbank Namibia	Commercial Bank
Standard Bank Namibia	Commercial Bank
Bank BIC Namibia (Bank BIC)	Commercial Bank
Letshego Bank Namibia	Commercial Bank
Namibia Post Limited	Commercial Bank
Bank Atlántico	Commercial Bank
Access Bank Namibia	Commercial Bank (Provisional Authorisation)

Table 4: List of Payment System Operators as of 31 December 2025

PAYMENT SYSTEM OPERATORS
Namclear
Instant Payment Namibia (IPN)

Table 5: List of Affiliate Members as of 31 December 2025

AFFILIATE MEMBERS
Microlenders Association (MLA)
Namibia Savings and Investments Association (NaSIA)

These organisational and governance enhancements form part of PAN's continued efforts to maintain an effective institutional structure, ensure responsible resource management, and support the long-term sustainability of the organisation and the NPS.

PAN MEMBERS

LICENSED PAYMENT SERVICE PROVIDERS

SYSTEM PARTICIPANTS

PAYMENT SYSTEM OPERATORS

AFFILIATE MEMBERS

04.

20 YEARS OF EVOLUTION

PAN LEADERSHIP OVER THE 20 YEARS

BON GOVERNORS

1997 - 2010

Tom Alweendo

2010 - 2020

Iipumbu Shiimi

2020 - 2025

Dr. Johannes !Gawaxab

2026-present

Ebson Uanguta

PREVIOUS PAN CEOS

2011 - 2012

Kennedy Kandume

2012 - 2025

Annette Rathenam

PREVIOUS PAN INDEPENDENT CHAIRPERSONS

2009-2010

Dr. Ester Kali

2010 - 2012

Gift Kavari

2012 - 2013

Paul Hartmann

2013 - 2016

Lilly Brandt

2016 - 2022

Koos Keyser

2022 - 2026

Adrianus Vugs

MILESTONES OF PAN
CELEBRATING 20 YEARS OF EXCELLENCE

2005 – 2010

FOUNDATION AND ESTABLISHMENT OF THE NPS FRAMEWORK

Key Milestones

- Formal establishment of PAN on 12 August 2005 as Namibia's NPS Management Body.
- Implementation of the foundational governance structures for the NPS.
- Industry collaboration between commercial banks, the Bank, and payment stakeholders strengthened.
- Early modernisation initiatives aimed at reducing dependence on manual and paper-based payment methods.
- Development of rules, standards, and participation frameworks for payment system stakeholders.
- Establishment of industry forums and committees to coordinate payment system oversight and collaboration.

2010 – 2015

MODERNISATION AND MIGRATION TOWARD ELECTRONIC PAYMENTS

Key Milestones

- Acceleration of Namibia's migration from cheque-based payments toward electronic payment systems.
- Expansion and strengthening of EFT services across the banking industry.
- Improvements in payment clearing processes and operational efficiency.
- Increased adoption of card payment technologies and electronic banking channels.
- Strengthening of payment system governance, risk management, and fraud mitigation initiatives.
- Enhanced collaboration between PAN, banks, regulators, and payment service providers.

20TH ANNIVERSARY

2015 – 2020

DIGITAL TRANSFORMATION AND PAYMENTS INNOVATION

Key Milestones
- Launch and implementation of the NPS Vision 2016–2020.
- Progressive reduction and eventual phasing out of cheque payments in Namibia by June 2019.
- Expansion of payment system modernisation initiatives aligned with global best practices.

2020 – 2025

INNOVATION, INTEROPERABILITY AND THE FUTURE OF PAYMENTS

Key Milestones
- Introduction of Near-Real-Time Credit Transfers (NRTC), enabling significantly faster interbank payments.
- Rollout and industry adoption of NamPay, modernising Namibia's EFT ecosystem.
- Implementation of ENDO and Enhanced Credit Transfers (EnCR).
- Introduction of ISO 20022 payment messaging standards.
- Enactment of the Payment System Management Act, 2023 (Act No. 14 of 2023).
- Promotion and development of interoperability initiatives across the payments ecosystem.
- Advancement of NAMQR and OBS to support digital innovation.
- Strengthening of cybersecurity, fraud prevention, and payment system resilience.
- Increased focus on financial inclusion and digital payment accessibility.
- Collaboration with fintechs, payment service providers, and emerging industry participants.
- Continued enhancement of payment system directives, standards, and governance frameworks.
- Support for faster, safer, and more inclusive digital payments nationwide.

Namibia's payment ecosystem continued recording significant growth in electronic transaction volumes and settlement values.

05.

PAN FORUMS

Each of PAN's technical forums presented below on its 2025 activities, achievements and contribution to the NPS Strategy 2021–2025.

FORUMS OVERVIEW

PAN fulfils much of its coordinating mandate through a network of forums that bring together payment service providers, payment system operators, financial institutions and other stakeholders to develop standards, address operational matters and coordinate strategic initiatives across the NPS. Established in accordance with the PAN Constitution and approved by the Bank, each forum is responsible for a specific payment stream or subject area, ensuring that technical expertise, industry collaboration and collective decision-making remain central to the continued development of Namibia's payments ecosystem.

Industry Forums

- PAN STAKEHOLDER FORUM (PSF)
- PRIORITISATION COMMITTEE
- FINANCIAL INSTITUTIONS FRAUD & SECURITY COMMITTEE (FIFSC)
- ELECTRONIC FUNDS TRANSFER (EFT) FORUM
- CARD FORUM
- IMMEDIATE SETTLEMENT (IS) FORUM
- CROSS-BORDER FORUM
- ELECTRONIC MONEY (E-MONEY) FORUM

HOW WE CREATE VALUE

As the recognised industry association for Namibia's NPS, PAN serves as a platform through which regulators, financial institutions, payment service providers and other stakeholders work together to strengthen the safety, efficiency and interoperability of the payments ecosystem. By facilitating collaboration, coordinating industry initiatives and supporting the implementation of strategic priorities, PAN contributes to a payment system that is resilient, trusted and prepared for future innovation.

Rather than delivering payment services directly, PAN creates value by bringing together the institutions responsible for delivering them. Through governance, technical forums, industry standards and strategic leadership, the Association helps shape an environment in which innovation can flourish, risks can be managed collectively, and payment services can continue evolving in response to the needs of the Namibian economy.

The outcomes of this collaborative approach extend beyond the financial sector. A stronger NPS supports economic participation, enables digital transformation, promotes financial inclusion and strengthens confidence in Namibia's broader economy.

THEORY OF CHANGE

INPUTS	WHAT WE DO	OUTPUTS	OUTCOMES	LONG-TERM IMPACT
Industry expertise Member collaboration Regulatory partnership Technical knowledge International standards	Facilitate collaboration Develop standards Coordinate technical forums Support industry modernisation Promote good governance Drive strategic initiatives	Industry guidance Standards Frameworks Working groups Projects Knowledge sharing	Safer payments Greater interoperability Industry alignment Innovation Operational resilience	A trusted, secure and future-ready NPS that supports inclusive economic growth

CARD FORUM

STRENGTHENING CONFIDENCE IN NAMIBIA'S DIGITAL CARD PAYMENTS ECOSYSTEM

Between 2024 and 2025, card transaction volumes increased by 10 million transactions, while total transaction values grew by approximately N$5.3 billion.

BRANDON BROCK
Card Forum *Chairperson*

The Card Forum coordinates collaboration among payment system participants and international card schemes to establish, maintain, and enhance standards, clearing rules, and procedures for card and ATM payments. The Card Forum supports PAN's core objectives by providing a trusted platform for consultation, operational synchronisation, and technological upgrades, thereby ensuring a highly secure, reliable, and interoperable retail card network.

Message from the Chairperson

The Card Forum continued to play a central role in strengthening the resilience, security and competitiveness of Namibia's card payments ecosystem during 2025. As the industry's principal collaborative platform for payment card operations, the Card Forum provided strategic oversight of initiatives aimed at modernising card infrastructure, strengthening operational standards and supporting the continued evolution of the NPS.

The reporting year was characterised by rapid technological advancement, changing consumer payment behaviours and an increasingly sophisticated cyber risk environment. These developments reinforced the importance of coordinated industry action to ensure that Namibia's card payments ecosystem remains secure, interoperable and responsive to emerging regulatory and market requirements. While several strategic initiatives experienced implementation delays as industry participants navigated complex technical dependencies, the Card Forum maintained momentum through continued collaboration, knowledge sharing and collective problem solving.

Against this background, the Card Forum remained focused on advancing common industry standards, strengthening operational resilience and supporting strategic projects that position Namibia's card payments ecosystem for long-term sustainability. Through the active participation of member institutions, the Card Forum continued contributing to the broader objectives of the NPS Strategy 2021–2025 by promoting collaboration, innovation and confidence across the card payments value chain.

STRENGTHENING SECURITY THROUGH INDUSTRY STANDARDS

In addition to the existing regulations governing the card stream, maintaining confidence in digital payments requires continuous improvement to build a robust card payments ecosystem by benchmarking against strong security standards and disciplined operational governance. Therefore, throughout the reporting year, Card Forum members continued strengthening compliance with the PCI DSS through ongoing investment in security controls, data protection measures and organisational capability.

Collectively, these efforts strengthened cyber resilience across participating institutions while reinforcing a shared commitment to protecting payment data and mitigating operational risk. Beyond achieving technical compliance, continued alignment with PCI DSS reflects the growing maturity of Namibia's card payments ecosystem and its commitment to maintaining internationally recognised security standards that safeguard consumers and strengthen trust in electronic payments.

ESTABLISHING A COMMON GOVERNANCE FRAMEWORK

The adoption of the Card Framework Document established a comprehensive governance framework for the issuance, acceptance and management of payment cards within the NPS. Developed to promote consistency across the industry, the Framework defines common operational principles, governance requirements and participant responsibilities while strengthening interoperability, regulatory compliance and the protection of cardholder data. Following its endorsement by the PMC, the Framework was adopted and is scheduled for implementation under the oversight of the Bank.

Beyond providing regulatory clarity, the Framework strengthens accountability across participating institutions and establishes a common governance foundation capable of supporting continued innovation while preserving the integrity and resilience of Namibia's card payments ecosystem.

> *Beyond achieving technical compliance, continued alignment with PCI DSS reflects the growing maturity of Namibia's card payments ecosystem and its commitment to maintaining internationally recognised security standards that safeguard consumers and strengthen trust in electronic payments."*

MODERNISING CARD INFRASTRUCTURE

The continued modernisation of Namibia's card payments infrastructure remained a strategic priority throughout the reporting year as industry participants worked collectively to enhance the efficiency, scalability and resilience of the national card rails.

One of the most significant achievements during the reporting year was the finalisation of the Namibian QR Code Standards, representing an important stage in the operationalisation of QR-based payments across the NPS. The Nam QR initiative forms a key payment use case, establishing the common national QR standard that enables consumers and merchants to make instant, interoperable QR payments across all payment streams, using any participating bank or e-Money provider.

This standardisation of QR Codes further promotes harmonised data formats and Application Programming Interface specifications, thereby broadening access to digital financial services. Such harmonisation serves as a key enabler of digital financial inclusion, and strengthens the long-term governance of the standard while supporting the development of a nationally recognised digital payment solution.

While implementation will continue over subsequent reporting periods, the progress achieved during 2025 reflects the industry's shared commitment to investing in infrastructure capable of supporting changing consumer expectations, technological innovation and future growth across the NPS.

GROWTH IN CARD PAYMENTS

Card usage continued to demonstrate sustained growth throughout the reporting year, reflecting increasing consumer confidence in electronic payments and the continued expansion of Namibia's digital payments ecosystem.

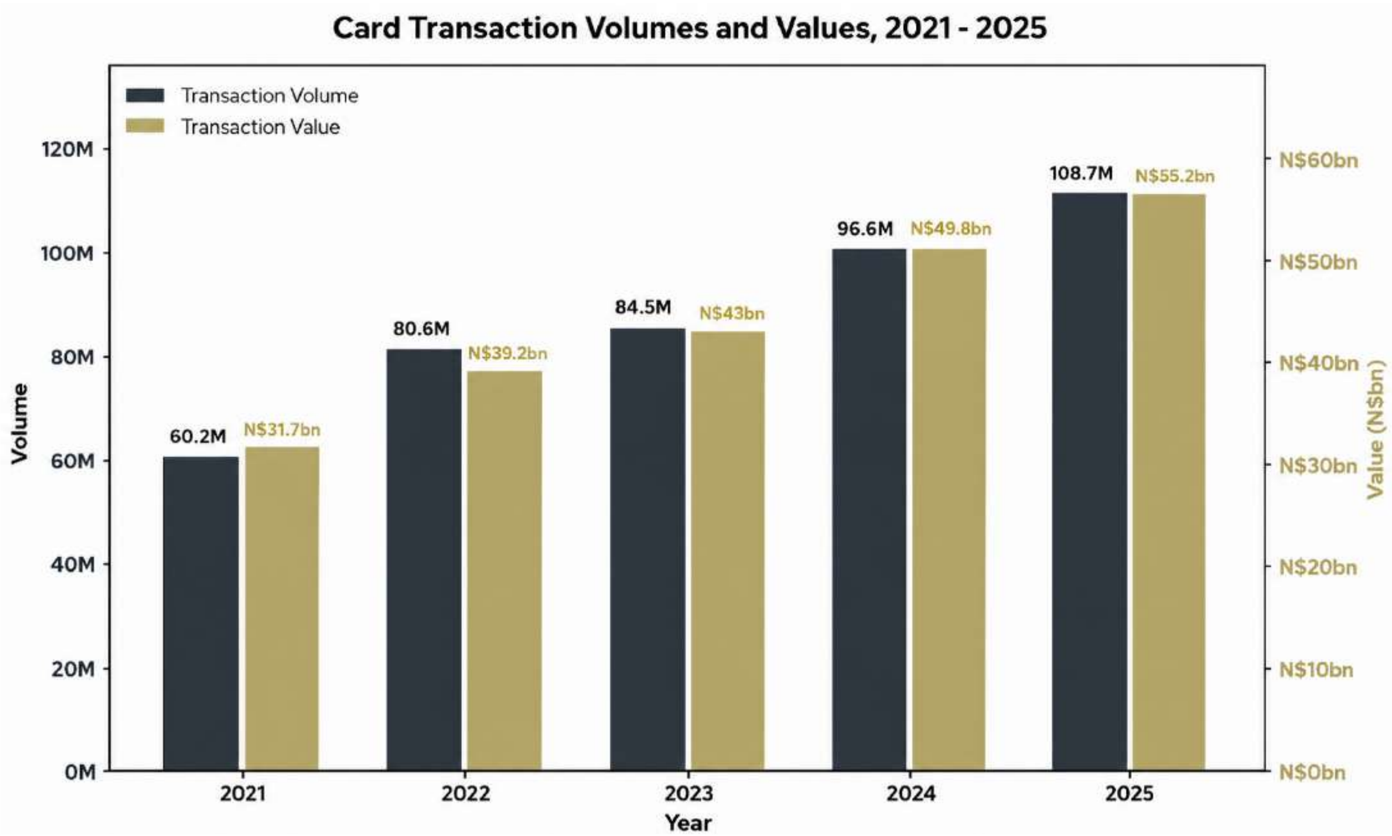


Figure 1: Card transaction volumes and values (N$), 2021 – 2025

One of the most significant achievements during the reporting year was the finalisation of the Namibian QR Code Standards, representing an important stage in the operationalisation of QR-based payments across the NPS."

Between 2024 and 2025, card transaction volumes increased by 10 million transactions, while total transaction values grew by approximately N$5.3 billion. This growth was supported by several complementary developments, including the continued expansion of payment acceptance infrastructure, wider merchant enablement, increased adoption of digital commerce channels, growing utilisation of contactless and tokenised payment solutions, enhanced issuer and acquirer product offerings, and continued investment in fraud prevention and payment security.

Collectively, these trends illustrate the continued evolution of consumer payment behaviour while highlighting the importance of sustained investment in secure, interoperable and accessible payment infrastructure capable of supporting Namibia's digital economy.

CONCLUSION

The progress achieved during 2025 reflects the continued maturity of Namibia's card payments ecosystem and the value of sustained industry collaboration in advancing common strategic priorities. By strengthening security standards, establishing a unified governance framework, progressing infrastructure modernisation and supporting continued growth in digital payments, the Card Forum contributed meaningfully to a more resilient, efficient and trusted NPS.

The Card Forum remains committed to working collaboratively with the Bank and industry participants to strengthen interoperability, promote innovation and ensure that Namibia's card payments ecosystem continues to evolve in a manner that is secure, inclusive and responsive to the changing needs of consumers and businesses.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance

- Supported the implementation of common governance standards through the adoption of the Card Framework Document.
- Strengthened regulatory alignment and industry accountability across the card payments ecosystem.

Collaboration

- Coordinated industry participation towards the promotion of collaborative implementation of common operational standards and technical requirements.

Consumer-Centric Innovation

- Finalised the NAMQR Standard to support interoperable QR payments.
- Advanced the modernisation of national card rails to support faster, safer and more resilient payment experiences.
- Strengthened payment security and consumer confidence through continued PCI DSS implementation.

ELECTRONIC FUNDS TRANSFER (EFT) FORUM

STRENGTHENING THE FOUNDATIONS OF ELECTRONIC PAYMENTS

“EFT volumes increased by 2.25 million transactions, reflecting the increasing utilisation of digital payment services across Namibia’s financial sector.”

MERIAM BOCK
Electronic Funds Transfer Forum *Chairperson*

The Electronic Funds Transfer (EFT) Forum provides a collaborative platform for payment system participants to support the effective clearing and settlement of EFT payment instructions in Namibia. The EFT Forum focuses on developing and maintaining operational standards, procedures, and rules to ensure efficiency, compliance, and the smooth functioning of the EFT payment stream.

Message from the Chairperson

The EFT Forum continued to play a pivotal role in strengthening the resilience, efficiency and interoperability of Namibia's EFT environment during 2025. As the industry's principal collaborative platform for EFT operations, the EFT Forum provided strategic oversight of initiatives that enhanced operational performance, strengthened payment infrastructure and supported the continued evolution of the NPS.

The reporting year was characterised by sustained collaboration between banks, payment system participants and industry stakeholders to improve operational resilience, streamline payment processes and strengthen coordination across the EFT ecosystem. These collaborative efforts reinforced the reliability of electronic payment services while ensuring that Namibia's NPS remains responsive to changing market requirements, technological advancement and the growing expectations of payment system users.

Throughout the year, the EFT Forum remained focused on advancing operational excellence through the implementation of system enhancements, coordinated change management and continuous industry engagement. These initiatives contributed to a more resilient and efficient EFT environment while supporting the broader objectives of the NPS Strategy 2021–2025.

ENHANCING OPERATIONAL RESILIENCE THROUGH INDUSTRY COLLABORATION

Maintaining confidence in electronic payments depends upon payment systems that are reliable, efficient and capable of adapting to changing operational requirements. During the reporting year, the EFT Forum successfully coordinated the implementation of several strategic change initiatives aimed at strengthening payment processing, improving transaction management and enhancing operational performance across the NamPay environment:

- Enhancements to end-of-day settlement processing improved the coordination of payment activities, reduced processing delays, and increased operational efficiency across participating institutions.
- The optimisation of encrypted file transmission times improved the flow of payment information, resulting in more efficient transaction processing and enhanced system performance.
- Improvements to the handling of transaction returns and anti-money laundering responses after cut-off times strengthened operational flexibility and supported regulatory compliance.
- The introduction of continuous processing within the Near Real-Time Clearing environment enhanced system availability, accelerated transaction processing, and supported the delivery of faster and more customer-centric payment services.
- As part of efforts to promote a more inclusive and competitive payment ecosystem, the successful User Acceptance Testing (UAT) of Access Bank Namibia was completed as part of its onboarding process into the EFT stream.

The successful completion of these industry change requests, together with the implementation of the Integrated Tax Administration System (ITAS) Validation developments, further strengthened the resilience and efficiency of the EFT environment while improving consistency across participating institutions.

Rather than representing isolated technical enhancements, these changes demonstrate the value of coordinated industry governance in delivering operational improvements that benefit the NPS as a whole.

Operational stability remained a notable achievement throughout 2025. The weekly EFT Incident Management Forum recorded minimal operational incidents across participating institutions, with issues being identified, coordinated and resolved promptly through established industry processes.

CONTINUOUS IMPROVEMENT AND OPERATIONAL STABILITY

The EFT Forum continued promoting a culture of continuous improvement through ongoing system enhancements, operational refinements and strengthened compliance across participating institutions. While several initiatives reached completion during the reporting year, others progressed into subsequent implementation phases, reflecting the industry's commitment to continually enhancing the efficiency and resilience of the EFT environment.

Operational stability remained a notable achievement throughout 2025. The weekly EFT Incident Management Forum recorded minimal operational incidents across participating institutions, with issues being identified, coordinated and resolved promptly through established industry processes. This sustained level of operational performance reflects both the maturity of Namibia's EFT infrastructure and the effectiveness of collaborative governance in supporting reliable payment services.

GROWTH IN ELECTRONIC FUNDS TRANSFERS

EFT activity continued to demonstrate steady growth during the reporting year, reflecting the increasing utilisation of digital payment services across Namibia's financial sector.

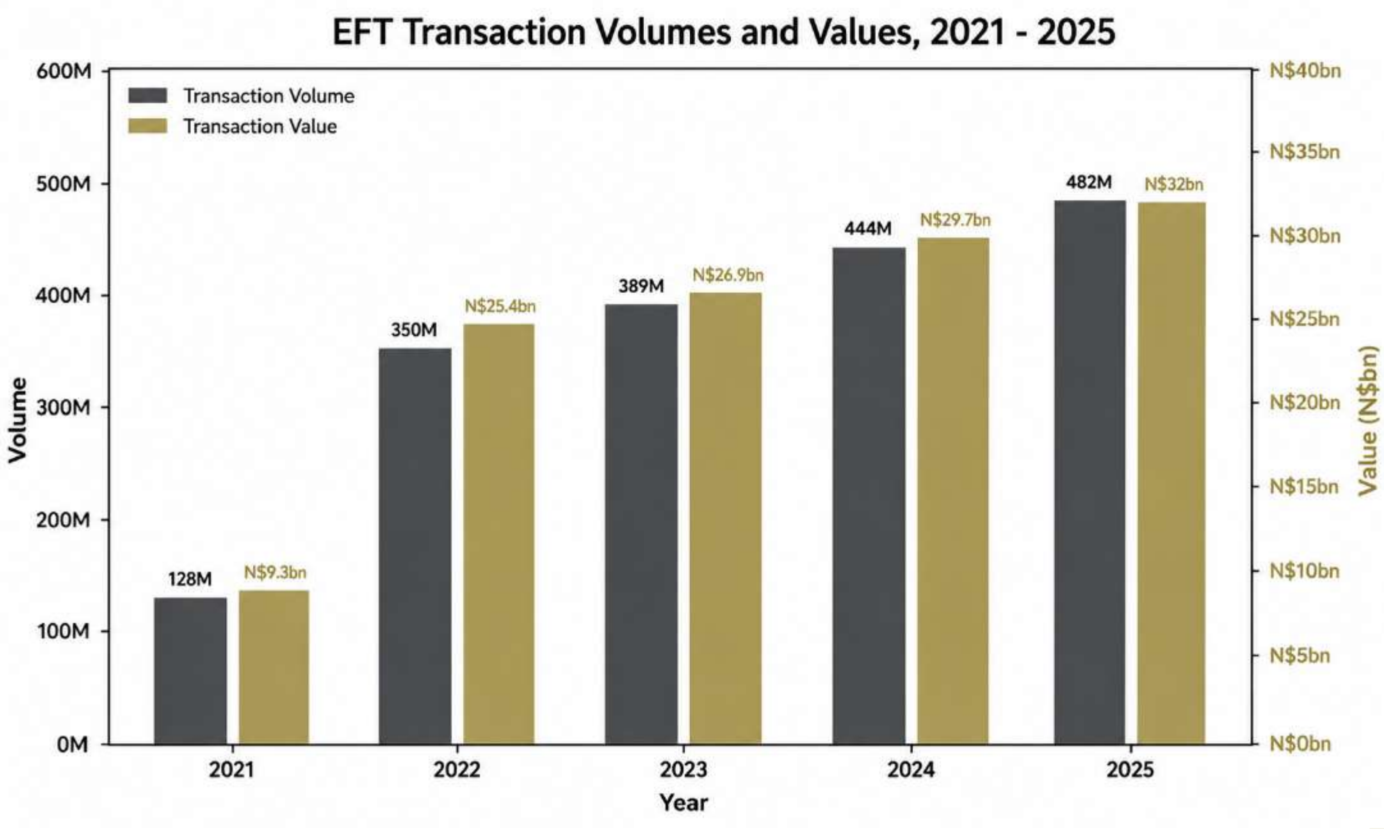


Figure 2: EFT transaction volumes and values (N$), 2021 – 2025

As illustrated in Figure 2, both transaction volumes and transaction values increased during 2025 compared to the previous reporting period. EFT volumes increased by 2.25 million transactions, while transaction values grew offerings by N$38.1 billion. Growth was supported by expanded participant offerings, increased utilisation of NamPay services by both banking and non-bank institutions and the continued expansion of electronic payment solutions supporting greater financial inclusion.

These trends reflect the continued evolution of Namibia's digital payments ecosystem and reinforce the growing importance of resilient, interoperable EFT infrastructure in supporting economic activity and improving access to secure payment services.

This growth can be attributed to several factors:
- Expanded use of NamPay sub-services, supported by broader participant offerings and improved service availability across the banking sector.
- Greater utilisation of EFT infrastructure by banks and non-bank entities, reflecting continued efforts to support financial inclusion and widen access to digital payment channels.
- Operational and technical enhancements implemented through completed Change Requests, which improved processing efficiency, service reliability, and participant coordination.
- Strengthened industry collaboration through the EFT Forum and Incident Management Forum, contributing to fewer operational disruptions and improved responsiveness to issues.
- Increased customer and business preference for electronic payments, driven by convenience, security, and the continued shift away from manual and cash-based payment methods.

CONCLUSION

As Namibia's payments ecosystem continues to evolve, the EFT Forum remains committed to supporting initiatives that strengthen operational resilience, improve industry efficiency and enable continued innovation across the NPS. Building on the progress achieved during 2025, the EFT Forum will continue working collaboratively with industry stakeholders to enhance payment infrastructure, support emerging technologies and ensure that EFT services remain secure, reliable and responsive to the changing needs of consumers, businesses and financial institutions.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance
- Strengthened operational governance through coordinated industry change management and system enhancements.
- Improved operational resilience and service reliability across the EFT environment.

Collaboration
- Coordinated implementation of industry-wide operational improvements across participating institutions.
- Strengthened collaboration through structured incident management and operational governance.

Consumer-Centric Innovation
- Enhanced EFT processing capabilities and service performance.
- Supported continued growth in digital payments through resilient and interoperable payment infrastructure.

Rather than representing isolated technical enhancements, these changes demonstrate the value of coordinated industry governance in delivering operational improvements that benefit the NPS as a whole.

IMMEDIATE SETTLEMENT (IS) FORUM

MODERNISING REAL-TIME SETTLEMENT FOR A MORE CONNECTED PAYMENTS ECOSYSTEM

Volumes increased by 8,431, while transaction values grew by approximately N$92.5 billion compared to the previous reporting period.

MARIUS ANDREW
Immediate Settlement Forum *Chairperson*

The IS Forum is an industry engagement and coordination platform established to facilitate discussions, collaboration, and decision-making on IS operations within the NPS. Additionally, the IS Forum supports initiatives aimed at enhancing automation, improving operational efficiency, and reducing manual intervention in payment processing environments.

Message from the Chairperson

The Immediate Settlement (IS) Forum continued to play a central role in strengthening the resilience, efficiency and future readiness of Namibia's interbank settlement infrastructure during 2025. Against this background of rapid technological advancement and increasing regional and international payments integration, the IS Forum provided strategic oversight of initiatives that enhanced operational resilience, modernised settlement processes and reinforced confidence in the NPS.

Through close collaboration between the Bank, financial institutions and industry stakeholders, the IS Forum successfully delivered two transformational industry initiatives that strengthened the country's settlement infrastructure while aligning Namibia with evolving international payment standards. These achievements reflect more than successful project implementation. They demonstrate the value of collaborative governance in delivering nationally significant payment system reforms that improve operational efficiency, strengthen risk management and position Namibia's NPS for continued innovation.

ALIGNING NAMIBIA WITH GLOBAL PAYMENT STANDARDS

The reporting year also marked the successful migration of the Namibia Interbank Settlement System to the ISO 20022 MX messaging standard, completed on 30 May 2025 in accordance with the Bank's migration programme.

As the international standard for financial messaging, ISO 20022 establishes a richer and more structured data environment that enhances payment processing, improves regulatory reporting and strengthens interoperability across payment systems. The migration positions Namibia alongside leading international NPS's while creating opportunities for greater automation, enhanced compliance capabilities and improved analytical insight across the NPS.

Beyond its technical significance, the migration establishes an important foundation for future innovation, enabling the payments ecosystem to respond more effectively to changing market requirements and increasing regional and international interoperability.

STRENGTHENING REGIONAL INTEGRATION

The IS Forum also continued supporting initiatives aimed at strengthening regional settlement capability and improving cross-border payment efficiency. Priority areas identified during the reporting year include extending the operating hours of the SADC Real-Time Gross Settlement (RTGS) System, supporting industry stabilisation following the implementation of Straight-Through Processing and advancing collaborative efforts towards interoperable settlement mechanisms across the regional payments landscape.

These initiatives reflect the growing importance of regional collaboration in strengthening the efficiency and resilience of payment systems while supporting greater economic integration within SADC.

> *STP represents an important step in modernising interbank settlement as future completion will enable the automated end-to-end processing of payment transactions while significantly reducing manual intervention throughout the payment lifecycle.*

GROWTH IN IMMEDIATE SETTLEMENT ACTIVITY

IS activity continued to demonstrate steady growth throughout the reporting year, reflecting increased utilisation of real-time settlement services across the NPS.

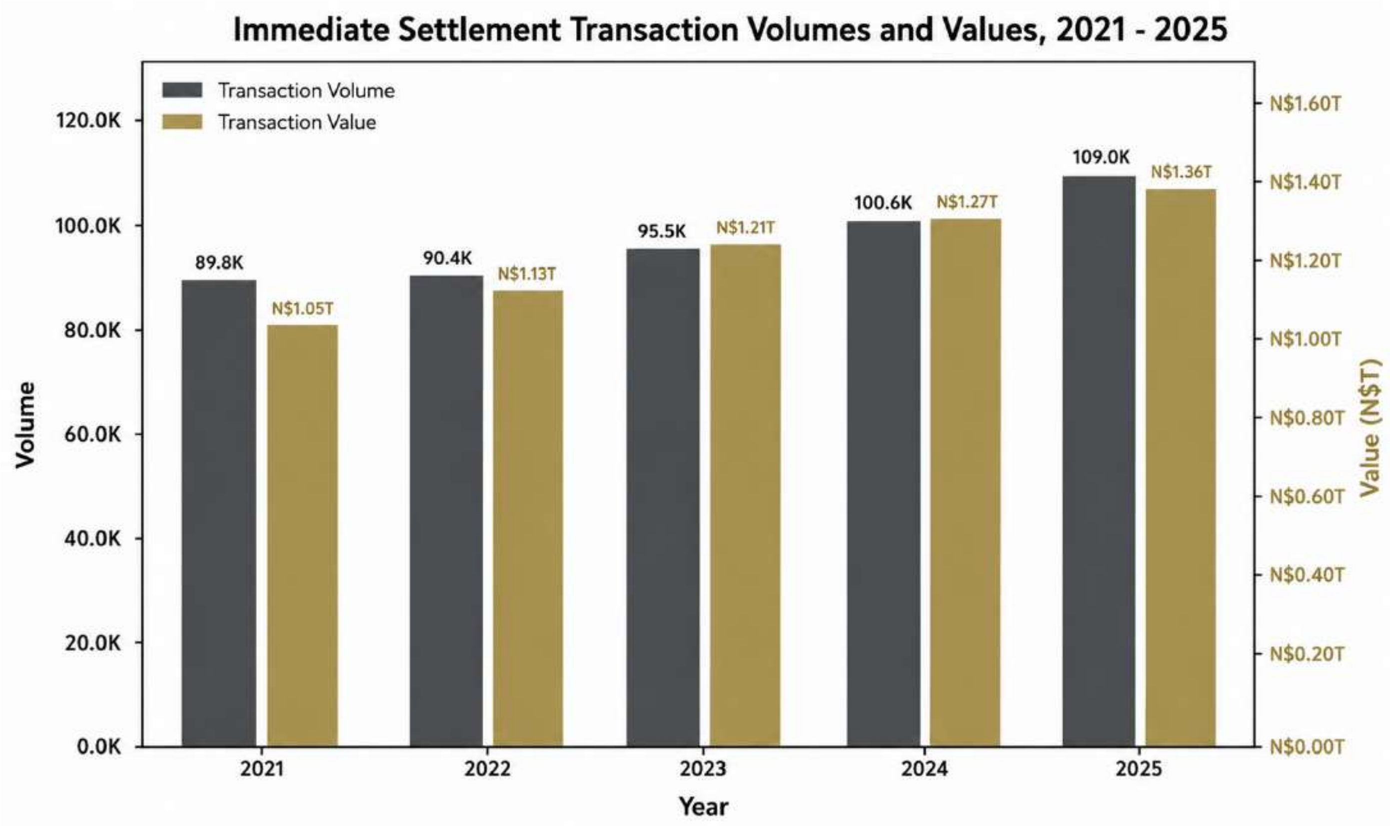


Figure 3: IS transaction volumes and values (N$), 2021 – 2025

As illustrated in Figure 3, volumes increased by 7% (8,431), while transaction values grew by approximately N$92.5 billion compared to the previous reporting period. This growth was largely driven by increased trading activity in financial instruments together with the continued expansion and utilisation of Namibia's interbank settlement infrastructure.

These trends highlight the continued importance of resilient, high-value settlement infrastructure in supporting financial market activity while reinforcing confidence in the stability and efficiency of the NPS.

ADVANCING STRAIGHT-THROUGH PROCESSING

We have significantly progressed STP within the Namibia Interbank Settlement System (NISS), during the reporting period. STP represents an important step in modernising interbank settlement as future completion will enable the automated end-to-end processing of payment transactions while significantly reducing manual intervention throughout the payment lifecycle. Beyond improving operational efficiency, STP will strengthen the integrity of settlement processes through reduced operational risk, improved messaging standards and enhanced processing accuracy, contributing to a faster, more resilient and customer-focused settlement environment.

CONCLUSION

The progress achieved during 2025 represents continued modernisation of Namibia's interbank settlement infrastructure. Through the successful implementation of Straight-Through Processing, the migration to ISO 20022 and continued collaboration on regional settlement initiatives, the IS Forum strengthened the efficiency, resilience and interoperability of the NPS while positioning the industry to respond to future technological and regulatory developments.

As Namibia enters the next phase of payments modernisation, the IS Forum remains committed to working collaboratively with the Bank and industry participants to advance secure, efficient and internationally aligned settlement services that support economic growth and strengthen confidence in the NPS.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance

- Successfully implemented Straight-Through Processing within the Namibia Interbank Settlement System.
- Strengthened payment system governance through internationally aligned settlement standards.

Collaboration

- Delivered major industry initiatives through close collaboration between the Bank of Namibia and participating institutions.
- Advanced regional engagement to strengthen cross-border settlement capability and interoperability.

Consumer-Centric Innovation

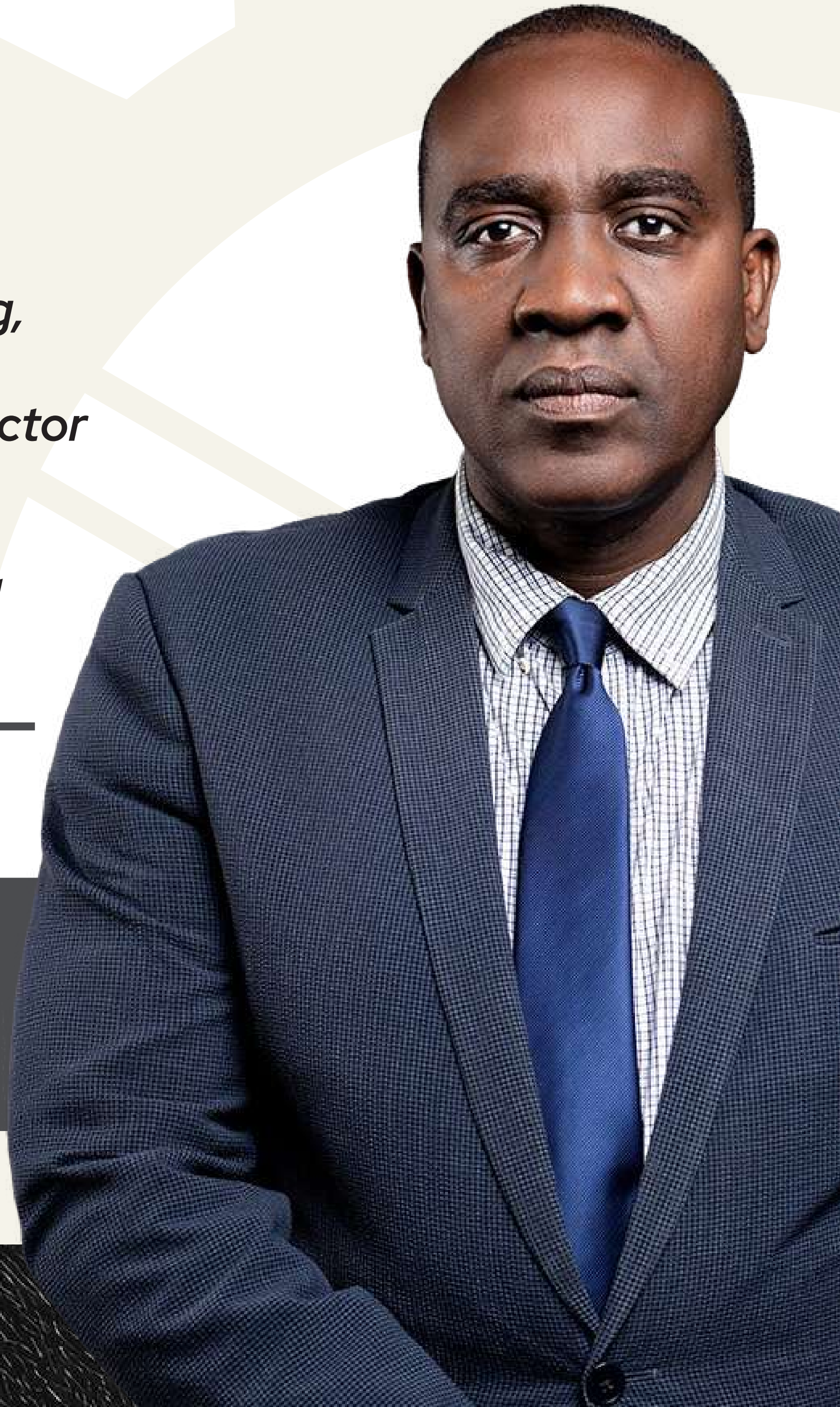
- Successfully migrated the National Payment System to the ISO 20022 messaging standard.
- Modernised settlement infrastructure to support greater automation, richer payment data and improved customer outcomes.

The reporting year also marked the successful migration of the Namibia Interbank Settlement System to the ISO 20022 MX messaging standard, completed on 30 May 2025 in accordance with the Bank's migration programme.

FINANCIAL INSTITUTIONS FRAUD & SECURITY COMMITTEE (FIFSC)

STRENGTHENING INDUSTRY RESILIENCE AGAINST FINANCIAL CRIME

The Committee continued promoting information sharing, strengthening collaboration between public and private sector stakeholders and supporting initiatives that enhance fraud prevention, cybersecurity and operational resilience.



SAMUEL ZAMBWE
Financial Institutions Fraud & Security Committee *Chairperson*

The Financial Institutions Fraud and Security Committee (FIFSC) is a collaborative forum established by the PAN and the banking industry, with participation from law enforcement agencies, regulatory authorities, and other key stakeholders. Its mandate is to enhance the security of financial institutions, their employees, customers, and members; combat fraud and other crimes affecting the financial sector; and promote public awareness of fraud prevention and security-related matters.

STRENGTHENING INDUSTRY RESILIENCE AGAINST FINANCIAL CRIME

Message from the Chairperson

As Namibia's payments ecosystem becomes increasingly digital and interconnected, safeguarding the NPS requires sustained collaboration, proactive risk management and coordinated action against evolving financial crime. Throughout 2025, the FIFSC continued to serve as the industry's primary collaborative platform for strengthening resilience against fraud, cybercrime and emerging security threats, supporting confidence in the integrity and security of the NPS.

The reporting year was characterised by an increasingly complex threat landscape. Financial institutions faced a rise in sophisticated cyber-enabled crime, including AI-assisted impersonation, deepfakes, social engineering attacks, spoofed identities, card-not-present fraud, point-of-sale, skimming and fraudulent EFT confirmations. These developments reinforced the importance of coordinated industry responses capable of protecting consumers while strengthening institutional resilience across the financial sector.

Against this background, the Committee continued promoting information sharing, strengthening collaboration between public and private sector stakeholders and supporting initiatives that enhance fraud prevention, cybersecurity and operational resilience. These collective efforts contributed to the broader objectives of the NPS Strategy 2021–2025 by reinforcing industry collaboration, strengthening governance and promoting greater confidence in digital payment services.

RESPONDING TO AN EVOLVING FINANCIAL CRIME LANDSCAPE

Financial crime continued to pose a significant risk to the NPS during the year under review. According to the Bank's Bi-Annual Fraud Reports for 2025, reported total fraud losses exceeded N$72 million during 2025, with losses increasing from N$25.9 million in the first half of the year to N$46.6 million in the second half. The increase was primarily driven by phishing incidents within the EFT stream, highlighting the growing sophistication and financial impact of phishing attacks within the ecosystem.

Digital fraud increasingly targeted consumers through cloned messaging platforms, spoofed caller identities and fraudulent account creation attempts, with senior citizens, small businesses, informal sector participants and first-time digital banking users among the most vulnerable groups. These developments reinforced the need for continued investment in coordinat

STRENGTHENING INDUSTRY COLLABORATION

Recognising that financial crime cannot be addressed by individual institutions alone, the Committee continued strengthening collaboration across the financial sector by bringing together financial institutions, the Bank, the Bankers Association of Namibia, law enforcement agencies and other national stakeholders to coordinate industry responses to emerging threats.

These collaborative efforts were further supported through national structures such as the Cyber Security Council, which strengthened sector-wide coordination by facilitating information sharing, analysing emerging fraud trends and supporting coordinated cybersecurity awareness initiatives. During the festive period, joint consumer awareness campaigns encouraged safer digital banking practices while helping consumers identify and respond to evolving fraud risks.

The reporting year also demonstrated the importance of collaboration beyond the banking sector. The Financial Intelligence Centre (FIC) strengthened national resilience through the freezing of N$96.9 million in suspected illicit proceeds during the 2024/2025 reporting period and by supporting 148 financial crime investigations, reinforcing the broader national response to illicit financial activity.

STRENGTHENING INSTITUTIONAL RESILIENCE

Alongside enhanced collaboration, financial institutions continued investing in stronger operational controls and cybersecurity capability. Institutions strengthened fraud monitoring systems, enhanced transaction surveillance and implemented regulatory requirements introduced through the Determination on Operational and Cybersecurity Standards within the NPS (PSD-12) issued by the Bank, including mandatory two-factor authentication for digital payment services.

The continued development of the Consumer Connect platform is expected to further strengthen industry resilience by improving fraud reporting, enhancing complaints management and supporting more coordinated responses to emerging fraud trends across the financial sector.

PROMOTING CONSUMER AWARENESS

Technology alone cannot eliminate financial crime. Building a resilient NPS also depends on strengthening consumer awareness and equipping users with the knowledge to recognise, prevent and respond to emerging cyber threats.

Throughout the reporting year, financial institutions continued investing in nationwide consumer awareness initiatives through regular cybersecurity campaigns delivered across digital and social media platforms. These initiatives sought to improve public understanding of common fraud schemes, encourage safer digital banking practices and strengthen consumer confidence in the use of electronic payment services.

CONCLUSION

The evolving nature of financial crime continues to reinforce the importance of collective action across Namibia's payments ecosystem. Through strengthened collaboration, improved information sharing, enhanced cybersecurity governance and sustained investment in consumer awareness, the FIFSC continued strengthening the resilience of the NPS against increasingly sophisticated threats.

As digital payments continue to evolve, the Committee remains committed to working collaboratively with regulators, financial institutions and national stakeholders to strengthen cyber resilience, support effective fraud prevention and maintain the trust upon which a safe, secure and inclusive NPS depends.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance
- Strengthened industry governance through enhanced cybersecurity and fraud risk management.
- Supported implementation of PSD 12 and strengthened information security requirements.

Collaboration
- Coordinated industry-wide responses involving financial institutions, the Bank, the Bankers Association of Namibia, the Financial Intelligence Centre and law enforcement agencies.
- Strengthened information sharing and collective action against emerging financial crime.

Consumer-Centric Innovation
- Promoted safer digital payment adoption through coordinated consumer awareness initiatives.
- Supported the development of technology-enabled fraud reporting and consumer protection mechanisms.

e-MONEY FORUM

ADVANCING INTEROPERABILITY FOR A MORE INCLUSIVE DIGITAL PAYMENTS ECOSYSTEM

These engagements demonstrate the importance of collaboration beyond the financial sector in building a digital payments ecosystem that is not only innovative, but also secure, resilient and trusted."

AARON MUYAMBA
Electronic Money *Forum Chairperson*

The e-Money Forum is an industry forum established by the PAN to promote collaboration among e-money issuers, payment service providers, clearing houses, and other stakeholders involved in e-money payments. The e-Money Forum supports the development and maintenance of industry rules, standards, and procedures that enable secure, efficient, and interoperable e-money payments.

ADVANCING INTEROPERABILITY FOR A MORE INCLUSIVE DIGITAL PAYMENTS ECOSYSTEM

Message from the Chairperson

The e-Money Forum continued to play a leading role in shaping the future of Namibia's digital payments ecosystem during 2025. As e-Money solutions become increasingly central to financial inclusion, digital commerce and consumer choice, the e-Money Forum remains focused on strengthening collaboration across industry participants while supporting the development of interoperable, secure and innovative payment solutions.

The reporting year marked significant progress towards a more integrated electronic payments landscape. Through close collaboration between the Bank, PAN, financial institutions, mobile network operators, fintechs and payment system operators, the e-Money Forum advanced key initiatives that establish the governance, standards and collaborative frameworks required to support the next generation of digital payments within the NPS.

These achievements reflect the growing maturity of Namibia's e-Money ecosystem and demonstrate the value of industry collaboration in building payment solutions that are accessible, interoperable and trusted by consumers.

BUILDING THE FOUNDATIONS FOR INSTANT PAYMENTS

The e-Money Forum also continued supporting the establishment of the IPP and the IPN as an important institutional priority. Working collaboratively with the Bank, PAN and industry participants, the e-Money Forum progressed the development of scheme rules, dispute management frameworks and industry readiness activities required to support real-time payments. While implementation timelines were adjusted during the reporting year, sustained collaboration across the industry ensured continued progress towards establishing a secure, interoperable and resilient instant payments environment.

These initiatives represent more than infrastructure development. They establish the governance and operating frameworks necessary to support faster payment services while creating new opportunities for innovation, competition and improved consumer experiences across the NPS.

STRENGTHENING GOVERNANCE FOR A GROWING ECOSYSTEM

As Namibia's e-Money landscape continues to evolve, effective governance remains essential to balancing innovation with regulatory oversight. During the reporting year, the e-Money Forum undertook a review of its Rules and Terms of Reference (ToR) to ensure that its governance arrangements remain aligned with the changing needs of the industry and the expanding role of e-Money within the NPS.

These refinements strengthen the e-Money Forum's ability to coordinate industry initiatives, clarify participant responsibilities and support effective decision-making while reinforcing a collaborative approach to payments innovation.

SUPPORTING A SAFER DIGITAL PAYMENTS ENVIRONMENT

The e-Money Forum also continued engaging with broader industry stakeholders to address operational challenges affecting fraud prevention and consumer protection within the e-Money ecosystem.

A key area of engagement centred on SIM card registration and access to customer information required to support timely fraud investigations. Recognising the importance of coordinated action, the Bank committed to engaging Mobile Network Operators and the Communications Regulatory Authority of Namibia (CRAN) at executive level to explore practical solutions that strengthen fraud prevention while maintaining appropriate regulatory safeguards.

These engagements demonstrate the importance of collaboration beyond the financial sector in building a digital payments ecosystem that is not only innovative, but also secure, resilient and trusted.

CONCLUSION

The progress achieved during 2025 reflects the continued evolution of Namibia's e-Money ecosystem from individual digital payment solutions towards a more interoperable, collaborative and consumer-focused payments environment. Through the development of common standards, advancement of instant payments, strengthened governance and continued industry collaboration, the e-Money Forum contributed meaningfully to the modernisation of the NPS.

As implementation of these initiatives continues, the e-Money Forum remains committed to working collaboratively with regulators and industry stakeholders to advance financial inclusion, strengthen interoperability and support the delivery of secure, innovative and accessible digital payment services for all Namibians.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance
- Strengthened cooperation between regulators, financial institutions, mobile network operators, fintechs and payment system participants.
- Advanced collaborative governance for the implementation of industry-wide digital payment initiatives.

Collaboration
- Finalised the NamQR Standard to support interoperable QR payments.
- Progressed the Instant Payment Programme and industry readiness for real-time payments.
- Established governance foundations for Instant Payment Namibia.

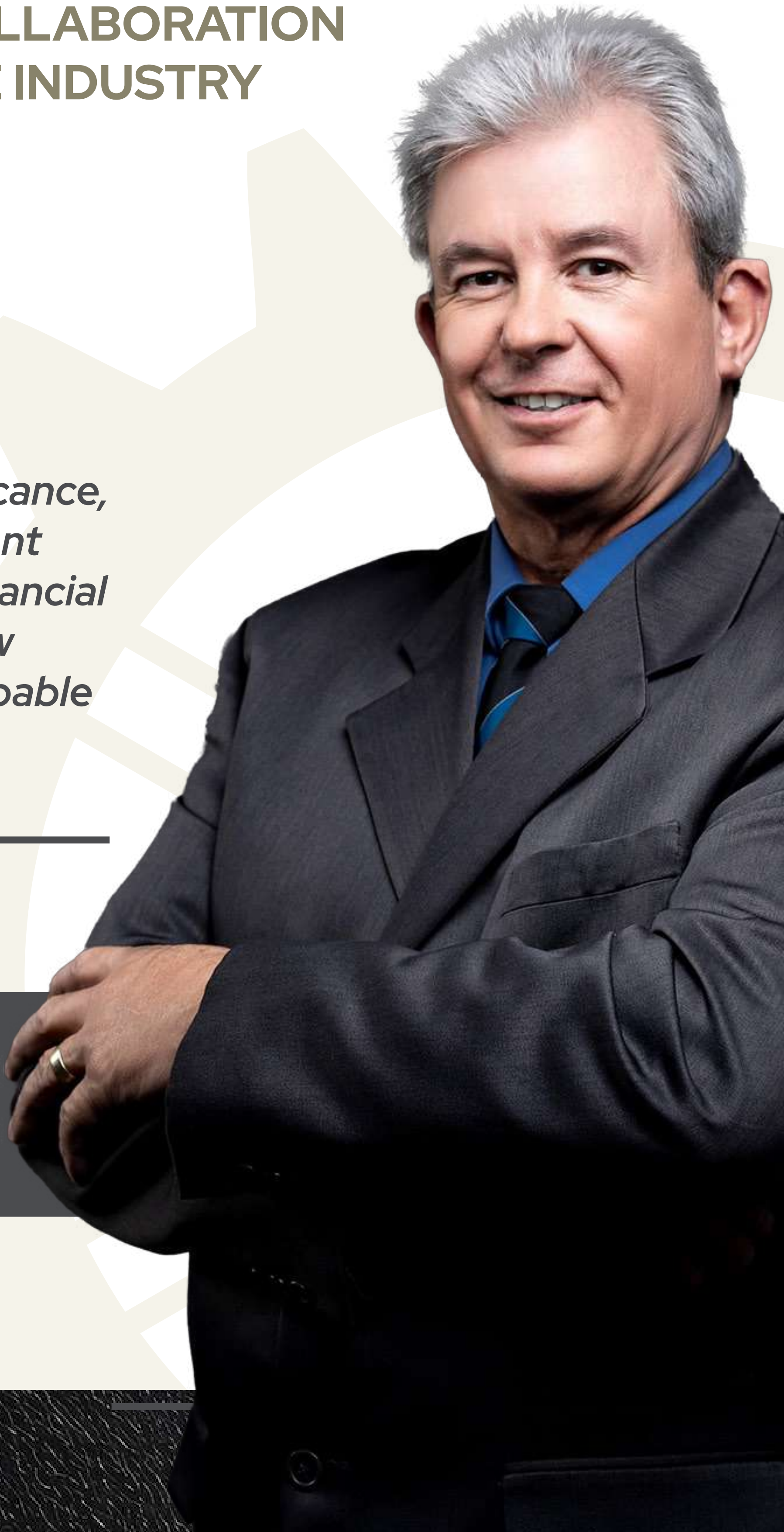
Consumer-Centric Innovation
- Reviewed the Forum's Rules and ToR to strengthen governance and institutional effectiveness.
- Supported the development of scheme rules and dispute management frameworks for the future instant payments ecosystem.

Human Resource Capacity Development
- Facilitated industry knowledge sharing, technical collaboration and readiness activities supporting payments modernisation.

PAN STAKEHOLDER FORUM (PSF)

STRENGTHENING COLLABORATION THROUGH INCLUSIVE INDUSTRY LEADERSHIP

Beyond its technical significance, OBS represents an important step towards expanding financial inclusion while enabling new digital financial services capable of responding to changing consumer expectations.



HERMAN KRUGER
PAN Stakeholder Forum
Chairperson

The PAN Stakeholder Forum (PSF) is a dynamic industry-wide roundtable that brings together key participants across the retail and consumer payments ecosystem—from commercial banks and non-bank providers to merchant associations, schemes, and regulators. The PSF serves as a strategic advisory and consultative body to shape national payment policy, promote financial inclusion, and drive the evolution of a highly competitive, future-ready payments system in Namibia.

Message from the Chairperson

The PAN Stakeholder Forum (PSF) continued to strengthen its role as the principal platform for inclusive stakeholder engagement within Namibia's NPS during 2025. As the payments ecosystem became increasingly diverse, digital and interconnected, the PSF remained committed to ensuring that the perspectives of financial institutions, non-bank payment service providers, fintechs, industry associations and other market participants continue to inform the development of a safe, innovative and inclusive NPS.

Throughout the reporting year, the PSF facilitated constructive engagement between regulators, industry participants and strategic partners on initiatives that will shape the future of Namibia's payments landscape. These engagements reinforced the importance of collaborative governance in balancing innovation, regulatory oversight and the evolving needs of payment system participants while supporting the broader objectives of the NPS Strategy 2021–2025.

The continued evolution of the PSF reflects a growing recognition that sustainable payments modernisation depends not only on technological advancement, but also on inclusive governance structures and frameworks that enable meaningful participation across the entire payments ecosystem.

ADVANCING OPEN BANKING

During the reporting year, the PSF contributed to the development of Namibia's OBS, culminating in their successful finalisation. Developed through extensive collaboration between regulators and industry participants, the OBS establishes the foundations for a more interoperable and competitive financial services environment by supporting secure data sharing, innovation and broader consumer choice. Beyond its technical significance, OBS represents an important step towards expanding financial inclusion while enabling new digital financial services capable of responding to changing consumer expectations. The PSF remains committed to supporting the next phase to operationalise the OBS during the 2026 – 2030 strategic period.

SUPPORTING INCLUSIVE PAYMENTS INNOVATION

The PSF also continued playing an active role in the IPP by advocating for broader participation across the payments value chain and reinforcing the importance of inclusive payment models.

Throughout the reporting year, discussions highlighted the increasingly important role of non-bank participants within Namibia's evolving payments ecosystem and the need for governance arrangements that enable meaningful participation alongside traditional financial institutions. These engagements supported the continued development of a more competitive, interoperable and innovation-driven NPS capable of delivering greater value to consumers and businesses alike.

STRENGTHENING STAKEHOLDER REPRESENTATION

A defining achievement during 2025 was the establishment of the PMB, representing a significant evolution in the governance of PAN.

The revised governance model introduced a more representative and inclusive Board structure, providing the PSF with formal representation through three Board members while incorporating industry associations into the governance framework. These reforms strengthen the legitimacy of institutional decision-making by ensuring that a broader range of stakeholder perspectives contributes to the strategic direction of the NPS.

This transition reflects PAN's continued commitment to collaborative governance and reinforces the principle that long-term confidence in the NPS is strengthened through meaningful stakeholder participation and shared accountability.

> *These initiatives represent more than infrastructure development. They establish the governance and operating frameworks necessary to support faster payment services while creating new opportunities for innovation, competition and improved consumer experiences across the NPS."*

SHAPING THE FUTURE OF THE NPS

The PSF also contributed to strategic engagements with the Bank that informed the review of the NPS Strategy 2021–2025 and supported the development of the NPS Strategy 2026–2030.

These engagements provided an important opportunity for industry participants to contribute practical insights on emerging technologies, market developments and future priorities while ensuring that the next strategic cycle reflects the evolving needs of Namibia's payments ecosystem.

By facilitating constructive dialogue between regulators and industry stakeholders, the PSF continued strengthening the collaborative foundations upon which the NPS has evolved over the past two decades.

CONCLUSION

The progress achieved during 2025 reinforces the importance of inclusive stakeholder engagement as a cornerstone of a resilient and future-ready NPS. Through its contributions to Opening Banking, instant payments, governance reform and strategic industry dialogue, the PSF continued strengthening collaboration across the payments ecosystem while ensuring that diverse stakeholder perspectives remain central to the continued evolution of Namibia's payments landscape.

As implementation of the NPS Strategy 2026–2030 begins, the PSF remains committed to fostering collaboration, supporting innovation and strengthening the partnerships required to build a more inclusive, interoperable and trusted payments ecosystem for all Namibians.

NPS STRATEGY 2021–2025 DELIVERY

Funding and Governance

- Strengthened structured engagement between regulators, financial institutions, non-bank payment service providers and industry associations.
- Facilitated collaborative industry input into strategic National Payment System initiatives.

Collaboration

- Supported the establishment of the PMB and strengthened stakeholder representation within PAN's governance framework.
- Contributed to the continued evolution of governance arrangements supporting the National Payment System.

Consumer-Centric Innovation

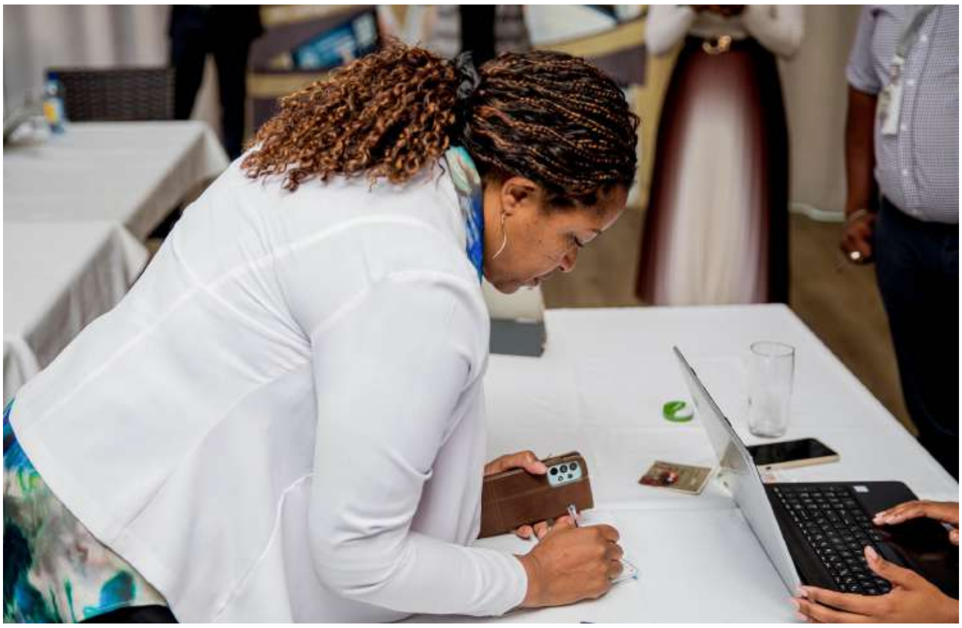
- Supported the finalisation of the Open Banking Specifications.
- Advanced industry participation in the Instant Payment Programme and future interoperable payment solutions.

Human Resource Capacity Development

- Strengthened industry capability through collaborative knowledge sharing, stakeholder engagement and strategic dialogue.

GALLERY


PAN

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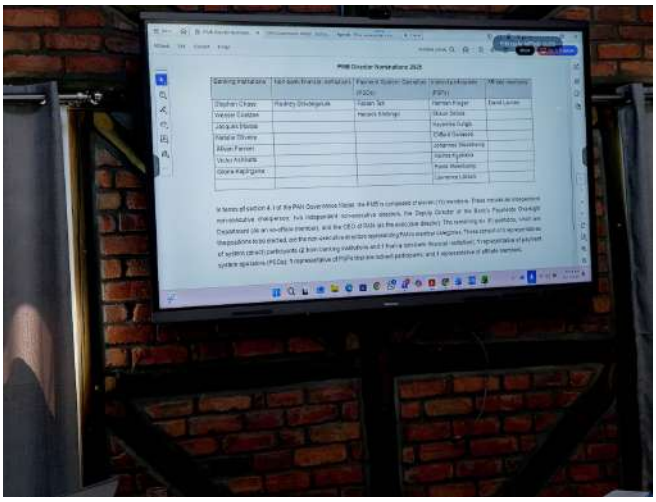

GLOSSARY

API	**Application Programming Interface** A set of rules that allows different software systems to communicate and share data with each other.
ATM	**Automated Teller Machine** An electronic banking machine that enables customers to withdraw cash, make deposits, and perform other banking services.
BoN	**Bank of Namibia** Namibia's central bank, responsible for regulating the financial system and overseeing the National Payments System.
BRD	**Business Requirement Document** A document that outlines business needs, objectives, and functional requirements for a system or project.
CRAN	**Communications Regulatory Authority of Namibia** The national regulatory authority in Namibia responsible for overseeing and regulating telecommunications, broadcasting and information sectors.
CNP	**Card Not Present** A card payment transaction where the physical card is not used, such as online or telephone payments.
CBPR+	**Cross-Border Payments and Reporting Plus** An initiative aimed at facilitating the global adoption of ISO 20022 standards for cross-border payments and reporting.
EEFT	**Enhanced Electronic Funds Transfer** An enhanced electronic payment service designed to improve the efficiency, functionality, and user experience of EFT transactions.
EFT	**Electronic Funds Transfer** The electronic movement of money from one bank account to another.
e-Money	**Electronic Money** Digitally stored monetary value used to make electronic payments, often via mobile wallets or prepaid accounts.
EnDO	**Enhanced Debit Order** An upgraded debit order system that allows better tracking, control, and dispute management for recurring payments.
FIFSC	**Financial Institutions Fraud & Security Committee** A committee focused on fraud prevention, security standards, and risk management within financial institutions.
FinTech	**Financial Technology** Technology-driven innovations that enhance or automate financial services such as payments, lending, and savings.
IMF	**Incident Management Forum** A forum for coordinating responses and communication during payment system or financial service incidents.

IS	**Immediate Settlement** A payment process where transactions are settled instantly between financial institutions.
ISO	**International Organization for Standardization** An international body that develops global standards to ensure quality, safety, and efficiency across industries.
NAMQR	**Namibia Quick Response Code Standard** Namibia's national QR Code payment standard and registered trademark, developed by the National Payment System stakeholders.
NaSIA	**Namibia Savings and Investment Association** An industry body representing savings and investment institutions in Namibia.
NPS	**National Payment System** The collective arrangements, systems, and institutions that enable payments to be made within the country.
NRTC	**Near-Real-Time Credit Transfers** Electronic credit transfer payments that are processed and made available to the beneficiary within a short period but not necessarily settled instantly.
PAN	**Payments Association of Namibia** An industry body that coordinates and governs payment systems and participants within Namibia.
PCI DSS	**Payment Card Industry Data Security Standards** A global information security standard designed to protect cardholder data and secure payment card transactions.
PMC	**PAN Management Council** The governing council responsible for oversight and strategic direction of the Payments Association of Namibia.
PMB	**PAN Management Board** The governing board responsible for oversight and strategic direction of the Payments Association of Namibia.
POS	**Point-of-Sale** A device or system used to process card or electronic payments at the point of purchase.
PSD-4	**Payment System Determination on Card Conduct** A regulatory determination governing card payment conduct within Namibia's National Payments System.
PSD-7	**Payment System Determination on Efficiency** A regulatory determination aimed at improving efficiency within the National Payments System.
PSDIR-8	**Determination on the Imposition of Administrative Penalties in the National Payment System** Issuance of the Directive on Straight-Through-Processing within the Namibia Inter-Bank Settlement System
PSDIR-10	**Determination on Standards for Fees and Charges for Payment System Services within the National Payment System** Issuance of the Directive on the Regularisation of Cross-Border Low-Value Electronic Funds Transfers ("EFT") within the Common Monetary Area ("CMA").

PSD-11	**Payment System Determination on Interchange Rates and Off-Us ATM Withdrawal Fees.** A regulatory determination governing interchange rates and off-us ATM withdrawal fees within the National Payment System.
PSD-12	**Determination of the Operational and Cybersecurity Standards within the National Payment System.** Sets out cyber security and operational resilience requirements for entities operating within the National Payment System.
PSF	**PAN Stakeholder Forum** – A platform for engagement and discussion among National Payment System stakeholders.
PSP	**Payment Service Provider** A person, including a banking institution, licensed under the PSM Act to provide payment services (such as processing, issuing, or switching of payments) as specified under the Schedule to the Act.
QR	**Quick Response** A scannable code that allows users to make electronic payments quickly using mobile devices.
RCSO	**Regional Clearing System Operator** An operator responsible for clearing payment transactions across multiple countries or regions.
SADC	**Southern African Development Community** A regional organisation promoting economic integration and cooperation among Southern African states.
SADC-RTGS	**SADC Real-Time Gross Settlement System** A regional payment system that enables real-time settlement of high-value payments between SADC member countries.
STP	**Straight Through Processing** Automated payment processing with minimal manual intervention.
SWIFT	**Society for Worldwide Interbank Financial Telecommunication** – A global network used by financial institutions to securely exchange payment and messaging instructions.
TCIB	**Transactions Cleared on an Immediate Basis** A regional payment scheme designed to facilitate instant, low-value cross-border payments across SADC countries.
ToR	**Terms of Reference** A document that defines the purpose, scope, roles, and responsibilities of a project or committee.
IPS	**Instant Payment Solution** A payment service that enables real-time transfer of funds.
IPP	**Instant Payment Programme** Programme focused on developing or implementing instant payment capability.
IPN	**Instant Payments Namibia** The Payment System Operator (PSO) responsible for the governance, management and operation of the Instant Payment Switch (IPS).

20 YEARS OF EVOLUTION

BUILDING TRUST IN NAMIBIA'S NATIONAL PAYMENT SYSTEM

20TH ANNIVERSARY

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PAN

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