

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June

2025

*Building a globally competitive Namibia,
providing access to opportunities.*



FirstRand

NAMIBIA

THE 2025 REPORTING SUITE

The reporting suite caters to the needs of our diverse stakeholders. The suite provides a concise and holistic view of FirstRand Namibia's value creation process and outcomes. It covers the financial year from 1 July 2024 to 30 June 2025 (2025 or the year).

The reporting suite is available at www.firstrandnamibia.com.na.

Integrated Annual Report

This is our primary report to stakeholders. It presents key aspects of our business and how we deliver sustainable growth and value.

The report shows how FirstRand Namibia incorporates the principles of integrated thinking into its business and reporting. The financial and operational reviews highlight the interconnectedness of the group's strategic objectives, governance and performance, considering the economic, social and environmental context in which it operates.

The report considers the following frameworks and standards:

- Integrated Reporting Framework
- Namibia Code of Governance Principles for Namibia, 2014 (NamCode)
- Banking Institutions Act, No 13 of 2023, as amended (Banking Act)
- Namibian Companies Act, No 28 of 2004 (Companies Act)
- Namibia Securities Exchange (NSX) Listing Requirements

Financial Information

Annual financial statements

These are the full audited annual financial statements of the FirstRand Namibia group and company. They are compiled in accordance with:

- International Financial Reporting Standards (IFRS® accounting standards)
- Banking Act
- Companies Act
- NSX Listing Requirements

Interim financial results

These provide concise overviews of our financial performance and are targeted at providers of financial capital.

CONTENTS

●	DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL	2
●	INDEPENDENT AUDITOR'S REPORT	3
●	DIRECTORS' REPORT	7
●	ACCOUNTING POLICIES	9
	CONSOLIDATED ANNUAL FINANCIAL STATEMENTS	37
	Consolidated statement of comprehensive income	38
	Consolidated statement of financial position	39
●	Consolidated statement of changes in equity	40
	Consolidated statement of cash flows	41
	Notes to the consolidated annual financial statements	42
	Capital management	105
	FIRSTRAND NAMIBIA LIMITED COMPANY ANNUAL FINANCIAL STATEMENTS	107
	Company statement of comprehensive income	108
●	Company statement of financial position	109
	Company statement of changes in equity	110
	Company statement of cash flows	111
	Notes to the company annual financial statements	112
	SHAREHOLDER INFORMATION	117
	Stock exchange performance	118
	Closing share price – Ordinary	118
	Shareholder diary	118
●	Simplified group structure	119
	Analysis of ordinary shareholders	120
	Corporate information	121
	Notice of annual general meeting	122
	Form of proxy	125

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

To the shareholders of FirstRand Namibia Limited

The directors of FirstRand Namibia Limited are responsible for the preparation of the consolidated and separate annual financial statements comprising the consolidated and separate statements of financial position, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows and the notes to the consolidated and separate annual financial statements, as at and for the year ended 30 June 2025. These annual financial statements have been prepared in accordance with IFRS accounting standards, including interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Namibia Securities Exchange (NSX) Listing Requirements, Banking Institutions Act and the requirements of the Companies Act of Namibia.

In discharging this responsibility, the directors rely on management to prepare the consolidated and separate annual financial statements and for keeping adequate accounting records in accordance with the group's system of internal control. Lizette Smit, CA (SA)(NAM) (Group Chief Financial Officer), supervised the preparation of the annual financial statements for the year.

In preparing the consolidated and separate annual financial statements, suitable accounting policies have been applied and reasonable estimates have been made by management. The consolidated and separate annual financial statements incorporate full and responsible disclosure in line with the group philosophy on corporate governance and as required by the Namibian Securities Exchange. The group has complied in all material respects with the requirements set out in BID2 with regards to asset classification, suspension of interest and provisioning. The group's policies with this regard are stated in the notes on accounting policies, disclosed on pages 9 to 36.

The directors are responsible for the group's internal controls and systems. These internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements of the group and to adequately safeguard, verify and maintain accountability of the group's assets. To enable the directors to meet these responsibilities, the directors set the standards for internal control, policies and procedures, implemented by trained and skilled management, to reduce the risk of error or loss in a cost effective manner. The standards include the appropriate delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. Effective risk management requires various points of control. The directors and management are the risk owners, assisted by risk management and internal audit. The directors ensure internal control and systems of the group are continuously monitored through the risk committee structures and provide independent oversight and monitoring of controls through the risk, capital and compliance committee, who oversee the group's risk governance structures and processes.

Internal audit provides independent assurance on the adequacy and effectiveness of controls and reports to the Audit Committee. The board has adopted and is committed to the principles in the NamCode report on Corporate Governance.

Based on the information and explanations given by management and the internal auditors, nothing has come to the attention of the directors to indicate that the internal controls are inadequate and that the financial records may not be relied on in preparing the consolidated and separate annual financial statements in accordance with IFRS accounting standards and the Companies Act of Namibia and maintaining accountability for the group's assets and liabilities. Nothing has come to the attention of the directors to indicate any breakdown in the functioning of internal controls, resulting in a material loss to the group, during the year and up to the date of this report. Based on the effective internal controls implemented by management, the directors are satisfied that the consolidated and separate annual financial statements fairly present the state of affairs of the group and company at the end of financial year and the net income and cash flows for the year.

The directors have reviewed the group and company's budgets and flow of funds forecasts and considered the group and company's ability to continue as a going concern in the light of current and anticipated economic conditions. On the basis of this review, and in light of the current financial position and profitable trading history, the directors are satisfied that the group and company have adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the consolidated and separate annual financial statements.

The group's external auditors, Ernst & Young Namibia, have audited the consolidated and separate annual financial statements and their report appears on page 3 to 6.

Approval of financial statements

The consolidated annual financial statements of the group, which appear on pages 7 to 106 and the separate annual financial statements of the company, which appear on pages 108 to 116 were approved by the board of directors on 21 August 2025 and signed on its behalf by:

ON Shikongo
Chairperson

Windhoek
21 August 2025

C Dempsey
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of FirstRand Namibia Limited

Opinion

We have audited the consolidated and separate annual financial statements of FirstRand Namibia Limited and its subsidiaries ("the group") set out on pages 7 to 106 and 108 to 116, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of material accounting policy information and the directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of Namibia.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
<p>Significant macroeconomic uncertainty persists in the environment in which the Group operates.</p> <p>Consequently, management has continued to exercise judgement to ensure that the final Expected Credit Loss (ECL) is aligned to the requirements of International Financial Reporting Standard 9 – Financial Instruments (IFRS 9) and industry developments. This judgement includes the setting of macroeconomic scenarios and associated probabilities, as well as the forecasting of macroeconomic variables under the set scenarios.</p> <p>Impairment of advances is a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none"> Advances are material to the consolidated financial statements. The level of subjective judgement applied in determining the ECL on advances. Event-driven uncertainty and its impact on the assessment of ECL. <p>The Group's advances fall into three broad customer segments for which significant audit or attention was required:</p> <ul style="list-style-type: none"> Retail, Commercial and Corporate <p>The credit impairment models, which outline the Group's macroeconomic forecasting principles are subject to formal model governance and approval.</p>	<p>Our audit of expected credit losses (ECL) of advances included the following procedures to address the key areas of significant judgement and estimation uncertainty in determining the ECL.</p> <p>We performed these procedures with the assistance of our economic, credit and actuarial specialists:</p> <ul style="list-style-type: none"> Across all significant portfolios, assessed the advances impairment policies and practices applied by inspecting the Group's policies and comparing it against the requirements of IFRS 9. Assessed the Group's probability-weighted macroeconomic scenario estimates and evaluated the methodology, scenario views and associated probabilities against the principles of IFRS 9. Assessed the forecasts for appropriateness against the Group's macroeconomic forecasting principles by reviewing the approval of these macroeconomic variables by the appropriate governance structures through discussions with management, inspecting documentation and comparing to our own and benchmarked economic forecasts and independent market data, as well as attendance at the governance forums.

Independent auditor's report *continued*

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Retail and commercial advances	Retail and commercial advances
<p>Retail and commercial advances are higher in volume and lower in value and, therefore, a significant portion of credit impairments are calculated on a portfolio basis. This requires the use of statistical models incorporating data and assumptions which are not always observable.</p> <p>The areas of significant judgement and estimation uncertainty relating to the retail and commercial advances customer segment include:</p>	<p>We performed the following procedures on the ECL for all material retail and commercial advances portfolios with the assistance of our economic, credit and actuarial experts:</p>
Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement	Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement
<ul style="list-style-type: none"> Inputs, assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). 	<ul style="list-style-type: none"> Obtained an understanding of the inputs, methodologies and assumptions used by management in the various ECL model components (PD, EAD, LGD) through inspection and inquiry, and assessed these against the requirements of IFRS 9. Assessed the accurate implementation of the documented methodologies as well as the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, EADs, PDs, LGDs and valuation of collateral in the current economic climate against recent actual experience and the modelled outcomes per our own independent model. Assessed the appropriateness of the component inputs used by management by independently recalculating the ECL applying our own independent assessment and comparing our independent results to management's results.
Evaluation of SICR	Evaluation of SICR
<p>Evaluating whether there has been a Significant Increase in Credit Risk (SICR) event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).</p>	<p>Evaluated the appropriateness of the SICR triggers adopted by management and tested whether this was correctly and consistently applied in the models by performing an independent SICR efficacy assessment to confirm the appropriateness of the implemented PD thresholds and that the required SICR has been recognised.</p>
Incorporation of macro-economic inputs and FLI into the ECL measurement	Incorporation of macro-economic inputs and FLI into the ECL measurement
<ul style="list-style-type: none"> The incorporation of probability-weighted forward-looking information (FLI) and consideration of the appropriate macroeconomic inputs into the ECL calculations. 	<ul style="list-style-type: none"> Assessed the application of forward-looking information (FLI) in the ECL calculation by building our own independent model which incorporated the probability-weighted FLI information and included a selection of relevant independently sourced macro-economic variables such as Gross Domestic Product (GDP), Consumer Price Index (CPI), and the central bank rates; and assessed whether these variables were appropriate indicators of future losses by benchmarking these against external evidence and stress testing the assumptions used. Performed an independent FLI assessment at an industry level to evaluate whether the recent experience and economic outlook per industry were appropriately incorporated. Assessed the Group's probability-weighted macroeconomic scenario reports and compared the outlined methodology, scenario views and associated probabilities against the principles of IFRS 9.
Assessment of post model adjustments	Assessment of post model adjustments
<ul style="list-style-type: none"> Assessing the appropriateness and impact of the macroeconomic uncertainty assumptions on the forward-looking econometric information not incorporated into the respective models but rather in post model adjustments. Assessing the completeness of the post model adjustments. 	<ul style="list-style-type: none"> Performed industry analysis and assessed individual counterparties using publicly available information to evaluate the appropriateness of the macroeconomic assumptions applied in the post-model adjustments raised and released. Assessed the inherent limitations of the ECL models within the banking portfolios, including the limitation of past performance, emerging industry risks which are not yet present in the current data, macroeconomic forecast challenges and sectoral stresses, by benchmarking against our own economic forecasts and building our own independent model which incorporates our own point estimates and inputs. Assessed the completeness of the post model adjustments against our own research and publicly available information including country, sector, Group and portfolio specific risk factors.

Independent auditor's report *continued*

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
<p>Assessment of ECL raised for Stage 3 exposures</p> <ul style="list-style-type: none"> Assumptions used to estimate the realisable values and timing of future cash flows of individual exposures, which have been classified as non-performing. The revisions made to BID-2 determination has defined the write off points. <p>The related disclosures in the consolidated financial statements are included in:</p> <ul style="list-style-type: none"> Critical accounting estimates, assumptions and judgements: Impairment of financial assets (Accounting policies section 9.4); Note 15 – Advances; Note 16 – Impairment on advances; Note 37 – Risk management; and Accounting policies: Financial Instruments (section 4). 	<p>Assessment of ECL raised for Stage 3 exposures</p> <ul style="list-style-type: none"> Assessed the Stage 3 LGD, EAD and PD assumptions used by management by inspecting the methodology used for providing for non-performing loans and comparing these against the requirements of IFRS 9. We assessed management's appropriateness of the applied write off points in compliance with the revised BID-2 determination.
<p>Corporate advances</p> <p>Corporate advances are dealt with on a case-to-case basis unlike retail and commercial advances. This also requires the use of statistical models incorporating data and assumptions which are not always observable.</p> <p>The areas of significant judgement and estimation uncertainty relating to the corporate advances customer segment include:</p>	<p>Corporate advances</p> <p>We performed the following procedures on the ECL for all material corporate advances portfolio with the assistance of our economic, credit and actuarial experts:</p>
<p>Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p> <ul style="list-style-type: none"> Inputs, assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). 	<p>Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p> <ul style="list-style-type: none"> Obtained an understanding of the inputs, methodologies and assumptions used by management in the various ECL model components (PD, EAD, LGD) through inspection and inquiry and assessed these against the requirements of IFRS 9. Assessed the accurate implementation of the documented methodologies as well as the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, EADs, PDs, LGDs and valuation of collateral in the current economic climate against recent actual experience and the modelled outcomes per our own independent model. Assessed the appropriateness of the component inputs used by management by independently recalculating the ECL applying our own independent assessment and comparing our independent results to management's results.
<p>Evaluation of SICR</p> <ul style="list-style-type: none"> Evaluating whether there has been a SICR event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2). 	<p>Evaluation of SICR</p> <ul style="list-style-type: none"> Selected a sample of performing advances and assessed if the application of the SICR trigger was reasonable by forming an independent view based on publicly available information and management's periodic credit reviews.
<p>Incorporation of macro-economic inputs and FLI into the ECL measurement</p> <ul style="list-style-type: none"> Assessing the appropriateness and impact of probability-weighted macroeconomic uncertainty on the forward-looking econometric information incorporated into the respective models. 	<p>Incorporation of macro-economic inputs and FLI into the ECL measurement</p> <ul style="list-style-type: none"> Assessed the application of forward-looking information (FLI) in the ECL calculation by building our own independent model which incorporated the probability-weighted FLI information and included a selection of relevant independently sourced macro-economic variables such as Gross Domestic Product (GDP), Consumer Price Index (CPI), and the central bank rates; and assessed whether these variables were appropriate indicators of future losses by benchmarking these against external evidence and stress testing the assumptions used. Performed an independent FLI assessment at an industry level to evaluate whether the recent experience and economic outlook per industry were appropriately incorporated. Assessed the Group's probability-weighted macroeconomic scenario reports and compared the outlined methodology, scenario views and associated probabilities against the principles of IFRS 9.

Independent auditor's report *continued*

Other Information

The directors are responsible for the other information. The other information comprises the Directors' responsibility statement and approval of the financial statements and Shareholder information which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

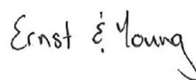
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young Namibia

Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Jaco Coetzee
Partner

Windhoek
Namibia

10 September 2025

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of FirstRand Namibia Limited for the year ended 30 June 2025.

1. Nature of business

FirstRand Namibia Limited is the holding company of the FirstRand Namibia group of companies. The group provides banking, insurance and investment products and services to retail, commercial, corporate and public sector customers through its portfolio of market leading franchises. FNB, the retail and commercial bank, RMB, the corporate and investment bank, FNB short term insurance, a short term insurance provider and Ashburton Investments, an investment management business. The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of FirstRand Namibia Limited for the year ended 30 June 2025.

Refer to page 119 for a simplified Group Structure.

There have been no material changes to the nature of the company's business from the prior year.

2. Financial results and activities

These annual financial statements have been prepared in accordance with IFRS® Accounting Standards, including interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the NSX Listing Requirements, Banking Institutions Act and the requirements of the Companies Act of Namibia.

The company and consolidated annual financial statements on pages 7 to 106 and 108 to 116 set out fully the financial position, results of operations and cash flows of the company and the group. Your attention is also drawn to the chairman's report (page 15), the chief executive officer's report (page 29) and the chief financial officer's report (page 54) in the separate annual integrated report.

3. Share capital

The company's authorised share capital remained unchanged at N\$5 million.

The company's authorised share capital at year end consists of 990 000 000 (2024: 990 000 000) ordinary shares of 0.5 cents each and 10 000 000 (2024: 10 000 000) cumulative convertible redeemable preference shares of 0.5 cents each.

The issued ordinary share capital remained unchanged at 267 593 250 ordinary shares and 2 cumulative convertible redeemable preference shares.

Details of FirstRand Namibia's authorised share capital as at 30 June 2025 are shown in note 30 in the group's financial statements.

Share analysis – ordinary shares

Based on information disclosed by the Namibian Stock Exchange and investigations conducted on behalf of the company, the following shareholders have a beneficial interest of 5% or more in the issued ordinary shares of the company:

FirstRand EMA Holdings Limited	58.4% (2024: 58.4%)
Government Institutions Pension Fund	15.7% (2024: 15.7%)

A detailed analysis of shareholders is set out on page 120.

Share analysis – preference shares

RMB SI Investments (Pty) Ltd	100% (2024: 100%)
------------------------------	-------------------

4. Dividends

The following dividends were declared in respect of the current and previous financial years:

Cents per share	2025	2024
Ordinary dividend		
Interim (declared February)	192.32	173.52
Final (declared August)	284.02	180.16
Total dividends	476.34	353.68

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation
ON Shikongo	Chairperson	Non-executive Independent
C Dempsey	Chief Executive Officer	Executive
LP Smit	Chief Financial Officer	Executive
J Coetzee	Other	Non-executive Independent
IN Nashandi	Other	Non-executive
LD Kapere	Other	Non-executive Independent
MJ Lubbe*	Other	Non-executive Independent
E van Zyl	Other	Non-executive Independent
SL Balsdon**	Other	Non-executive

* South African with Namibian permanent residence.

** South African and Irish.

Board changes

During the period under review and at the date of this report the following appointments to the board of directors also took place in respect of FirstRand Namibia Limited.

Directors	Nature of change	Effective date
SL Balsdon Non-Executive	Director appointment	15 July 2024
P Grüttemeyer Independent non-executive	Director and chairperson retirement	17 October 2024
ON Shikongo Independent non-executive	Chairperson appointment (previously deputy chairperson)	17 October 2024
R Makanjee Non-executive	Director resignation	31 December 2024

Directors' emoluments

Directors' emoluments are disclosed in note 7 to the annual consolidated financial statements.

Directors' report *continued*

6. Directors' interests in share

The following shares are held by the directors or individuals related to them in the year under review:

Interest in shares

Directors	Direct		Indirect	
	2025	2024	2025	2024
ON Shikongo	223 873	–	416 225	469 683
P Grüttemeyer	131 000	130 060	–	–
C Dempsey	51 031	51 031	–	–
LP Smit	7 000	7 000	–	–

The register of interests of directors and others in the shares of the company is available to the shareholder on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

8. Property and equipment

There was no change in the nature of the property and equipment or in the policy regarding their use.

9. Holding company

The holding company of FirstRand Namibia Limited is FirstRand EMA Holdings Limited and its ultimate holding company is FirstRand Limited, both of which are incorporated in the Republic of South Africa.

10. Subsidiaries

Interest in subsidiaries are set out in note 33 to the annual consolidated financial statements.

11. Events after the reporting period

Apart from the final dividend declared subsequent to 30 June 2025, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Company secretary and registered office

The company secretary is Mrs N Makemba.

Postal address: P O Box 195
Windhoek
Namibia

Registered address: 130 Independence Avenue
Windhoek

ACCOUNTING POLICIES

1. Introduction and basis of preparation

The group's consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), including IFRIC® Interpretation, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, NSX Listings Requirements, the Banking Institutions Act and requirements of the Companies Act of Namibia. FirstRand Namibia Limited is a limited company, domiciled and incorporated in Namibia.

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 30 June 2025; the income statements and statements of other comprehensive income; statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of significant accounting policies and other explanatory notes.

The consolidated and separate financial statements including accounting policies and other methods of computation applied in the preparation of the consolidated and separate financial statements are consistent with those applied for the year ended 30 June 2024.

The group prepares consolidated financial statements which include the assets, liabilities and results of the operations of FirstRand Namibia Limited, its subsidiaries and its share of earnings of associates. To compile the consolidated financial statements the following information is used:

- Audited information about the financial position and results of operations at 30 June each year for all subsidiaries in the group. For insignificant private equity subsidiaries that have a year-end that is less than three months different to that of the group, the latest audited financial statements are used.
- The most recent audited annual financial statements of associates. These are not always drawn up to the same date as the financial statements of the group. Where the reporting date is different from that of the group, the group uses the most recently available financial statements of the investee and reviews the investee's management accounts for material transactions during the intervening period. In instances where significant events occurred between the last reporting date of an investee and the reporting date of the group, the effect of such events is adjusted for.

The segmental analysis included in the segment report is based on the information reported to the chief operating decision maker for the respective segments under the current operating business management structures. The information is prepared in terms of IFRS accounting standards and certain adjustments are made to the segment results in order to eliminate the effect of non-taxable income and other segment-specific items that impact certain key ratios reviewed by the chief operating decision maker when assessing the operating segments' performance (chief operating decision maker is set out in note 38).

1.1 Application of the going concern principle

The directors reviewed the group's and company's budgets and flow of funds forecasts for the next three years and considered the group's and company's ability to continue as a going concern. Based on the projections of the impact on the group's capital, funding and liquidity requirements, all have remained within internal targets and above regulatory requirements.

Forecast growth in earnings and balance sheet risk weighted assets (RWA) is based on the group's macroeconomic outlook and is evaluated against available financial resources, considering the requirements of capital providers, regulators and rating agencies. The expected outcomes and constraints are then stress tested, and the group sets targets through different business cycles and scenarios. FNB Namibia further undergoes Internal Capital Adequacy Assessment Process (ICAAP) where stress testing under various adverse scenarios are performed to assess the impact on capital and liquidity.

On the basis of this review, and in light of the current financial position and profitable trading history, the directors are satisfied that the group has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the consolidated and separate annual financial statements.

Accounting policies *continued*

1. Introduction and basis of preparation *continued*

1.2 Presentation of financial statements, functional and foreign currency

Items included in these financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Presentation	<p>The group presents its statement of financial position in order of liquidity.</p> <p>Where permitted or required under IFRS Accounting Standards, the group offsets assets and liabilities or income and expenses and presents the net amount in the statement of financial position, the income statement or the statement of other comprehensive income.</p>
Materiality	<p>IFRS Accounting Standards is only applicable to material items. Applying the concept of materiality requires judgement, in particular, in relation to matters of presentation and disclosure. Management assesses the relevance of the information to user of the financial statement and considers both qualitative and quantitative factors in determining the materiality threshold for disclosure and presentation purposes.</p>
Functional and presentation currency of the group	Namibia dollar (N\$)
Level of rounding	<p>The group has a policy of rounding to the nearest thousand. Amounts less than N\$500 will therefore round down to N\$nil and are presented as a dash.</p>
Foreign currency transactions of the group	<p>Translated into the functional currency using the exchange rates prevailing at the date of the transactions.</p>
Translation and treatment of foreign denominated balances	<p>Translated at the relevant exchange rates, depending on whether it is a monetary item (in which case the closing spot rate is applied) or non-monetary items. For non-monetary items measured at cost the rate applied is the rate on transaction date. For non-monetary items measured at fair value the rate at the date the fair value is determined (reporting date) is applied.</p> <p>Foreign exchange gains or losses are recognised in profit or loss in fair value gains or losses.</p> <p>To the extent that foreign exchange gains or losses relate to financial assets held at fair value through other comprehensive income (FVOCI) the following applies:</p> <ul style="list-style-type: none"> • Equity instruments – recognised in other comprehensive income (OCI) as part of the fair value movement; and • Debt instruments – allocated between profit or loss (those that relate to changes in amortised cost) and OCI (those that relate to changes in the fair value).

1.3 Standards and interpretations issued but not yet effective

The following new and revised standards and interpretations are applicable to the business of the group. The group will comply with these from the stated effective date.

Standard	Impact assessment	Effective date
IAS 21	<p>Lack of exchangeability – Amendments to IAS 21</p> <p>The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.</p> <p>The group does not expect this amendment to have a significant impact on the annual financial statements.</p>	Annual periods commencing on or after 1 January 2025
IFRS 9 and IFRS 7	<p>Amendments to the Classification and Measurement of Financial Instruments</p> <p>The amendments clarify:</p> <ul style="list-style-type: none"> • that a financial liability is derecognised on the settlement date. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met; • how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features; • the treatment of non-recourse assets and contractually linked instruments; and • additional disclosure requirements for financial assets and liabilities with contractual terms that reference a contingent event. <p>The group does not expect this amendment to have a significant impact on the annual financial statements.</p>	Annual periods commencing on or after 1 January 2026

1. Introduction and basis of preparation *continued*

1.3 Standards and interpretations issued but not yet effective *continued*

Standard	Impact assessment	Effective date
IFRS 9 and IFRS 7	<p>Contracts referencing nature-dependent electricity – Amendments to IFRS 9 and IFRS 7</p> <p>The amendments include:</p> <ul style="list-style-type: none"> • Clarifying the application of the ‘own-use’ requirements. • Permitting hedge accounting if these contracts are used as hedging instruments. • Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. <p>The group does not expect this amendment to have a significant impact on the annual financial statements.</p>	Annual periods commencing on or after 1 January 2026
IFRS 18	<p>Presentation and Disclosure in Financial Statements</p> <p>IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.</p> <p>IFRS 18 aims to improve financial reporting by:</p> <ul style="list-style-type: none"> • Requiring additional defined subtotals in the statement of profit or loss; • Requiring disclosures about management-defined performance measures; and • Adding new principles for grouping (aggregation and disaggregation) of information. <p>The new standard is expected to impact group presentation of its statement of profit or loss.</p>	Annual periods commencing on or after 1 January 2027
IFRS 19	<p>Subsidiaries without Public Accountability: Disclosures</p> <p>IFRS 19 enables eligible entities to provide reduced disclosures compared to the requirements in other IFRS accounting standards. Entities that elect IFRS 19 are still required to apply recognition, measurement and presentation requirements of other IFRS accounting standards.</p> <p>The group does not expect this standard to have any impact on the annual financial statements.</p>	Annual periods commencing on or after 1 January 2027

New standards adopted in the current year

Amendments to IFRS 16 Leases, IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures became effective in the current year. None of these amendments to IFRS Accounting Standards impacted the group’s reported earnings, financial position or reserves, or the accounting policies.

Accounting policies *continued*

1. Introduction and basis of preparation *continued*

1.4 Summary of material accounting policies

The group adopts the following material accounting policies in preparing its financial statements.

Summary of material accounting policies			
2	Subsidiaries and associates	Consolidation and equity accounting (section 2.1)	Related party transactions (section 2.2)
3	Income, expenses and taxation	Income and expenses (section 3.1)	Taxation (section 3.2)
4	Financial instruments	Classification and measurement (section 4.1)	Impairment (section 4.2)
		Offset and collateral (section 4.4)	Derivatives and hedge accounting (section 4.5)
5	Other assets and liabilities	Property and equipment (section 5.1)	Intangible assets (section 5.1)
		Leases (section 5.2)	Provisions (section 5.3)
6	Capital and reserves	Share capital and treasury shares (section 6)	Dividends (section 6)
7	Transactions with employees	Employee liabilities (section 7.1)	Share-based payment transactions (section 7.2)
8	Non-banking activities	Insurance activities (section 8.1)	Investment management activities (section 8.2)
9	Significant accounting estimates, assumptions and judgements	Introduction (section 9.1)	Subsidiaries and associates (section 9.2)
		Taxation (section 9.3)	Impairment of financial assets (section 9.4)
		Transactions with employees (section 9.6)	Insurance activities (section 9.7)
			Transfers, modifications and derecognition (section 4.3)
			Properties in possession (section 5.1)
			Other reserves (section 6)
			Provisions (section 9.5)

2. Subsidiaries and associates

2.1 Basis of consolidation and equity accounting

	Subsidiaries and other structured entities	Associates
Typical shareholding in the assessment of entities that are not structured entities	Greater than 50%	Between 20% and 50%
Nature of the relationship between the group and the investee	Entities over which the group has control, as defined in IFRS 10, are consolidated. These include certain investment funds managed by the group, securitisation structures or other entities used for the purpose of buying or selling credit protection.	Entities over which the group has significant influence as defined in IAS 28. These include investment funds not consolidated, but which the group has significant influence over.
Separate financial statements		
The company measures investments in the above entities at cost less impairment (in terms of IAS 36), with the exception of investments acquired and held exclusively with the view to dispose of them in the near future (within 12 months). These investments are measured at fair value less cost to sell in terms of IFRS 5.		
Consolidated financial statements		
	Consolidation	Equity accounting
Initial recognition in the consolidated financial statements	Subsidiaries acquired are accounted for by applying the acquisition method of accounting to business combinations. The excess (shortage) of the sum of the consideration transferred, the value of non-controlling interest and the fair value of any existing interest, over the fair value of identifiable net assets are recognised as goodwill or a gain on bargain purchase, as set out further below. Transaction costs are included in operating expenses within profit or loss, when incurred.	Associates are initially recognised at cost (including goodwill) and subsequently equity accounted. The carrying amount is increased or decreased to recognise the group's share of profit or loss from the investee after the date of acquisition. Items that impact the investee's net asset value (NAV) that don't impact OCI are recognised directly in gains less losses from investing activities within non-interest revenue (NIR).
Intercompany transactions and balances	Intercompany transactions are all eliminated on consolidation, including unrealised gains. Unrealised losses on transactions between group entities are also eliminated unless the transaction provides evidence of impairment of the transferred asset, in which case the transferred asset will be tested for impairment in accordance with the group's impairment policies.	Unrealised gains on transactions are eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated to the extent of the group's interest in the entity, unless the transaction provides evidence of an impairment of the transferred asset.
Impairment	In the consolidated financial statements either the cash generating unit (CGU) is tested, i.e. a grouping of assets no higher than an operating segment of the group, or, if the entity is not part of a CGU, the individual assets of the subsidiary and goodwill are tested for impairment in terms of IAS 36.	The entire carrying amount of the investment, including other long-term interests, is tested for impairment. Certain loans and other long-term interests in associates are considered to be, in substance, part of the net investment in the entity when settlement is neither planned nor likely to occur in the foreseeable future. Such items may include preference shares and long-term receivables or loans, but do not include trade receivables or any long-term loans for which adequate collateral exists. These loans and other long-term interests in associates are included in advances on the face of the statement of financial position and are measured in terms of IFRS 9. The value of such loans after any expected credit losses (ECL) raised for IFRS 9 where such loans are measured at amortised cost is, however, included in the carrying amount of the investee for purposes of determining the share of losses of the investee attributable to the group and for impairment testing purposes.
Goodwill	Goodwill on the acquisition of businesses and subsidiaries represents excess consideration transferred and is recognised as an intangible asset at cost less accumulated impairment losses. If this amount is negative, as in the case of a bargain purchase, the difference is immediately recognised in gains less losses from investing activities within NIR. Goodwill is tested annually for impairment by the group in March, or earlier if there are objective indicators of impairment. For subsidiaries acquired between March and June, a goodwill impairment test is performed in June in the year of acquisition and thereafter annually in March. For testing purposes, goodwill is allocated to a suitable CGU.	Notional goodwill on the acquisition of associates is included in the equity accounted carrying amount of the investment. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Accounting policies *continued*

2. Subsidiaries and associates *continued*

2.2 Related party transactions

Related parties of the group, as defined, include:

Subsidiaries		Post-employment benefit funds (pension funds)	Associates
Key management personnel (KMP)	Entities controlled, jointly controlled or significantly influenced by KMP or their close family members	Entities that have significant influence over the group, and subsidiaries of these entities	Close family members of KMP

The principal shareholder of the FirstRand Namibia Limited group is FirstRand EMA Holdings Limited, with the ultimate holding company FirstRand Limited, incorporated in South Africa.

Key management personnel of the group are the FirstRand Namibia Limited board of directors and the FirstRand Namibia Limited executive committee, including any entities which provide key management personnel services to the group. Their close family members include spouse/ domestic partner and children, domestic partner's children and any other dependants of the individual or their domestic partner.

3. Income, expenses and taxation

3.1 Income and expenses

Net interest income recognised in profit or loss

Interest income includes:

- Interest on financial instruments measured at amortised cost and debt instruments measured at FVOCI, including the effect of qualifying hedges for interest rate risk.
- Interest on financial asset debt instruments measured at fair value through profit or loss (FVTPL) that are held by and managed as part of the group's funding or insurance operations.
- Interest income is calculated using the effective interest rate, which includes origination fees. The original effective interest rate is applied to:
 - the gross carrying amount (GCA) of financial assets which are not credit impaired; and
 - the amortised cost of financial assets which represents the net carrying amount, from the month after the assets become credit-impaired (refer to section 4.2 of the accounting policies).
- Modified advances (derecognition not achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included as part of interest income. The interest income on the modified financial asset (refer to accounting policy 4.3) is calculated by applying the original effective interest rate to the asset's modified GCA.
- Modified advances (derecognition is achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included as part of interest income. New fees or costs charged on the new advance which are integral to the new asset recognised are capitalised to the new loan.

Interest expense includes:

- Interest on financial liabilities measured at amortised cost;
- Interest on financial liabilities measured at FVTPL that are held by and managed as part of the group's funding or insurance operations;
- Interest on capitalised leases where the group is the lessee; and
- The difference between the purchase and resale price in repurchase and reverse repurchase agreements where the related advances or deposit is measured at amortised cost, because the amount is in substance interest.

The total interest expense is reduced by the amount of interest incurred in respect of liabilities used to fund the group's fair value activities. This amount is reported in fair value income within NIR.

Non-interest and financial instrument revenue recognised in profit or loss

Non-interest revenue from contracts with customers

Under IFRS 15, where a five-step analysis is required to determine the amount and timing of revenue recognition, the group assesses contracts and determines whether the fees identified in the contract relate to revenue as defined in IFRS 15. The revenue is recognised only if the group can identify the contract and the performance obligation (i.e. the different goods or services) and can determine the transaction price, which is required to be allocated to the identifiable performance obligations.

Unless specifically stated otherwise, the group is the principal in its revenue arrangements as the group controls the goods and services before transferring them to the customer.

3. Income, expenses and taxation *continued*

3.1 Income and expenses *continued*

Non-interest and financial instrument revenue recognised in profit or loss <i>continued</i>	
Non-interest revenue from contracts with customers <i>continued</i>	
Fee and commission income	<p>Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commissions from customers.</p> <p>Fee and commission income is earned by the group by providing customers with a range of services and products, and consists of the following main categories:</p> <ul style="list-style-type: none"> • Banking fee and commission income; • Knowledge-based fee and commission income; • Management, trust and fiduciary fees; • Fee and commission income from service providers; and • Other non-banking fee and commission income. <p>The bulk of fee and commission income is earned on the execution of a single performance obligation and, as such, it is not necessary to make significant judgements when allocating the transaction price to the performance obligation. As such, fee and commission income, which typically includes transactional banking fees such as bank charges, interchange fees, point-of-sale fees, exchange commissions, cash deposit fees and knowledge-based fee and commission income, is recognised at a point in time.</p> <p>Where the distinct performance obligation is satisfied over a period of time, the fees are recognised as follows:</p> <ul style="list-style-type: none"> • Fees for services rendered are recognised on an accrual basis as the service is rendered and the group's performance obligation is satisfied, e.g. annual card fees and asset management and related fees. • Commission income on bills and promissory notes endorsed is credited to profit or loss over the life of the relevant instrument on a time apportionment basis. <p>Commitment fees for unutilised funds made available to customers in the past are recognised as revenue at the end of the contract period. Commitment fees paid upfront for a future facility, where it is not probable that a specific lending arrangement will be entered into by the group, are recognised as revenue on a straight-line basis over the period for which the funds are promised to be kept available.</p> <p>Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking, insurance and asset management operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. The revenue is recognised at a point in time and includes commission earned from the sale of prepaid airtime, data vouchers and electricity, and traffic fines paid through FNB channels, as well as insurance commission.</p>
Fee and commission expenses	<p>Fee and commission expenses are those that are incremental and directly attributable to the generation of fee and commission income and are recognised as part of fee and commission income. These include transaction and service fees, which are expensed as the services are received. The group operates a customer loyalty programme, Rewards, in terms of which it undertakes to provide reward credits to customers when they transact. Expenses relating to the provision of the customer loyalty reward credits are recognised as fee and commission expenses as incurred.</p>
Insurance income – non-risk-related	<p>Where the group is acting as an agent, commissions and brokerage earned on the sale of insurance products to customers of the group on behalf of an insurer are recognised at the point that the significant obligation has been fulfilled.</p> <p>Commission is earned on the sale of insurance products to customers of the Group on behalf of an insurer. Brokerage fees are received for services rendered in the Group's capacity as an insurance broker. Participation agreements result in the group sharing in the profits of insurance products sold by third party insurers.</p> <p>Income arising from third-party insurance cell captives and profit share agreements, where there is not a significant transfer of insurance risk, are executory contracts. Revenue is recognised when both parties have fulfilled their obligations.</p>

Accounting policies *continued*

3. Income, expenses and taxation *continued*

3.1 Income and expenses *continued*

Non-interest and financial instrument revenue recognised in profit or loss *continued*

Fair value gains or losses

Fair value gains or losses of the group recognised in NIR include the following:

- Fair value adjustments and interest on financial instruments at FVTPL, including derivative instruments that do not qualify for hedge accounting;
- Fair value adjustments that are not related to credit risk on advances designated at FVTPL;
- A component of interest expense that relates to interest paid on liabilities which fund the group's fair value operations. Interest expense is reduced by the amount that is included in fair value income;
- Fair value adjustment on financial instruments designated at FVTPL in order to eliminate an accounting mismatch, except for such instruments relating to the group's insurance and funding operations, for which the interest component is recognised in net interest income (NII). The change in the fair value of a financial liability designated at FVTPL attributable to changes in its credit risk is presented in OCI, unless this would cause or enlarge an accounting mismatch in profit or loss. The total fair value adjustment on policyholder liabilities and non-recourse liabilities (including movements due to changes in credit risk) is included in profit or loss, since the fair value movements on these liabilities are directly linked to fair value movements on the underlying assets;
- Ordinary and preference dividends on equity instruments at FVTPL;
- Any difference between the carrying amount of the liability and the consideration paid, when the group repurchases debt instruments that it has issued;
- Fair value gains or losses on policyholder liabilities under investment contracts; and
- Fair value gains or losses on commodities acquired for short-term trading purposes, including commodities acquired with the intention of reselling in the short term, or if they form part of the trading operations of the group and certain commodities subject to option agreements whereby the counterparty may acquire the commodity at a future date where the risks and rewards of ownership are deemed to have transferred to the group in terms of IFRS 15.

Gains less losses from investing activities

The following items are included in gains less losses from investing activities:

- Any gains or losses on disposals of investments in subsidiaries and associates;
- Any gains or losses on the sale of financial assets measured at amortised cost; and
- Dividend income on any equity instruments that are considered long-term investments of the group, including non-trading equity instruments measured at FVOCI.

Dividend income

The group recognises dividend income when the group's right to receive payment is established.

Expenses

Expenses of the group, apart from certain fee and commission expenses included in net fee and commission income, are recognised and measured in terms of the accrual principle and presented as operating expenses in profit or loss.

Indirect tax expense	Indirect tax includes other taxes paid to central and local governments and also includes value-added tax and securities transfer tax. Indirect tax is disclosed separately from income tax and operating expenses in the income statement.
----------------------	---

3. Income, expenses and taxation *continued*

3.2 Taxation

Income tax includes Namibian and foreign corporate tax payable.

Current income tax	
The current income tax expense is calculated by adjusting the net profit for the year for items that are non-taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date, in each particular jurisdiction within which the group operates.	
Deferred income tax	
Recognition	On temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.
Typical temporary differences for which deferred tax is provided	<ul style="list-style-type: none"> • Provision for loan impairment. • Instalment credit assets. • Revaluation (including ECL movements) of certain financial assets and liabilities, including derivative contracts. • Provisions for pensions and other post-retirement benefits.
Measurement	The liability method under IAS 12 is used, which means applying tax rates and laws applicable at the reporting date which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Presentation	<p>Deferred income tax is presented in profit or loss unless it relates to items recognised directly in equity or OCI.</p> <p>Items recognised directly in equity or OCI relate to:</p> <ul style="list-style-type: none"> • Fair value remeasurement of financial assets measured at FVOCI; and • Remeasurements of defined benefit post-employment plans. <p>Tax in respect of share transactions is recognised directly in equity. Tax in respect of the other items is recognised directly in OCI and subsequently reclassified to profit or loss (where applicable) at the same time as the related gain or loss.</p>
Deferred tax assets	The group recognises deferred income tax assets only if it is probable that future taxable income will be available, against which the unused tax losses can be utilised, based on management's review of the budget and forecast information. The group reviews the carrying amount of deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
Substantively enacted tax rates	<p>Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p>

Accounting policies *continued*

4. Financial instruments

4.1 Classification and measurement

4.1.1 Initial measurement

All financial instruments are initially measured at fair value including transaction costs, except for those classified as FVTPL, in which case the transaction costs are expensed upfront in profit or loss, usually as part of operating expenses. Any upfront income earned on financial instruments is recognised as detailed under accounting policy 3.1, depending on the underlying nature of the income.

Immediately after initial recognition, an ECL allowance is recognised for newly originated financial assets measured at amortised cost or FVOCI debt instruments.

4.1.2 Classification and subsequent measurement of financial assets and liabilities

Classification and subsequent measurement of financial assets

Management determines the classification of its financial assets at initial recognition, based on:

- The group's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Business model

The group distinguishes three main business models for managing financial assets:

- Holding financial assets to collect contractual cash flows;
- Managing financial assets and liabilities on a fair value basis or selling financial assets; and
- A mixed business model of collecting contractual cash flows and selling financial assets.

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment is done for each legal reporting entity at least at a franchise level, although franchises will perform the assessment on a portfolio or sub-portfolio level, depending on the manner in which groups of financial assets are managed in each franchise.

The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

In considering whether the business objective of holding a group of financial assets is achieved primarily through collecting contractual cash flows, among other considerations, management monitors the frequency and significance of sales of financial assets out of these portfolios for purposes other than managing credit risk. For the purposes of performing the business model assessment, the group only considers a transaction a sale if the asset is derecognised for accounting purposes. For example, a repurchase transaction where a financial asset is sold with the commitment to buy back the asset at a fixed price at a future date is not considered a sale transaction, because substantially all the risks and rewards relating to the ownership of the asset have not been transferred and the asset is not derecognised from an accounting perspective.

If sales of financial assets are infrequent, the significance of these sales is considered by comparing the carrying amount of assets sold during the period and cumulatively to the total carrying amount of assets held in the business model. If sales are either infrequent or insignificant, these sales will not impact the conclusion that the business model for holding financial assets is to collect contractual cash flows. In addition, where the issuer initiates a repurchase of the financial assets which was not anticipated in the terms of the financial asset, the repurchase is not seen as a sale for the purposes of assessing the business model of that group of financial assets.

Determining whether sales are significant or frequent requires management to use its judgement. The significance and frequency of sales are assessed on a case-by-case basis at the business model level. The frequency is assessed on an annual basis and sales of assets that take place once or less per annum are considered to be infrequent. If sales take place more than once per annum it doesn't mean that the business models are not to collect contractual cash flows, but rather that the reasons for the sales need to be more carefully considered. Management will consider both the volume and number of sales relative to the total assets in the business model to determine whether they are significant.

A change in business model only occurs on the rare occasion when the group changes the way in which it manages financial assets. Any change in business models would result in a reclassification of the relevant financial assets from the start of the next reporting period.

4. Financial instruments *continued*

4.1 Classification and measurement *continued*

4.1.2 Classification and subsequent measurement of financial assets and liabilities *continued*

Classification and subsequent measurement of financial assets <i>continued</i>		
Cash flow characteristics		
<p>In order for a debt instrument to be measured at amortised cost or FVOCI, the cash flows on the asset have to be solely payments of principal and interest (SPPI), i.e. consistent with those of a basic lending agreement.</p> <p>The SPPI test is applied on a portfolio basis for retail advances, as the cash flow characteristics of these assets are standardised. This includes the consideration of any prepayment penalties that are limited by consumer credit regulation. They can therefore be considered reasonable compensation, which would not cause these assets to fail the SPPI test.</p> <p>For wholesale advances, the SPPI test is applied to individual advances at initial recognition, based on the cash flow characteristics of the asset. Wholesale advances that do not pass the SPPI test and that have to be measured at FVTPL include advances with equity participation features, convertible bonds and payments linked to commodity or other prices. If the contract contains prepayment penalties, the amount of the prepayment penalty is compared to the present value of the margin that will be earned if the loan is not prepaid. If the amount of the prepayment penalty is lower than or equal to the margin lost due to prepayment, this is considered reasonable compensation and the loan passes the SPPI test.</p>		
Amortised cost		
<p>Financial assets are measured at amortised cost using the effective interest rate method when they are held to collect contractual cash flows which are SPPI, and sales of such assets are not significant or frequent. These include the majority of the retail, corporate and commercial advances of the group, as well as certain investment securities utilised for liquidity risk management of the group.</p>		
Cash and cash equivalents		
<p>Cash and cash equivalents comprise coins and bank notes, money at call and short notice, and balances with central banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition. Money at call and short notice constitutes amounts withdrawable in 32 days or less. Cash and cash equivalents are measured at amortised cost.</p>		
Retail advances		
	Business model	Cash flow characteristics
Retail advances	<p>The FNB and WesBank businesses hold retail advances to collect contractual cash flows. Their business models focus on growing these advances within acceptable credit appetite limits and maintaining strong collection practices.</p> <p>The products included under this business model include:</p> <ul style="list-style-type: none"> • Property mortgages; • Vehicle and asset finance; • Personal loans; • Credit cards; and • Other retail products such as overdrafts. 	<p>The cash flows on retail advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract.</p>
Corporate and commercial advances		
	Business model	Cash flow characteristics
Corporate and commercial advances	<p>The business models of FNB, WesBank and RMB are also focused on collecting contractual cash flows on corporate and commercial advances and growing these advances within acceptable credit appetite limits.</p> <p>The products under in this business model include:</p> <ul style="list-style-type: none"> • Trade and working capital finance; • Specialised finance; • Commercial property finance; and • Asset-backed finance. <p>These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return.</p> <p>Within RMB, debt for large corporates and institutions is structured. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return.</p>	<p>The cash flows on these advances are considered to be SPPI if the loan contract does not contain equity upside features, conversion options, payments linked to equity or commodity prices or prepayment penalties that exceed reasonable compensation for early termination of the contract. Any advances that do contain such features are mandatorily measured at FVTPL.</p>

Accounting policies *continued*

4. Financial instruments *continued*

4.1 Classification and measurement *continued*

4.1.2 Classification and subsequent measurement of financial assets and liabilities *continued*

Corporate and commercial advances <i>continued</i>		
Investment securities		
Investment securities	Group Treasury holds investment securities with lower credit risk (typically government bonds and treasury bills). These investment securities are held in a business model with the objective of collecting contractual cash flows.	The cash flows on these investment securities are SPPI.
Cash and cash equivalents		
Cash and cash equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. These assets are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
Other assets		
Other assets	Other assets are short-term financial assets that are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
Mandatory at fair value through profit or loss		
Financial assets of the group are mandatorily measured at fair value through profit or loss when they are held for trading, managed on a fair value basis, held to sell/distribute, or are held to collect contractual cash flows which are not solely payments of principal and interest.		
Advances	RMB holds repurchase agreements advances which are mandatorily measured and classified at fair value through profit and loss due the business model of the business for managing these instruments and the cash flow characteristics of these instruments.	
Investment securities	RMB Global Markets holds portfolios of investment securities (including corporate and government bonds) to hedge risks or for short-term profit realisation. These securities are managed on a fair value basis. All equity investments of the group are managed on a fair value basis, either through FVTPL or designated at FVOCI.	
Derivative assets	Derivatives are either held for trading or to hedge risk. These instruments are managed on a fair value basis.	
Designated at FVTPL		
Advances	Certain advances with fixed interest rates in RMB have been designated at FVTPL in order to eliminate an accounting mismatch that would otherwise result from measuring these assets on a different basis. The cash flows on these advances are considered to be SPPI.	
Investment securities	Group Treasury holds investment securities (typically treasury bills) for liquidity purposes.	
Equity Investments at FVOCI		
Investment securities	The group has elected to designate certain equity investments not held for trading to be measured at FVOCI.	
Financial liabilities and compound financial instruments		
The group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Tier 2 instruments which have write-down or conversion features are classified based on the nature of the instrument and the definitions. Tier 2 and other funding liabilities are presented in separate lines on the statement of financial position of the group.		
Financial liabilities measured at amortised cost		
The following liabilities are measured at amortised cost using the effective interest rate method, unless they have been designated as measured at FVTPL:		
<ul style="list-style-type: none"> • Deposits; • Creditors; • Tier 2; and • Other funding liabilities. 		
Financial liabilities measured mandatory at FVTPL		
The following held for trading liabilities are measured at FVTPL:		
<ul style="list-style-type: none"> • Derivative liabilities; and • Short trading positions. 		
These liabilities are measured at fair value at reporting date as determined under IFRS 13, with fair value gains or losses recognised in profit or loss.		

4. Financial instruments *continued*

4.2 Impairment of financial assets and off-balance sheet exposures subject to impairment

This policy applies to:

- financial assets measured at amortised cost, including other financial assets and cash;
- debt instruments measured at FVOCI;
- loan commitments;
- financial guarantees; and
- finance lease debtors where the group is the lessor.

Refer to accounting policy note 9.4 where all risk parameters, scenarios and sources of estimation are detailed more extensively.

Expected credit losses		
Loss allowance on financial assets		
Credit risk has not increased significantly since initial recognition (stage 1)	Credit risk has increased significantly since initial recognition, but asset is not credit-impaired (stage 2)	Asset has become credit-impaired since initial recognition (stage 3)
12-month ECL	Lifetime expected credit losses (LECL)	LECL
Advances		
Significant increase in credit risk (SICR) since initial recognition	<p>In order to determine whether an advance has experienced a SICR, the probability of default (PD) of the asset calculated at the origination date is compared to that calculated at the reporting date (incorporating forward-looking information (FLI)). The origination date is defined as the most recent date at which the group has repriced an advance/facility. Where a change in terms is significant and is deemed to be a substantial modification, it results in derecognition of the original advance/facility and recognition of a new advance/facility.</p> <p>SICR test thresholds are reassessed and, if necessary, updated, on at least an annual basis.</p> <p>Any facility that is more than 30 days past due, or in the case of instalment-based products one instalment past due, is automatically considered to have experienced a SICR.</p> <p>In addition to the quantitative assessment based on PDs, qualitative considerations are applied when determining whether individual exposures have experienced a SICR. One such qualitative consideration is the appearance of wholesale and commercial small and medium-sized enterprise (SME) facilities on a credit watch list.</p> <p>Any up-to-date facility that has undergone a distressed restructure (i.e. a modification of contractual cash flows to prevent a client from going into arrears) will be considered to have experienced a SICR, and will be disclosed within stage 2 at a minimum.</p> <p>The credit risk on an exposure is no longer considered to be significantly higher than at origination if no qualitative indicators of a SICR are triggered, and if comparison of the reporting date PD to the origination date PD no longer indicates that a SICR has occurred. No standard minimum period for transition from stage 2 back to stage 1 is applied across all advances, with the exception of cured distressed restructured exposures that are required to remain in stage 2 for a minimum period of six months before re-entering stage 1.</p>	
Low credit risk	The group does not use the low credit risk assumption.	
Credit impaired financial assets	<p>Advances are considered credit-impaired if they meet the definition of default.</p> <p>The group's definition of default applied to calculating provisions under IFRS 9 has been aligned to the definition applied to regulatory capital calculations across all portfolios, as well as those applied in operational management of credit and for internal risk management purposes.</p> <p>Exposures are considered to be in default when they are more than 90 days past due or, in the case of amortising products, are more than three instalments in arrears.</p> <p>In addition, an exposure is considered to have defaulted when there are qualitative indicators that the borrower is unlikely to pay their credit obligations in full without any recourse by the group to actions such as the realisation of security.</p> <p>Any distressed restructures of accounts which have experienced a SICR since initial recognition are defined as default events.</p> <p>Retail accounts are considered to no longer be in default if they meet the stringent cure definition, which has been determined at portfolio level based on analysis of re-defaulted rates. Curing from default within wholesale is determined judgementally through a committee process.</p>	

Accounting policies *continued*

4. Financial instruments *continued*

4.2 Impairment of financial assets and off-balance sheet exposures subject to impairment *continued*

Advances <i>continued</i>	
Write-offs	<p>Write-off must occur when it is not economical to pursue further recoveries, i.e. there is no reasonable expectation of recovering the carrying amount of the asset (gross amount less specific impairments raised):</p> <ul style="list-style-type: none"> By implication, in both retail and wholesale, for secured as well as unsecured exposures, write-offs cannot occur if there is evidence of recent payment behaviour. Each credit portfolio has articulated a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account. Within retail portfolios, write-off definitions have been determined with reference to analysis of the materiality of post write-off recoveries. The result of this is that retail secured loans are written off on perfection of collateral. Retail unsecured loans are written off when observation of post-default payment behaviour indicates that further material recoveries are unlikely. Write-off points within retail unsecured portfolios are defined on a per-portfolio basis with reference to cumulative delinquency and/or payment recency. Within wholesale portfolios, a judgemental approach to write-off is followed, based on case-by-case assessment by a credit committee. Partial write-offs are not performed within credit portfolios, except in limited circumstances within the wholesale portfolio, where they are assessed on a case by case basis. Where required, additional provisions against irrecoverable assets will be raised until such a time as final write-off can occur.
Collection and enforcement activities post write-off	<p>For unsecured advances, post write-off collection strategies include outsourcing of the account to external debt collections (EDCs). In addition, settlement campaigns are run to encourage clients to settle their outstanding debt. For secured advances, any residual balance post the realisation of collateral and post write-off is outsourced to EDCs.</p>
Other financial assets	
Cash and cash equivalents	<p>All physical cash is classified as stage 1. Other exposures are classified as stage 1 unless specific evidence of impairment exists, in which case, due to the nature of these assets, they are classified immediately as stage 3. ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach.</p>
Other assets	<p>ECL for other assets, i.e. financial accounts receivable and where applicable, contract assets, are calculated using the simplified approach. This results in a LECL being recognised.</p>
Investment securities	<p>Impairment parameters for investment securities (PD, LGD and EAD) are determined using appropriate models, with the models to be applied determined with reference to the issuer of the security and the nature of the debt instrument.</p> <p>The tests for a SICR and default definitions are then applied and the ECL calculated in the same way as for advances. The SICR thresholds applied for investment securities are the same as those applied within the wholesale credit portfolio, to ensure consistency in the way that a SICR is identified for a particular counterparty and for similar exposures.</p> <p>The group does not use the low credit risk exemption for investment securities, including government bonds.</p>

4. Financial instruments *continued*

4.3 Transfers, modifications and derecognition

Financial instruments are derecognised when:

- The contractual rights or obligations expire or are extinguished, discharged or cancelled, for example an outright sale or settlement;
- They are transferred and the derecognition criteria of IFRS 9 are met; or
- The contractual terms of the instrument are substantially modified and the derecognition criteria of IFRS 9 are met.

Financial assets are derecognised when the group has either transferred the contractual right to receive cash flows from the asset or it has assumed an obligation to pay over all the cash flows from the asset to another entity (i.e. pass-through arrangement).

If the contractual cash flows of a financial asset measured at amortised cost are modified (changed or restructured, including distressed restructures), the group determines whether this is a substantial modification, which could result in the derecognition of the existing asset and the recognition of a new asset. If the change is simply a non-substantial modification of the existing terms it would not result in derecognition.

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised.

Derecognition of financial liabilities includes a situation of substantial modification of the terms and conditions of an existing financial liability. A substantial modification of the terms occurs where the discounted present value of the cash flows under the new terms, including fees paid net of fees received between the borrower and the lender and discounted using the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

The following transactions are entered into by the group in the normal course of business, in terms of which it transfers financial assets directly to third parties or structured entities, or modifies the contractual terms of the asset and either achieves derecognition or continues to recognise the asset:

Transaction type	Description	Accounting treatment
Transfers without derecognition		
Reverse repurchase agreements	<p>Investment securities and advances are sold to an external counterparty in exchange for cash and the group agrees to repurchase the assets at a specified price at a specific future date.</p> <p>The counterparty's only recourse is to the transferred investment securities and advances that are subject to the agreement. The group remains exposed to all the underlying risks on the assets including counterparty, interest rate, currency, prepayment and other price risks.</p>	<p>The transferred assets continue to be recognised by the group in full. Such advances and investment securities are disclosed separately in the relevant notes.</p> <p>The group recognises an associated liability for the obligation for the cash received as a separate category of deposits.</p>
Securities lending	<p>Investment securities are lent to external counterparties in exchange for cash collateral as security for the return of the securities.</p> <p>The group's only recourse in respect of the return of the securities it has lent is to the cash collateral held and as such, the group generally requires cash collateral in excess of the fair value of the securities lent.</p>	
Modifications without derecognition		
Modification of contractual cash flows	<p>Debt restructuring is a process that is applied to accounts whereby the new terms of the contract (such as a lower interest rate) are mandated by law and do not have the same commercial terms as a new product that the group would be willing to offer a customer with a similar risk profile.</p>	<p>The existing asset is not derecognised. The GCA of the financial asset is recalculated as the present value of the estimated future cash receipts through the expected life of the renegotiated or modified financial asset, discounted at the financial asset's original effective interest rate. Distressed modifications are included in ECL.</p>
Modifications with derecognition (i.e. substantial modifications)		
Retail advances	<p>The process for modifying an advance (which is not part of a debt restructuring) is substantially the same as the process for raising a new advance, including reassessing the customer's credit risk, repricing the asset and entering into a new legal agreement.</p>	<p>The existing asset is derecognised and a new asset is recognised at fair value based on the modified contractual terms.</p>

Accounting policies *continued*

4. Financial instruments *continued*

4.4 Offsetting of financial instruments and collateral

Where the requirements of IAS 32 are met, the group offsets financial assets and financial liabilities and presents the net amount. Financial assets and financial liabilities subject to master netting arrangements (MNAs) or similar agreements are not offset, if the right of set-off under these agreements is only enforceable in the event of default, insolvency and bankruptcy.

Details of the offsetting and collateral arrangements of the group are set out in the following table.

Derivative financial instruments	<p>The group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) MNAs. Generally, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions (close-out netting).</p> <p>Financial collateral (mostly cash) is also obtained, often daily, for the net exposure between counterparties to mitigate credit risk.</p>
Repurchase and reverse repurchase agreements, and securities lending and borrowing transactions	<p>These transactions by the group are covered by master agreements with netting terms similar to those of the ISDA MNAs. Where the group has entered into a repurchase and reverse repurchase or securities borrowing and lending transaction, with the same counterparty, the advance and liability balances are offset in the statement of financial position only if they are due on a single day, denominated in the same currency and the group has the intention to settle these amounts on a net basis.</p> <p>The group receives and accepts collateral for these transactions in the form of cash and other investment securities.</p>
Other advances and deposits	<p>The advances and deposits that are offset relate to transactions where the group has a legally enforceable right to offset the amounts and the group has the intention to settle the net amount.</p>

It is the group's policy that all items of collateral are valued at the inception of a transaction and at various points throughout the life of a transaction, either through physical inspection or indexation methods, as appropriate. For wholesale and commercial portfolios, the value of collateral is reviewed as part of the annual facility review. For mortgage portfolios, collateral valuations are updated on an ongoing basis through statistical indexation models. However, in the event of default, more detailed reviews and valuations of collateral are performed, which yield a more accurate financial effect. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries.

4.5 Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates or other indices. Derivatives are recognised initially and are subsequently measured at FVTPL with movements in fair value recognised in fair value gains or losses within NIR in the consolidated income statement. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Derivative instruments are classified as fair value through profit and loss.

5. Other assets and liabilities

5.1 Classification and measurement

Classification	Measurement												
Property and equipment (owned and right of use)													
Property and equipment of the group include: <ul style="list-style-type: none"> Assets utilised by the group in the normal course of operations to provide services, including freehold property and leasehold premises and leasehold improvements (owner-occupied properties); Assets which are owned by the group and leased to third parties under operating leases as part of the group's revenue-generating operations; Capitalised leased assets; and Other assets utilised by the group in the normal course of operations, including computer and office equipment, motor vehicles and furniture and fittings. 	Historical cost less accumulated depreciation and impairment losses, except for land, which is not depreciated. Depreciation is recognised on the straight-line basis over the useful life of the asset, except for assets capitalised under leases where the group is the lessee, in which case it is depreciated per the leases accounting policy 5.3. Freehold property and property held under leasing agreements: <table border="0"> <tr> <td>– Buildings and structures</td> <td>50 years</td> </tr> <tr> <td>– Motor vehicle</td> <td>5 years</td> </tr> <tr> <td>– Sundries</td> <td>3 – 5 years</td> </tr> <tr> <td>– IT equipment</td> <td>3 – 5 years</td> </tr> <tr> <td>– Other equipment: various</td> <td>3 – 10 years</td> </tr> <tr> <td>– Furniture and fixtures</td> <td>5 – 10 years</td> </tr> </table>	– Buildings and structures	50 years	– Motor vehicle	5 years	– Sundries	3 – 5 years	– IT equipment	3 – 5 years	– Other equipment: various	3 – 10 years	– Furniture and fixtures	5 – 10 years
– Buildings and structures	50 years												
– Motor vehicle	5 years												
– Sundries	3 – 5 years												
– IT equipment	3 – 5 years												
– Other equipment: various	3 – 10 years												
– Furniture and fixtures	5 – 10 years												
Intangible assets													
Intangible assets of the group include: <ul style="list-style-type: none"> Internally generated intangible assets (including computer software and other assets such as trademarks or patents) are capitalised when the requirements of IAS 38 relating to the recognition of internally generated assets have been met. External computer software development costs are capitalised when they can be clearly associated with a strategic and unique system which will result in a benefit to the group exceeding the costs incurred for more than one financial period. Material acquired trademarks, patents and similar rights are capitalised when the group will receive a benefit from these intangible assets for more than one financial period. All other costs related to intangible assets are expensed in the financial period incurred.	Cost less accumulated amortisation and any impairment losses. Amortisation is on a straight-line basis over the useful life of the asset. The useful life of each asset is assessed individually. The benchmarks used when assessing the useful life of the individual assets are: <table border="0"> <tr> <td>– Software development costs</td> <td>3 years</td> </tr> <tr> <td>– Trademarks</td> <td>10 – 20 years</td> </tr> <tr> <td>– Other</td> <td>3 – 10 years</td> </tr> <tr> <td>– Customer related intangibles</td> <td>10 years</td> </tr> </table>	– Software development costs	3 years	– Trademarks	10 – 20 years	– Other	3 – 10 years	– Customer related intangibles	10 years				
– Software development costs	3 years												
– Trademarks	10 – 20 years												
– Other	3 – 10 years												
– Customer related intangibles	10 years												
Goodwill arising from business combinations is recognised as an intangible asset.	Tested for impairment annually.												
Properties in possession													
Properties in possession are properties acquired, following the foreclosure on loans that are in default. The properties are initially recognised at cost and are subsequently measured at the lower of cost and its net realisable value.													

Other assets that are subject to depreciation, and intangible assets other than goodwill acquired as part of a business combination (refer to accounting policy 2.1), are reviewed for impairment whenever objective evidence of impairment exists. Impairment losses are recognised in profit or loss as part of operating expenses.

Other assets are derecognised when they are disposed of or, in the case of intangible assets, when no future economic benefits are expected from their use. Gains or losses arising on derecognition are determined as the difference between the carrying amount of the asset and the net proceeds received, and are recorded in profit or loss as part of NIR.

Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Accounting policies *continued*

5. Other assets and liabilities *continued*

5.2 Leases

The group leases a variety of properties and equipment. Rental agreements typically include fixed periods over which the item is leased, which are individually negotiated and contain a wide range of different terms and conditions. The group assesses whether a contract is or contains a lease at inception of the contract.

Qualifying leases are recognised as a right of use asset (ROUA) and a corresponding liability at the date at which the leased asset is made available for use by the group.

	Group company is the lessee	Group company is the lessor
At inception	<p>The group recognises a ROUA and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets.</p> <p>The ROUAs are measured at cost comprising of:</p> <ul style="list-style-type: none"> • The amount of the initial measurement of the lease liability; • Any initial direct costs incurred; • Restoration costs where required by the lessee by the terms and conditions of the lease; and • Any lease payments made at or before the commencement date, less any lease incentives received. <p>The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its own incremental borrowing rate, being the rate that it can borrow funds from the Group Treasury function.</p>	<p>The group recognises assets sold under a finance lease as finance lease receivables included in advances and impair the advances, as required, in line with the impairment of financial assets accounting policy in section 4.2. No practical expedients are applied, and the general model under IFRS 9 is used for impairment calculations on lease receivables.</p>
Over the life of the lease	<p>Each lease payment is allocated between the lease liability and interest expense. The interest expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.</p> <p>The ROUA is subsequently measured at cost less accumulated depreciation and impairment losses.</p> <p>The asset is depreciated over the lease term on a straight-line basis, where ownership is not transferred at the end of the lease term. If ownership is transferred at the end of the lease term, the asset is depreciated over the shorter of the lease term or useful life.</p> <p>The group applies IAS 36 to determine whether a ROUA is impaired and accounts for any identified impairment loss.</p>	<p>Unearned finance income is recognised as interest income over the term of the lease using the effective interest rate method.</p> <p>Finance lease receivables are assessed for impairment in terms of IFRS 9, as set out in the impairment of financial assets policy section 4.2. Interest on finance lease receivables that are credit-impaired (stage 3) is recognised and calculated by applying the original effective interest rate to the net carrying amount.</p>
Presentation	<p>The lease liability is presented in other liabilities in the consolidated statement of financial position.</p> <p>The ROUAs are not presented as a separate line in the consolidated statement of financial position, but rather disclosed as ROUA in the property and equipment note.</p>	<p>Finance lease receivables are presented as part of advances in the consolidated statement of financial position.</p>
Operating leases	<p>For short-term and low-value leases, which the group has defined as all other leases except for property and vehicle leases, the lease payments are recognised as an operating expense, spread on a straight-line basis over the term of the lease.</p>	<p>Assets held under operating leases are included in property and equipment and depreciated – refer to accounting policy 5.1.</p> <p>Rental income is recognised as other NIR on a straight-line basis over the lease term.</p>

5. Other assets and liabilities *continued*

5.3 Provisions

The group will only recognise a provision measured in terms of IAS 37 when there is uncertainty around the amount or timing of payment. Where there is no uncertainty the group will recognise the amount as an accrual. The most significant provisions are related to litigation and claims, as well as provisions for intellectual property fees that arise because of the use of dealer platforms, databases, systems, brands and trademarks when marketing and promoting motor warranty products as part of the motor value-added products and services (VAPS) business. The group recognises a provision when a reliable estimate of the outflow required can be made and the outflow is probable (i.e. more likely than not).

6. Capital and reserves

Transaction	Liability	Equity
Shares issued and issue costs	Preference shares, where the group does not have the unilateral ability to avoid repayments, are classified as other liabilities.	The group's equity includes ordinary shares, contingently convertible securities, additional Tier 1 notes and non-cumulative non-redeemable (NCNR) preference shares. Contingently convertible securities, additional Tier 1 notes and NCNR preference shares are classified as other equity instruments in the financial statements. Any incremental costs directly related to the issue of new shares or options, net of any related tax benefit, are deducted from the issue price.
Dividends paid/declared	Recognised as interest expense on the underlying liability.	Dividends on equity instruments are recognised against equity. A corresponding liability is recognised when the dividends have been approved by the company's shareholders and distribution is no longer at the discretion of the entity.
Treasury shares, i.e. where the group purchases its own equity share capital	If the group reacquires its own equity instruments, those instruments are deducted from the group's equity.	The consideration paid, including any directly attributable incremental costs, is deducted from total shareholders' equity as treasury shares until they are reissued or sold. Where the shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental costs is included in shareholders' equity.
Other reserves	Not applicable	Other reserves recognised by the group include general risk reserves, required to be held by some of the group's African operations capital redemption reserve funds and insurance contingency reserves. These reserves are required by in-country legislation governing these subsidiaries and are calculated based on the requirements outlined in the relevant legislation applicable in the specific jurisdiction.

Accounting policies *continued*

7. Transactions with employees

7.1 Employee benefits

The group operates defined benefit and defined contribution schemes, the assets of which are held in separate trustee administered funds. These funds are registered in terms of the Pension Funds Act, 1956, and membership of the pension fund is compulsory for all group employees. The defined benefit plans are funded by contributions from employees and the relevant group companies.

Defined contribution plans	
Determination of defined contribution plan	<p>Recognition</p> <p>Contributions are recognised as an expense, included in staff costs, when the employees have rendered the service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.</p>
Defined benefit plans	
Defined benefit obligation liability	<p>Recognition</p> <p>The liabilities and assets of these funds are reflected as a net asset or liability in the statement of financial position, i.e. the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.</p>
	<p>Measurement</p> <p>The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method. The discount rate used is the rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.</p>
Profit or loss	<p>Profit or loss Included as part of staff costs:</p> <ul style="list-style-type: none"> • Current and past service costs calculated on the projected unit credit method. • Gains or losses on curtailments and settlements that took place in the current period. • Net interest income calculated by applying the discount rate at the beginning of the period to the net asset or liability. • Actuarial gains or losses on long-term employee benefits.
Other comprehensive income	All other remeasurements in respect of the obligation are included in other comprehensive income and never reclassified to profit or loss.
Termination benefits	
<p>The group recognises termination benefits as a liability in the statement of financial position and as an expense, included in staff costs, in profit or loss when it has a present obligation relating to termination. The group has a present obligation at the earlier of the following two occurrences: when the group can no longer withdraw the offer of the termination benefit or when the group recognises any related restructuring costs.</p>	
Liability for short-term employee benefits	
Leave pay	The group recognises a liability for employees' rights to annual leave in respect of past service. The amount recognised by the group is based on the current salary of employees and the contractual terms between employees and the group. The expense is included in staff costs.
Bonuses	The group recognises a liability and an expense for management and staff bonuses when it is probable that the economic benefits will be paid, and the amount can be reliably measured. The expense is included in staff costs.

7.2 Share-based payment transactions

The group operates a cash-settled and an immaterial equity-settled share-based incentive plan for employees.

Awards granted under cash-settled plans result in a liability being recognised and measured at fair value until settlement. An expense is recognised in profit or loss for employee services received over the vesting period of the plans.

8. Non-banking activities

8.1 Insurance activities

Insurance activities include contracts issued by the group, which transfer significant insurance risk or financial risk. Furthermore, the group has entered into reinsurance contracts. Insurance contracts are contracts under which the group, as the insurer, accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are significantly more (at least 10%) than the benefits payable if the insured event did not occur. The group issues insurance contracts in terms of the Short-term Insurance Act 4 of 1998 as amended (Insurance Act).

The group obtains reinsurance in the ordinary course of business for the purpose of limiting its net loss potential through the diversification of its risks on certain short-term insurance contracts. Reinsurance arrangements do not relieve the group from its direct obligations to policyholders.

Insurance and reinsurance contracts	
Introduction	<p>The group issues insurance contracts and holds reinsurance contracts both without direct participation features and with contract boundaries less than one year. The group applies the premium allocation approach (PAA) and has elected to not discount the liability for remaining coverage for insurance contracts issued using the PAA.</p> <p>Reference to insurance contracts applies to both insurance and reinsurance contracts, unless specified.</p>
Level of aggregation	<p>Insurance contracts that are managed together and have similar characteristics, such as being subject to a similar pricing framework or similar product management and are issued by the same legal entity, are grouped into portfolios (measurement portfolios). These measurement portfolios are further separated in time cohorts (whose issue date cannot be more than one year apart) and then allocated to three groups of insurance contracts based on profitability, namely contracts that are onerous at initial recognition (onerous), contracts that at initial recognition have no significant possibility of subsequently becoming onerous (profitable) and the remaining contracts (profit at risk).</p>
Cash flows included in the measurement	<p>Cash flows are considered to be within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the group can compel the policyholder to pay premiums, or where the group has a substantive obligation to provide the policyholder with insurance contract services, either by contract or by regulations and law. A substantive obligation ends when the group has the practical ability to reprice the risk of the particular policyholder or the overall portfolio, or change the level of benefits so that the price fully reflects the risk.</p>
Reinsurance contracts held	
Premium allocation approach (including reinsurance contracts held)	<p>The carrying amount of a group of contracts comprises the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).</p> <p>As permitted in IFRS 17, for contracts measured using the PAA, the company has assumed that no contracts are onerous at inception, unless specific facts and circumstances indicate otherwise. When contracts measured under the PAA are onerous, the company recognises a loss in profit or loss and establishes a loss component (LC) within the LRC for the difference between the carrying amount determined using the PAA and the fulfilment cash flows of the contracts (FCF). The FCF comprises:</p> <ul style="list-style-type: none"> • The present value of future cash flows, which represents all current estimates of future cash flows within the contract boundary that relate to future services, discounted using a current discount rate; and • The risk adjustment for non-financial risk ("risk adjustment"), which represents a current estimate of the adjustment to the present value of future cash flows to reflect the uncertainty inherent in the estimated future cash flows due to non-financial risk. <p>A corresponding income will be recognised on the reinsurance contract held that covers the onerous group by adjusting the carrying amount of the reinsurance contract held and establishing a loss recovery component (LREC) within the reinsurance LRC if the reinsurance contract is entered into before or at the same time as the onerous underlying insurance contracts are recognised. Subsequently, the release of the LREC follows the unwind of the loss component recognised in the LRC of the group of insurance contracts issued that are attached to the reinsurance contract. The release of the LREC cannot exceed the unwind of the LC times the proportion of claims recoverable from the reinsurance contract.</p>

Accounting policies *continued*

8. Non-banking activities *continued*

8.1 Insurance activities *continued*

Reinsurance contracts held <i>continued</i>	
Premium allocation approach (including reinsurance contracts held)	<p>The LIC represents the group's obligation to investigate and pay valid claims for insured events that have occurred, including events that have occurred but for which claims have not been reported (IBNR), as well as other incurred insurance expenses. Additionally, it also relates to the group's obligation to pay amounts for insurance services already provided, and other amounts that are not related to the provision of insurance contract services. The LIC is calculated as:</p> <ul style="list-style-type: none"> • The probability weighted estimate of expected cash flows discounted at the current discount rate; and • An explicit company specific adjustment for non-financial risk (risk adjustment). <p>The LIC is subsequently updated for changes in estimates of cash flows and the effect of discounting. The changes in the fulfilment cash flows are reflected in insurance service expenses, along with directly attributable insurance service expenses. Current receivable and payable balances associated with expenses that are presented as part of insurance service expenses in profit or loss, other than claims and claims handling costs, and are included in the measurement of the LIC. For presentation purposes, these current receivables and payables are reclassified out of the LIC and into other receivables and payables.</p> <p>The group elected as its accounting policy to not apply discounting to the LRC for contracts measured under the PAA. There is no allowance for time value of money and the effect of financial risk as the premiums are received within one year of the coverage period.</p> <p>The LRC for contracts measured using the PAA is based on actual premiums and insurance acquisition cash flows paid, adjusted for revenue recognised (or expenses recognised for reinsurance contracts issued) as coverage is provided.</p> <p>The group's accounting policy choice is to immediately expense insurance acquisition cash flows (IACF) as well as not to discount the LRC for insurance contracts issued measured using PAA.</p>
Revenue recognition (excluding reinsurance contracts held)	Insurance revenue under the PAA is recognised by allocating the premiums based on the passage of time, unless the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case the group allocates premiums based on the expected timing of incurred insurance service expenses.
Other income statement amounts (excluding reinsurance contracts held)	<p>Insurance service expenses comprise incurred claims and other directly attributable expenses and changes thereto, the insurance acquisition cash flows actually incurred on PAA contracts, as well as losses and reversals of losses on onerous contracts.</p> <p>The group elected to recognise immediately as an expense insurance acquisition cash flows on contracts measured using the PAA.</p>
Reinsurance income and expenses	The group presents income and expenses from reinsurance contracts held on a net basis in the income statement. Insurance income from reinsurance contracts comprises claims recoveries from the reinsurer, including changes in estimates of those claims, whereas reinsurance expenses comprise the amounts released from the reinsurance LRC to the income statement, similar to insurance revenue recognised for insurance contracts issued.
Presentation	As the group prepares interim financial information for the purposes of applying IAS 34, the group elected as its accounting policy choice to not lock in changes in estimates made at the interim reporting stage when performing the full year's reporting.

8.2 Investment management activities

Certain divisions within the group engage in investment management activities that result in managing assets on behalf of clients. The group excludes assets related to these activities from the statement of financial position as these are not assets of the group, but of the client and are held in a fiduciary capacity. However, the group discloses the value of the assets in its notes.

The fee income earned and fee expenses incurred by the group relating to these activities are recognised in fee and commission income and expenses within NIR in the period to which the service relates.

9. Significant accounting estimates, assumptions and judgements

9.1 Introduction

In preparing the financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Unless stated otherwise, the judgements applied by management in applying the accounting policies are consistent with the prior year. Included below are all the material critical accounting estimates, assumptions and judgements made by the group, except those related to fair value measurement, which are included in note 34.

9.2 Subsidiaries and associates

Subsidiaries	
<p>Only one party can have control over a subsidiary. In determining whether the group has control over an entity, consideration is given to any rights the group has that result in the ability to direct the relevant activities of the investee, and the group's exposure to variable returns.</p> <p>In operating entities, shareholding is most often the clearest indication of control. However, for structured entities and investment management funds, judgement is often needed to determine which investors have control of the entity or fund. Generally, where the group's shareholding is greater than 50%, the investment is accounted for as a subsidiary.</p>	
Decision-making power	<p>Some of the major factors considered by the group in making this determination include the following:</p> <ul style="list-style-type: none"> • The purpose and design of the entity; • What the relevant activities of the entity are; and • Who controls the relevant activities and whether control is based on voting rights or contractual agreements. This includes considering: <ul style="list-style-type: none"> – What percentage of voting rights is held by the group and the dispersion and behaviour of other investors; – Potential voting rights and whether these increase/decrease the group's voting powers; – Who makes the operating and capital decisions; – Who appoints and determines the remuneration of the KMP of the entity; – Whether any investor has any veto rights on decisions; – Whether there are any management contracts in place that confer decision-making rights; – Whether the group provides significant funding or guarantees to the entity; and – Whether the group's exposure is disproportionate to its voting rights. • Whether the group is exposed to any downside risk or upside potential that the entity was designed to create; • To what extent the group is involved in the setup of the entity; and • To what extent the group is responsible to ensure that the entity operates as intended.
Exposure to variable returns	<p>Factors considered include:</p> <ul style="list-style-type: none"> • The group's rights in respect of profit or residual distributions; • The group's rights in respect of repayments and return of debt funding; • Whether the group receives any remuneration from servicing assets or liabilities of the entity; • Whether the group provides any credit or liquidity support to the entity; • Whether the group receives any management fees and whether these are market-related; and • Whether the group can obtain any synergies through the shareholding that are not available to other shareholders. Benefits could be non-financial in nature, such as employee services, etc.
Ability to use power to affect returns	<p>Factors considered include:</p> <ul style="list-style-type: none"> • Whether the group is acting as an agent or principal; • Whether the group has any de facto decision-making rights; • Whether the decision-making rights the group has are protective or substantive; and • Whether the group has the practical ability to direct the relevant activities.
Associate	
<p>Determining whether the group has significant influence over an entity:</p> <ul style="list-style-type: none"> • Significant influence may arise from rights other than voting rights, for example management agreements. • The group considers both the rights that it has as well as currently exercisable rights that other investors have when assessing whether it has the practical ability to significantly influence the relevant activities of the investee. 	

Accounting policies *continued*

9. Significant accounting estimates, assumptions and judgements *continued*

9.2 Subsidiaries and associates *continued*

Structured entities

Structured entities are those where voting rights generally relate to administrative tasks only and the relevant activities are determined only by means of a contractual arrangement.

When assessing whether the group has control over a structured entity, specific consideration is given to the purpose and design of the structured entity, and whether the group has power over decisions that relate to activities that the entity was designed to conduct.

Investment funds

The group acts as fund manager to a number of investment funds. In terms of a mandate the group is required to make active investment management decisions in respect of the fund.

Determining whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the group in the fund (comprising any direct interests in the fund and expected management fees), as well as the investors' right to remove the group as fund manager.

If the other investors are able to easily remove the group as fund manager or the group's aggregate interest is not deemed to be significant, the group does not consolidate the funds as it is merely acting as an agent for other investors. Other investors are considered to be able to easily remove the fund manager if it is possible for a small number of investors acting together to appoint a new fund manager in the absence of misconduct. Where the group has a significant investment and an irrevocable fund management agreement, the fund is consolidated.

Where such funds are consolidated, judgement is applied in determining if the non-controlling interests in the funds are classified as equity or financial liabilities. Where the external investors have the right to put their investments back into the fund, these non-controlling interests do not meet the definition of equity and are classified as financial liabilities.

Where such funds are not consolidated or equity accounted, the group accounts for the investments in the funds as investment securities in terms of IFRS 9.

Where investments in funds managed by the group meet the criteria for consolidation, but are considered to be financially inconsequential both individually and in aggregate with other inconsequential investments in funds, they are not consolidated by the group, and are recognised as marketable advances.

As decisions related to the relevant activities are based on a contractual agreement (mandate) as opposed to voting or similar rights, investment funds that are managed by the group are considered to be structured entities as defined in IFRS 12, except where other investors can easily remove the group as fund manager without cause as this represents rights similar to voting rights.

The group receives investment management fees from the funds for investment management services rendered. These fees are typical of supplier-customer relationships in the investment management industry.

Where the group provides seed funding or has any other interests in investment funds it manages, and does not consolidate, the investment is considered to represent a typical customer-supplier relationship.

9.3 Taxation

The group is subject to direct tax in Namibia and South Africa. As such there may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business.

The group recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 and IFRIC 23, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The group recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Furthermore, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the group in order to utilise the deferred tax assets.

9. Significant accounting estimates, assumptions and judgements *continued*

9.4 Impairment of financial assets

Impairment of advances

In determining whether an impairment loss should be recognised, the group makes judgements as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans. The objective of the measurement of an impairment loss is to produce a quantitative measure of the group's credit risk exposure.

The group adopts the PD/LGD approach to calculate ECL for advances. ECL is based on a weighted average of the macroeconomic scenarios selected, weighted by the probability of occurrence.

Regression modelling techniques are used to predict borrowers' behaviour and transaction characteristics in accordance with and to align with IFRS 9, based on relationships observed in historical data related to the group of accounts to which the model will be applied. Models are used to estimate impairment parameters (PD, LGD and EAD) based on the predictive characteristics identified through the regression process.

Forward-looking information

Forward-looking macroeconomic information has been incorporated into expected credit loss estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. Both quantitative models and expert judgement-based adjustments consider a range of macroeconomic scenarios as inputs.

Macroeconomic scenarios are defined by taking global and domestic macroeconomic considerations into account, and forecasts are developed for various scenarios. Development of these scenarios is overseen by the FirstRand macroeconomic forum, which is responsible for oversight and is independent of credit and modelling functions.

Teams of economists, both locally and within the various subsidiaries, assess micro- and macroeconomic developments to formulate the macroeconomic forecasts. Various internal and external economists are then requested to assign a probability to each scenario.

ECL results are calculated as probability-weighted average results across multiple macroeconomic scenarios. The creation of macroeconomic scenarios and the determination of associated probabilities are subjective, with final ECL results dependent on the assumptions applied during the process. Quantitative techniques are applied to estimate the impact of macroeconomic factors on ECL using various techniques.

Within the RMB corporate and investment banking portfolios, macroeconomic stress testing models are applied to estimate the impact of FLI on ECL. These stress testing models are industry-specific and make use of regression techniques, observed macroeconomic correlations and expert judgement, depending on the extent of data available in each industry. The outputs from these models are used to determine the level of stress that a particular industry is expected to experience, and through-the-cycle impairment parameters are scaled accordingly, with scaling factors based on historical Standard & Poor's Global Ratings (S&P) default data.

Within retail and commercial portfolios, forward-looking ECL is modelled using regression-based techniques that determine the relationship between key macroeconomic factors and credit risk parameters (with industry considerations further applied in the case of commercial portfolios) based on historically observed correlations. Modelled correlations and macroeconomic variable weightings are adjusted on the basis of expert judgement to ensure that the relationships between macroeconomic forecasts and risk parameters are intuitive and that ECL is reflective of forward-looking expectations of credit performance.

Where the impact of forward-looking macroeconomic information on ECL is determined based on historical relationships between macroeconomic movements and default rates, and it is not expected for these relationships to hold under current macroeconomic conditions, judgemental post-model adjustments have been applied to ensure that relationships between macroeconomic forecasts and ECL estimates are intuitive, with ECL increasing where macroeconomic conditions are expected to worsen, and reflecting additional relevant information not catered for in models. This approach is followed across all portfolios.

Three macroeconomic scenarios are utilised, namely a base scenario, an upside scenario and a downside scenario.

Scenario	Probability	Description
Baseline	64.5% (2024: 65.7%)	Global growth slows amid US protectionism, but stimulus supports recovery as trade wars are avoided. Domestically, uranium, gold, and mining investments drive growth, offset by weak diamond prices, climate shocks, and lower SACU receipts. Inflation remains anchored below 5% over the medium term, while policy stays data-dependent but largely flat.
Upside	18.8% (2024: 17.3%)	Namibia's GDP growth accelerates amid strong mining exports, tourism, and infrastructure investment. Inflation rises with higher spending, deposit and PSCE growth, and currency appreciation. Real interest rates decrease rapidly, prompting potential rate hikes as policy normalises. Improved capital inflows and public finances support broader economic resilience including higher deposit growth and credit sentiment.
Downside	16.7% (2024: 17.0%)	Namibia enters a mild recession as exports weaken, CPI spikes on rapid currency depreciation, and inflationary pressures from drought and energy costs intensify. PSCE and deposits shrink, dampening consumption. Interest rates rise to defend the peg amid regional shocks, further constraining credit demand. Currency and inflation only stabilise post-2028.

Accounting policies *continued*

9. Significant accounting estimates, assumptions and judgements *continued*

9.4 Impairment of financial assets *continued*

Forward-looking information *continued*

Namibia

Namibia's economic outlook remains positive but moderate, with GDP growth projected to remain below 3.5% over the medium term, as post-pandemic momentum slows, and structural constraints re-emerge. Improved rainfall is expected to support activity in agriculture, electricity, and water in 2025, while ongoing infrastructure spending should continue to lift construction. Lower inflation expectations may also boost real wage growth and household consumption later in the year.

However, the medium-term outlook is increasingly shaped by rising fiscal pressures. Weak SACU inflows, softer diamond revenues, and higher borrowing costs are expected to constrain government spending from 2026, with fiscal consolidation likely to weigh on public sector-driven activity, especially in construction, education, and public services.

Inflation is expected to rise gradually, reaching 3.6% by June 2025, 4.4% by June 2026, and 4.6% by June 2027. Risks remain tilted to the upside, including global trade disruptions, volatile food prices, and sticky rent inflation.

Following recent rate cuts, the Bank of Namibia kept the repo rate unchanged at 6.75% in June 2025, maintaining a cautious policy stance amidst rising global uncertainty and stubborn core inflation. The repo rate is expected to remain flat amid subdued credit growth and heightened global and regional uncertainty.

Significant macroeconomic factors

The table below sets out the most significant macroeconomic factors used to estimate the FLI relating to ECL provisions. The information is forecast over a period of three years. The information below reflects the group's forecasts for each period at 30 June.

June 2025	Upside scenario			Baseline expectation			Downside scenario		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
%									
Real GDP growth	5.75	6.25	6.00	3.50	3.20	3.00	(0.50)	–	0.50
CPI inflation	5.65	6.20	6.00	4.40	4.60	4.60	6.75	7.5	7.00
Repo rate	7.50	7.25	7.25	6.75	6.75	6.75	9.00	8.5	7.75

June 2024	Upside scenario			Baseline expectation			Downside scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
%									
Real GDP growth	5.70	6.10	6.00	4.40	3.10	3.40	0.65	–	0.30
CPI inflation	6.30	6.50	6.60	5.30	5.20	4.90	7.65	7.80	7.80
Repo rate	6.75	6.10	6.00	7.50	7.50	7.50	10.75	9.90	7.75

The following table reflects the impact on the IFRS 9 impairment provision on advances, if the probability weighting assigned to each of the scenarios were increased to 100%.

	N\$'000	% change on total IFRS 9 provision
IFRS 9 impairment provision at 30 June 2025		
Baseline	1 590 337	(0.42%)
Upside	1 558 549	(2.41%)
Downside*	1 649 613	3.29%
IFRS 9 impairment provision at 30 June 2024		
Baseline	1 647 762	1.8%
Upside	1 544 872	(4.5%)
Downside*	1 694 532	4.7%

* *Applicable to the secured portfolio.*

In addition to forward-looking macroeconomic information, other types of forward-looking information, such as specific event risk, is taken into account in ECL estimates when required. Furthermore, where there is uncertainty in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates and macroeconomic events, additional provisions via post model adjustments are made.

9. Significant accounting estimates, assumptions and judgements *continued*

9.4 Impairment of financial assets *continued*

Judgement	Retail and retail SME	Wholesale and commercial SME
Measurement of the 12-month and LECL	<p>Parameters are determined on a basis whereby exposures are pooled at a portfolio level (at a minimum). Where appropriate, more granular pooling is applied. The inputs used to determine parameter values include historically observed behaviour, as well as behavioural and demographic information related to individual exposures currently on book.</p> <p>PD parameters are determined through assessment of the influence that various risk drivers have had on historical default rates. EAD parameter estimates are based on product characteristics in addition to historical drawdown and payment behaviour. LGDs are determined by estimating expected future cash flows, adjusted for FLI such as the house price index, prime lending rate and GDP. These cash flows include direct costs and proceeds from the sale of collateral. Collateral recovery rates are based on historically observed outcomes.</p> <p>The statistical models applied implicitly assume that risk drivers that influence default risk, payment behaviour and recovery expectations within historical data will continue to be relevant in the future.</p>	<p>Parameters are determined based on the application of statistical models that produce estimates based on counterparty-specific financial information and transaction characteristics. These characteristics include the nature of available collateral.</p> <p>Due to the specialised nature of these exposures, parameters produced by models are taken through a robust review and challenge process before being applied to calculate ECL, and are required to be signed off by a committee of wholesale and commercial credit experts who can motivate adjustments to modelled parameters.</p>
	<p>Parameters are calibrated for the calculation of 12-month and LECL using term structures that consider borrower risk, account age, historical behaviour, transaction characteristics and correlations between parameters.</p> <p>Term structures have been developed over the remaining lifetime of an instrument. The remaining lifetime is limited to the contractual term of instruments in the portfolio, except for instruments with an undrawn commitment such as credit cards, where there is no contractual expiry date. In such instances the remaining lifetime is determined with reference to the change in client requirements that would trigger a review of the contractual terms, for example an increase in limit.</p> <p>ECL on open accounts is discounted from the expected date of default to the reporting date, using the asset's original effective interest rate or a reasonable approximation thereof.</p>	
Determination of whether the credit risk of financial instruments have increased significantly since initial recognition (SICR)	SICR triggers continue to be based on client behaviour, client-based behaviour scores and judgemental factors.	SICR triggers continue to be determined based on client behaviour and the internal FirstRand client rating or risk score, as well as judgemental factors, which include triggers for industries in distress, potentially resulting in the client being added to the watch-list through the group's ongoing risk management process. These triggers are determined at a deal and client level and are calibrated over time to determine what level of deterioration is reflective of a SICR.

9.5 Provisions

Provisions for litigation

The group has a policy and process in place to determine when to recognise provisions for potential litigation and claims. The recognition of such provisions is linked to the ranking of the legal risk of potential litigation on the bank's litigation database which indicates if outflow is probable.

9.6 Transactions with employees

Employee benefits – post employment plans

Determination of present value of defined benefit plan obligations	<p>The cost of the benefits and the present value of the defined benefit pension funds and post-employment medical obligations depend on a number of factors that are determined annually on an actuarial basis, by independent actuaries, using the projected unit credit method which incorporates a number of assumptions.</p> <p>The key assumptions used in determining the charge to profit or loss arising from these obligations include the expected long-term rate of return on the relevant plan assets, discount rate and expected salary and pension increase rates. Any changes in these assumptions will impact the charge to profit or loss and may affect planned funding of the pension plans.</p>
--	--

Cash settled share-based payment plans

Determination of fair value of the award	<p>The award is determined using the Black Scholes option pricing model with a zero strike price. The following estimates are included in the model to determine the value:</p> <ul style="list-style-type: none"> management's estimate of future dividends; the risk-free interest rate; and staff turnover and historical forfeiture rates as indicators of future conditions.
--	--

Accounting policies *continued*

9. Significant accounting estimates, assumptions and judgements *continued*

9.7 Insurance activities

All insurance and reinsurance contracts																			
Risk adjustment for non-financial risk	<p>The group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the entity to the reinsurer.</p> <p>The risk adjustment was calculated at each insurance entity level and then allocated down to each group of contracts in accordance with their risk profiles.</p> <p>The scenario value at risk approach was used to determine the overall adjustment for non-financial risk regarding the LRC for onerous contracts measured under the PAA which includes a specified upfront confidence level (probability of sufficiency) of 80% over a one-year period. The group allows for diversification benefits across products at an overall insurance entity level.</p> <p>With respect to the risk adjustment included in the fulfilment cash flows attributable to the LIC, the group has applied a bootstrapping approach. The bootstrapping approach makes use of the basic chain ladder as a source of input, which is a common actuarial reserving methodology.</p>																		
Discount rate	<p>The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. A bottom-up approach is used to determine the discount rate for the cash flows that do not vary based on the return on underlying items in all other contracts within the scope of IFRS 17 and is derived as the sum of the risk-free yield and an illiquidity premium (where necessary).</p> <p>The LIC is more sensitive to longer tailed OCR, in particular legal risks and hence quite sensitive to the discounting assumption.</p> <p>The table below sets out the yield curves used to discount the cash flows of insurance contracts.</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>2 months</td> <td>7%</td> <td>8%</td> </tr> <tr> <td>6 months</td> <td>8%</td> <td>9%</td> </tr> <tr> <td>12 months</td> <td>8%</td> <td>9%</td> </tr> <tr> <td>18 months</td> <td>8%</td> <td>9%</td> </tr> <tr> <td>30 months</td> <td>8%</td> <td>9%</td> </tr> </tbody> </table>		2025	2024	2 months	7%	8%	6 months	8%	9%	12 months	8%	9%	18 months	8%	9%	30 months	8%	9%
	2025	2024																	
2 months	7%	8%																	
6 months	8%	9%																	
12 months	8%	9%																	
18 months	8%	9%																	
30 months	8%	9%																	
Key assumptions to which the estimation of liabilities is particularly sensitive																			
<p>Material judgement is required in determining liabilities and in the choice of assumptions. Assumptions in use are based on experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation. Assumptions are further evaluated on a continual basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:</p>																			
Estimates of future cash flows to fulfil insurance contracts – Liabilities for incurred claims	<p>In estimating the future fulfilment cash flows relating to already incurred claims, the company considers the following:</p> <ul style="list-style-type: none"> Reported claims that have not yet been paid (OCR) – Each notified claim relating to one of the company's policies is assessed on a case-by-case basis with due regard to the specific circumstances, information available from the insured and/or loss adjuster and experience with similar claims. Standardised policies and procedures are applied to claims assessments. The ultimate cost of incurred claims may vary as a result of future developments or better information becoming available about the current circumstances. Adjustments to the quantum of the OCR established in prior years are reflected in the financial statements. Claims incurred but not yet reported (IBNR) – The liability is estimated by assuming that future trends in reporting of claims will be similar to the past. The profile of claims run-off (over time) is modelled by using historic data of the company and best practice actuarial techniques. <p>Consistent assumptions are used when measuring estimates of the present value of future cash flows for a group of reinsurance contracts held and estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. As a result, the cash flows used to measure the reinsurance contracts held reflect the extent to which those cash flows depend on the cash flows of the underlying contracts that the reinsurance contract attaches to.</p>																		
Lapse and cancellation rates	<p>Lapses relate to the termination of policies due to non-payment of premiums. Cancellations relate to the voluntary termination of policies by policyholders or the settlement or termination of financing products, to which embedded, and credit life policies are linked. Policy termination assumptions are determined using statistical measures based on the group's experience and vary by product type and sales channel.</p>																		

9.8 Fair value

Fair value measurement
<p>The details of the processes, procedures and assumptions used in the determination of fair value are disclosed in note 34. In particular, the areas that involve the greatest amount of judgement and complexity include the following:</p> <ul style="list-style-type: none"> assessing whether instruments are trading with sufficient frequency and volume that can be considered liquid; the inclusion of a measure of the risk of counterparty non-performance in the fair value measurement of loans and advances; and the inclusion of credit valuation adjustments and funding valuation adjustments in the fair value measurement of derivative instruments.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2025

● Consolidated statement of comprehensive income	38
● Consolidated statement of financial position	39
● Consolidated statement of changes in equity	40
● Consolidated statement of cash flows	41
● Notes to the consolidated annual financial statements	42
● Capital management	105

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

N\$'000	Note(s)	2025	2024
Interest and similar income	1	5 856 001	6 048 214
Interest expense and similar charges	1	(2 500 842)	(2 965 847)
Net interest income before impairment of advances		3 355 159	3 082 367
Impairment and fair value of credit on advances	16	(527 432)	(425 570)
Net interest income after impairment of advances		2 827 727	2 656 797
Non-interest revenue	2	2 702 035	2 441 790
– Net fee and commission income		2 266 201	2 062 802
– Commissions received		2 623 797	2 371 581
– Fees charged		(357 596)	(308 779)
– Fair value gains		310 061	194 416
– Gains less losses from investing activities		61 201	95 714
– Other non-interest revenue		64 572	88 858
Insurance service result		(16 096)	20 670
– Insurance service result before reinsurance contracts held		(12 770)	30 370
– Insurance revenue	3	177 569	161 688
– Insurance service expense	4	(190 339)	(131 318)
– Net expense from reinsurance contracts held	5	(3 326)	(9 700)
– Allocation of reinsurance premiums		(22 028)	(23 611)
– Amounts recoverable from reinsurers for incurred claims		18 702	13 911
Income from operations		5 513 666	5 119 257
Operating expenses	6	(2 799 324)	(2 652 443)
Net income from operation		2 714 342	2 466 814
Share of profit of associates after tax	19	18 409	–
Income before indirect tax		2 732 751	2 466 814
Indirect tax	8	(61 942)	(55 049)
Net income from operations		2 670 809	2 411 765
Income tax expense	8	(758 843)	(708 247)
Profit for the year		1 911 966	1 703 518
Other comprehensive income:			
Items that may not be subsequently reclassified to profit or loss:			
Remeasurements on net defined benefit post-employment plan	26	(2 446)	(9 145)
Deferred income tax	22	758	2 835
Total items that may not be subsequently reclassified to profit or loss		(1 688)	(6 310)
Other comprehensive loss for the year net of taxation		(1 688)	(6 310)
Total comprehensive income for the year		1 910 278	1 697 208
Earnings per share (cents)			
Basic earnings and diluted earnings per share (cents)	9.2	715.8	636.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

N\$'000	Note(s)	2025	2024
Assets			
Cash and cash equivalents	11	3 080 121	3 163 516
Due from banks and other financial institutions	12	2 194 326	9 591 662
Derivative financial instruments	13	943 324	349 809
Investment securities	14	9 479 281	8 661 149
Advances	15	39 222 377	37 745 001
Other assets	17	331 417	277 288
Current tax asset		–	539
Non-current assets held for sale*	18	55 040	53 000
Reinsurance assets**	28	7 891	5 912
Investment in associate	19	18 409	–
Property and equipment	20	883 058	866 298
Intangible assets	21	32 427	50 609
Deferred tax asset	22	26 816	22 864
Total assets**		56 274 487	60 787 647
Equity and liabilities			
Liabilities			
Short trading position	23	16 682	34 085
Derivative financial instruments	13	984 517	430 715
Creditors and accruals	24	962 299	759 677
Current tax liability		82 198	346 998
Deposits and current accounts	25	45 604 098	44 672 808
Due to banks and other financial institutions	25	254 954	7 548 800
Employee liabilities	26	312 153	285 621
Other liabilities	27	105 812	128 565
Insurance liabilities	28	66 954	44 350
Tier 2 liabilities	29	503 558	–
Deferred tax liabilities	22	233 968	304 143
Total liabilities**		49 127 193	54 555 762
Equity			
Share capital	30	1 335	1 335
Share premium	30	278 023	278 023
Reserves		2 915	4 603
Retained earnings		6 865 021	5 947 924
		7 147 294	6 231 885
Total equity and liabilities		56 274 487	60 787 647

* During the current year, the group reassessed the liquidity order in the statement of financial position, moving non-current assets held for sale above reinsurance assets line due to its higher liquidity. This change had no impact on the amounts in these line items and was applied to the prior year as well.

** During the current year, reinsurance assets and reinsurance liabilities are presented as a single line item, to reflect the substance of the reinsurance arrangement as one portfolio in terms of IFRS 17. Comparative figures have been updated accordingly. Previously reported reinsurance assets of N\$11.6 million and reinsurance liabilities of N\$5.7 million were presented separately on the face of the statement of financial position, have been represented as reinsurance assets of N\$5.9 million. This has resulted in consequential impact on total assets and total liabilities. As previously reported total assets of N\$60.79 million and total liabilities of N\$54.56 million have been restated to N\$60.79 million and N\$54.56 million, respectively.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2025

N\$'000	Share capital	Share premium	Total share capital	Defined benefit post-employment reserve	Retained earnings	Total equity
Balance at 01 July 2023	1 335	278 023	279 358	10 913	5 693 869	5 984 140
Profit for the year	–	–	–	–	1 703 518	1 703 518
Other comprehensive loss	–	–	–	(6 310)	–	(6 310)
Total comprehensive (loss)/income for the year	–	–	–	(6 310)	1 703 518	1 697 208
Opening balance IFRS 17 transition adjustment*	–	–	–	–	(2 713)	(2 713)
Dividends	–	–	–	–	(1 446 750)	(1 446 750)
Balance at 01 July 2024	1 335	278 023	279 358	4 603	5 947 924	6 231 885
Profit for the year	–	–	–	–	1 911 966	1 911 966
Other comprehensive loss	–	–	–	(1 688)	–	(1 688)
Total comprehensive (loss)/income for the year	–	–	–	(1 688)	1 911 966	1 910 278
Dividends	–	–	–	–	(994 869)	(994 869)
Balance at 30 June 2025	1 335	278 023	279 358	2 915	6 865 021	7 147 294
Note(s)	30	30	30			

* In the prior year, the group elected not to retrospectively adjust for IFRS 17 in line with IAS 1, due to the immaterial nature of the transition impact. Given the short-term nature of the insurance business the transition impact of IFRS 17 resulted in an impact of N\$2.7 million for the group. This is considered to be immaterial and has been adjusted for in the retained earnings opening balance in the June 2024 financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

N\$'000	Note(s)	2025	2024
Cash flows from operating activities			
Profit before tax		2 670 809	2 411 765
Adjusted for:			
– Share of profit from associates after tax	19	(18 409)	–
– Amortisation of intangibles	21	21 903	24 070
– Depreciation of property and equipment	20	123 708	112 488
– Bonus provision		162 564	88 882
– Impairment of other assets	6	1 283	7 711
– Share based payment expenses	6	26 927	25 054
– Impairment loss on advances excluding post write-off recoveries**	16	576 152	425 570
– Provision post-employment benefit obligation		3 979	286
– Gains & losses from banking & trading activities	2	(315 691)	(198 646)
– Transfer to provision for LIC/LRC		–	(1 775)
– (Profit)/Loss on sale of property and equipment	2	(2 423)	285
– Loss on sale of subsidiary	2	–	3 177
– (Reversal of impairment)/impairment of non-current asset held for sale	18	(2 040)	3 820
– Indirect tax	8	61 942	55 049
– Interest and similar income	1	(5 856 001)	(6 048 215)
– Interest and similar expenses	1	2 500 842	2 965 846
Dividend income	2	(55 572)	(90 720)
Interest received		5 905 262	5 939 035
Interest paid		(2 384 356)	(2 910 221)
Dividend received		49 881	64 006
Taxation paid		(1 215 365)	(482 691)
Cash generated from operating activities		2 255 395	2 394 776
Movement in operating assets and liabilities		(1 679 246)	569 732
Due from banks and other financial institutions	12	7 527 057	130 244
Investment securities	14	(678 199)	1 306 219
Advances	15	(1 985 957)	(2 691 646)
Deposits	25	912 590	1 892 063
Other assets	17	(55 412)	(10 376)
Reinsurance assets*	28	(1 979)	(12 757)
Employee liabilities	26	(140 011)	14 593
Short-term trading	23	(17 403)	34 085
Insurance liabilities	28	22 604	(1 077)
Other liabilities	27	(22 753)	(42 827)
Creditors and other payables	24	171 486	(92 936)
Due to bank and other financial institutions	25	(7 388 074)	44 147
Derivative financial instruments	13	(23 195)	–
Net cash from operating activities		576 149	2 964 508
Cash flows from investing activities			
Acquisition of property and equipment	20	(114 997)	(115 176)
Proceeds on disposal of property and equipment		7 479	4 275
Acquisition of intangible assets	21	(3 721)	(3 706)
Proceeds from disposal of subsidiary		–	200
Net cash from investing activities		(111 239)	(114 407)
Cash flows from financing activities			
Dividend paid		(994 869)	(1 446 750)
Payments on other liabilities	27	(31 286)	(27 049)
Payments on lease liabilities	27	(22 150)	(22 712)
Proceeds from the issue of tier 2 liabilities	29	500 000	–
Net cash inflow from financing activities		(548 305)	(1 496 511)
Total cash movement for the year		(83 395)	1 353 590
Cash and cash equivalents at the beginning of the year		3 163 516	1 809 926
Cash and cash equivalents at the end of the year	11	3 080 121	3 163 516

* During the current year, movement in reinsurance assets and reinsurance liabilities are presented as a single line item, to reflect the substance of the reinsurance arrangement as one portfolio in terms of IFRS 17. Comparative figures have been updated accordingly. Previously reported reinsurance assets movement of N\$13.0 million and reinsurance liabilities movement of N\$25.7 million were presented separately in the movement in operating assets and liabilities section in the statement of cash flow, they have been represented as a reinsurance assets of N\$1.9 million.

** "Impairment and fair value of credit on advances" has been updated to "Impairment loss on advances excluding post write-off recoveries" to provide a more accurate representation of the underlying balance for the current year, by correctly excluding post write-off recoveries. The prior year comparative information has not been updated and include post write-off recoveries amounting to N\$21.6 million.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. Analysis of interest income and interest expense

N\$'000	2025	2024
Analysis of interest and similar income		
Instruments at amortised cost using effective interest rate	5 856 001	6 048 214
Interest and similar income	5 856 001	6 048 214
Revenue other than contracts with customers		
Overdrafts and cash managed accounts	464 442	455 840
Term loans	536 598	369 061
Card loans	79 199	83 807
Instalment sales	508 801	477 236
Lease payments receivable	14 331	13 171
Home loans	1 847 783	1 960 076
Commercial property finance	450 337	501 288
Personal loans	528 439	494 249
Preference share agreements	97 588	97 187
Other advances	29 798	33 585
Invoice financing	4 407	2 679
	4 561 723	4 488 179
Due from banks, other financial institutions and cash and cash equivalents	517 440	836 906
Investment securities	776 838	723 089
Accrued off-market advances	–	40
Interest and similar income	5 856 001	6 048 214
Analysis of interest expense and similar charges		
Instruments at amortised cost	2 500 842	2 965 847
Interest expenses and similar charges	2 500 842	2 965 847
Deposits from customers		
Current accounts	240 871	371 885
Savings deposits	34 854	32 670
Call deposits	706 483	715 205
Fixed and notice deposits	691 904	650 994
	1 674 112	1 770 754
Debt securities		
Negotiable certificates of deposit	470 351	504 469
Fixed and floating rate notes	29 745	30 355
Deposits from banks and other financial institutions	288 293	646 877
	788 389	1 181 701
Other liabilities	7 836	10 577
Lease liabilities	3 084	2 815
Tier 2 liabilities	27 421	–
	38 341	13 392
Interest expense and similar charges	2 500 842	2 965 847

2. Non-interest revenue

N\$'000	Note(s)	2025	2024
Analysis of non-interest revenue			
Fee and commission income	2.1	2 623 797	2 371 581
Instrument at amortised cost		2 471 252	2 223 155
Non-financial instruments		152 545	148 426
Fee and commission expense	2.2	(357 596)	(308 779)
Net fee and commission income		2 266 201	2 062 802
Fair value income			
Fair value	2.3	310 061	194 416
Gains less losses from investing activities	2.4	61 201	95 714
Other non-interest revenue	2.5	64 572	88 858
Total non-interest revenue		2 702 035	2 441 790
2.1 Fee and commission income			
Card commissions		435 379	361 091
Cash deposit fee		117 954	99 900
Commissions: bills and drafts		55 811	44 239
Bank charges		1 862 108	1 717 925
– Transaction and service fees		1 751 423	1 612 080
– Documentation and administration fees		75 494	67 406
– Cash handling fees		35 191	38 439
Banking fee and commission income		2 471 252	2 223 155
Non-banking fee and commission income			
Brokerage Income		54 170	54 405
Management, trust and fiduciary service fees		98 375	94 021
Non-banking fee and commission income		152 545	148 426
Fee and commission income		2 623 797	2 371 581
2.2 Fee and commission expenses			
ATM commission paid		(10 750)	(10 263)
Cash sorting, handling and transportation charges		(29 577)	(27 959)
Customer loyalty programmes		(37 923)	(29 976)
Transaction processing fees		(267 865)	(230 766)
Other		(11 481)	(9 815)
Total fee and commission expenses		(357 596)	(308 779)
2.3 Fair value gains			
Foreign exchange		199 954	169 385
Designated at fair value through profit or loss		110 107	25 031
Total fair value income		310 061	194 416

Notes to the consolidated annual financial statements *continued*

2. Non-interest revenue *continued*

N\$'000	2025	2024
2.4 Gains less losses from investing activities		
Gains on investment securities designated at fair value through profit or loss	6 171	4 226
(Loss allowance)/recoveries on investment securities	(542)	768
Dividend received	55 572	90 720
Total gains less losses from investing activities	61 201	95 714
2.5 Other non-interest revenue		
Profit/(loss) on disposal of property and equipment	2 423	(285)
Loss on disposal of a subsidiary	–	(3 177)
Reversal of impairment of building	2 040	–
Rental income	5 357	4 817
Other income	54 752	87 503
Total other non-interest revenue	64 572	88 858

Other income mainly reflects the profit share on structured transactions and yield-enhancer deposit trades.

3. Insurance revenue

Insurance revenue from contracts measured under the PAA	177 569	161 688
	177 569	161 688

In the current year, the amounts have been aggregated as all contracts issued pertain to personal lines. This approach aligns with the presentation in the statutory FNB Short term Insurance company's financial statements.

4. Insurance service expenses

Incurred claims	(137 276)	(89 330)
Other directly attributable expenses	(32 111)	(24 038)
Changes that relate to past service – change in the FCF relating to the LIC	(2 870)	1 506
Reversal of losses/(losses on onerous contracts)	176	(46)
Insurance acquisition cash flows immediately expensed for contracts measured under PAA	(18 258)	(19 410)
Insurance service expenses	(190 339)	(131 318)

In the current year, the amounts have been aggregated as all contracts issued pertain to personal lines. This approach aligns with the presentation in the statutory FNB Short term Insurance company's financial statements.

5. Net income/(expenses) from reinsurance contracts held

Allocation of reinsurance premiums	(22 028)	(23 611)
Amount recovered from reinsurance for incurred claims*	18 702	13 911
Net expenses from reinsurance contracts held	(3 326)	(9 700)

* The description 'Amount recovered from reinsurance for incurred claims and commission' has been updated to 'Amount recovered from reinsurance for incurred claims' to provide a more accurate representation of the underlying balance, as there is no commission included in the balance.

6. Operating expenses

N\$'000	2025	2024
Auditors' remuneration – external		
Audit fees	20 160	19 878
Fees for other services	2 534	1 843
Total auditors' remuneration	22 694	21 721
Non-capitalised lease charges		
Short term leases	9 044	7 578
Leases of low value assets	3 274	3 323
Total non-capitalised charges	12 318	10 901
Staff costs		
Salaries, wages and allowances	1 273 865	1 198 851
Off-market staff loans amortisation	–	40
Defined contribution schemes: pension	158 465	114 075
Defined contribution schemes: medical	113 611	104 949
Post retirement medical expense	4 235	3 784
Severance pay: death in service	386	1 022
Social security levies	2 261	2 058
Share-based payments	26 927	25 054
Skills development levies	12 430	14 893
Other staff costs	11 623	6 090
Total staff costs	1 603 803	1 470 816
Other operating costs		
Amortisation of intangible assets	21 903	24 070
Depreciation of property and equipment	123 708	112 488
Impairment loss	1 283	11 531
Insurance	16 335	17 096
Advertising and marketing	90 567	74 430
Property and maintenance related expenses	89 702	81 918
Computer	553 214	593 285
Stationery	10 161	8 266
Telecommunications	24 337	22 971
Professional fees	27 344	19 002
Donations	18 478	32 338
Business travel	26 798	16 169
Legal and other related expenses	5 323	5 043
Postage	1 692	2 080
Total directors remuneration	21 795	23 717
Other operating expenditure	178 239	148 049
Other operating costs	1 210 879	1 192 453
Less: IFRS 17 costing framework	(50 370)	(43 448)
Insurance acquisition cash flows	(18 258)	(19 410)
Insurance service cash flows	(32 112)	(24 038)
Total operating expenses	2 799 324	2 652 443

Notes to the consolidated annual financial statements *continued*

7. Directors' remuneration

N\$'000	C Dempsey (CEO)		L.P Smit (CFO)	
	2025	2024	2025	2024
Executive				
Cash package paid during the year	2 796	2 582	1 841	1 619
Retirement contributions paid during the year	551	521	302	285
Other allowances	820	819	161	272
Guaranteed package	4 167	3 922	2 304	2 176
Cash:*				
– Within 6 months	1 640	2 480	245	600
– Within 1 year	1 782	788	1 117	–
Retention bonus**	–	3 300	–	1 810
LTI award***	5 847	4 791	410	–
Variable pay	9 269	11 359	1 772	2 410
Total guaranteed and variable pay	13 436	15 281	4 076	4 586

* Variable compensation paid in cash in respect of the year ended June is paid (with an interest factor) in three tranches during the following year ending on 30 June, i.e. August, December and June.

** The CEO and CFO received N\$3 300 000 and N\$1 810 000 respectively as retention bonuses in the 2024 financial year with a clawback of 100% of the amount should they leave the employment of the group within 3 years as part of the long-term incentive plan (LTI). In the current year, LTI award retention was renamed to retention bonus.

*** LTI awards are made annually under the CIP, and vesting is dependent on certain corporate performance targets being met on a cumulative basis over three years. In the current year, share based payment was renamed to LTI award.

N\$'000	2025	2024
Non-executive directors		
P Grüttemeyer	223	722
IN Nashandi	348	375
J Coetzee	573	532
E van Zyl	823	861
LD Kapere	527	433
MJ Lubbe	716	508
ON Shikongo	691	419
SL Balsdon	382	–
Total non-executive director's fees	4 283	3 850

Non-executive directors employed within the FirstRand SA Group do not receive directors fees for services.

Executive Directors share options and detail incentive awards are set out in the Remuneration report in the separate Integrated annual report (refer to page 67 of the separate Integrated annual report).

8. Taxation

N\$'000	2025	2024
Indirect tax		
Stamp duties	10 387	8 651
Value-added tax (net)	51 555	46 398
Total indirect tax	61 942	55 049
Direct tax		
Current		
Local income tax current period	824 002	709 383
Non-resident shareholder tax	–	523
	824 002	709 906
Deferred		
Originating and reversing temporary differences	(65 159)	(1 659)
Total income tax expense	758 843	708 247
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	31.00%	32.00%
Dividend income	(2.04)%	(2.41)%
Other non-taxable income*	(0.19)%	(0.48)%
Disallowed expenditure**	0.39 %	0.45%
Tax rate change	(0.29)%	(0.39)%
Other	(0.46)%	0.20%
Effective rate of tax	28.41%	29.37%

* Includes fair value gains which is non-taxable.

** Includes donations and expenditure in entities which do not have taxable income.

Notes to the consolidated annual financial statements *continued*

9. Headline earnings, dividend and earnings per share

9.1 Headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and dilutive headline earnings by the weighted average number of ordinary shares outstanding during the period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and dilutive earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted earnings are presented after tax and non-controlling interest.

Headline earnings have been calculated in accordance with all adjustments prescribed by SAICA Circular 01/2023.

	2025	2024
Headline earnings per share (cents)	714.5	641.2
Reconciliation between earnings and headline earnings (N\$'000)		
Basic earnings (N\$'000)	1 911 966	1 703 518
Adjusted for:		
(Profit)/loss on disposal of property and equipment (N\$'000)	(2 422)	285
(Reversal of impairment)/impairment of building (N\$'000)	(2 040)	3 820
Loss on disposal of subsidiary (N\$'000)	–	3 177
Impairment of assets (N\$'000)	–	5 120
Tax effect (N\$'000)	751	(91)
	1 908 255	1 715 829
Dividends per share		
Interim (20 February 2025: 192.32 cents); (14 February 2024: 173.52 cents)	513 674	463 460
Final (22 August 2024: 180.16 cents); (23 August 2023: 368.14 cents)	481 195	983 290
	994 869	1 446 750

The final dividend of 284.02 cents (2024: 180.16 cents) was declared and authorised after the reporting period. The dividend is therefore not been recognised as a liability in the reporting period. It has been disclosed for information purposes only (refer to directors' report).

9.2 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the group, obtained from profit weighted average number of ordinary shares in issue during the year.

Earnings attributable to ordinary shareholders (N\$'000)	1 911 966	1 703 518
Weighted average number of shares in issue	267 093 250	267 093 250
Weighted average number of shares before shares held by trust	267 593 250	267 593 250
Less: Shares held by share trust	(500 000)	(500 000)
	715.8	636.6

Diluted earnings per share are equal to earnings per share because there are no dilutive potential ordinary shares in issue.

10. Analysis of assets and liabilities

The following table analyses the assets and liabilities in the statement of financial position per category of financial instruments, according to measurement basis and in order of when the assets and liabilities are expected to be realised/settled.

2025

N\$'000	Amortised cost	At fair value through profit or loss mandatory	At fair value profit or loss designated	At fair value through other comprehensive income (equity)	Non-financial assets and liabilities	Total carrying value	Current	Non-current and non-contractual
Assets								
Cash and cash equivalents	3 080 121	–	–	–	–	3 080 121	3 080 121	–
Due from banks and other financial institutions	2 194 326	–	–	–	–	2 194 326	2 194 326	–
Derivative financial instruments	–	943 324	–	–	–	943 324	413 690	529 634
Investment securities	8 249 420	1 067 156	152 340	10 365	–	9 479 281	5 251 049	4 228 232
Advances	39 222 377	–	–	–	–	39 222 377	9 597 074	29 625 303
Other assets	221 682	–	–	–	109 735	331 417	33 176	298 241
Non-current asset held for sale*	–	–	–	–	55 040	55 040	55 040	–
Reinsurance assets*	–	–	–	–	7 891	7 891	7 891	–
Non-financial assets*	–	–	–	–	960 710	960 710	–	960 710
Total assets	52 967 926	2 010 480	152 340	10 365	1 133 376	56 274 487	20 632 367	35 642 120
Equity and liabilities								
Total equity	–	–	–	–	7 147 294	7 147 294	–	7 147 294
Short Trading Position	–	16 682	–	–	–	16 682	16 682	–
Derivative financial instruments	–	984 517	–	–	–	984 517	953 932	30 585
Creditors and accruals	727 259	–	–	–	235 040	962 299	847 392	114 907
Deposits and current accounts	45 604 098	–	–	–	–	45 604 098	42 488 045	3 116 053
Due to banks and other financial institutions	254 954	–	–	–	–	254 954	123 567	131 387
Other liabilities	105 812	–	–	–	–	105 812	39 238	66 574
Insurance liabilities*	–	–	–	–	66 954	66 954	66 954	–
Tier 2 liabilities	503 558	–	–	–	–	503 558	41 782	461 776
Non-financial liabilities*	–	–	–	–	628 319	628 319	269 124	359 195
Total liabilities	47 195 681	1 001 199	–	–	930 313	49 127 193	44 846 716	4 280 477
Total equity and liabilities	47 195 681	1 001 199	–	–	8 077 607	56 274 487	44 846 716	11 427 771

* In the current year, non-current assets held for sale and reinsurance assets were disaggregated from non-financial assets, and insurance liabilities from non-financial liabilities, to enhance disclosure. In addition, reinsurance assets and liabilities are now presented as a single line item to reflect the substance of the reinsurance arrangements as a single portfolio. Comparative figures have been updated accordingly.

Notes to the consolidated annual financial statements *continued*

10. Analysis of assets and liabilities *continued*

2024

N\$'000	Amortised cost	At fair value through profit or loss mandatory	At fair value through profit or loss designated	At fair value through other comprehensive income (equity)	Non-financial assets and liabilities	Total carrying value	Current	Non-current and non-contractual
Assets								
Cash and cash equivalents	3 163 516	–	–	–	–	3 163 516	3 163 516	–
Due from banks and other financial institutions	9 591 662	–	–	–	–	9 591 662	3 777 867	5 813 795
Derivative financial instruments	–	349 809	–	–	–	349 809	216 110	133 699
Investment securities	7 845 752	639 608	165 424	10 365	–	8 661 149	4 198 875	4 462 274
Advances	37 364 251	78 954	301 796	–	–	37 745 001	9 556 030	28 188 971
Other assets**	148 927	–	–	–	128 361	277 288	16 864	260 424
Non-current asset held for sale*	–	–	–	–	53 000	53 000	53 000	–
Reinsurance assets*	–	–	–	–	5 912	5 912	5 912	–
Non-financial assets*	–	–	–	–	940 310	940 310	–	940 310
Total assets	58 114 108	1 068 371	467 220	10 365	1 127 583	60 787 647	20 988 174	39 799 473
Equity and liabilities								
Total equity	–	–	–	–	6 231 885	6 231 885	–	6 231 885
Short Trading Position	–	34 085	–	–	–	34 085	34 085	–
Derivative financial instruments	–	430 715	–	–	–	430 715	374 865	55 850
Creditors and accruals	570 261	–	–	–	189 416	759 677	665 452	94 225
Deposits and current accounts	44 672 808	–	–	–	–	44 672 808	41 975 476	2 697 332
Due to banks and other financial institutions	7 548 800	–	–	–	–	7 548 800	7 548 800	–
Other liabilities	128 565	–	–	–	–	128 565	41 583	86 982
Insurance liabilities*	–	–	–	–	44 350	44 350	44 350	–
Non-financial liabilities*	–	–	–	–	936 762	936 762	515 465	421 297
Total liabilities	52 920 434	464 800	–	–	1 170 528	54 555 762	51 200 076	3 355 686
Total equity and liabilities	52 920 434	464 800	–	–	7 402 413	60 787 647	51 200 076	9 587 571

* In the current year, non-current assets held for sale and reinsurance assets were disaggregated from non-financial assets, and insurance liabilities from non-financial liabilities, to enhance disclosure. In addition, reinsurance assets and liabilities are now presented on a net basis to better reflect the substance of the reinsurance arrangements. Comparative figures have been updated accordingly.

** During the year, the classification of items in transit was reassessed to better reflect their nature, resulting in their reclassification from non-financial assets to financial instruments. Comparative information has been updated, with N\$106.7 million previously reported under non-financial assets now presented under financial assets. Amortised cost instruments and non-financial asset and liabilities were previously stated as N\$42.1 million and N\$235.1 million, respectively and have been reassessed to N\$148.9 million and N\$128.4 million, respectively.

11. Cash and cash equivalents

N\$'000	2025	2024
Coins and bank notes	583 430	648 981
Balances with other banks	10 576	14 382
Balances with central bank	2 486 115	2 500 153
	3 080 121	3 163 516
Mandatory reserve balances included above:	506 908	559 922

Banks are required to deposit a minimum average balance, calculated monthly, with the central bank. The bank may withdraw 25% of the balance on demand to meet part of its intra-day settlement obligations. This mandatory reserve deposits does not bear any interest.

The carrying value of cash and cash equivalent approximates the fair value.

ECL for cash and cash equivalent are immaterial.

No cash or cash equivalents have been pledged.

12. Due from banks and other financial institutions

Namibia Dollar	2 194 326	9 591 662
----------------	-----------	-----------

FNB Namibia (FNBN) previously entered into a series of fully collateralised repo and reverse transactions with FirstRand Bank (FRB) for a total value N\$7 080 million for the purpose of asset and liability management. During the current year a decision was taken to exit the structural ALM (Asset and Liability Management) hedge and N\$5 775 million was unwounded. Management continues to actively monitor ALM risk, and where desirable will engage in ALM management activities that align with ALM frameworks, risk appetite and Banking regulations. The repo transaction is disclosed under due to banks and other financial institutions. Refer to note 25.

ECL for due from banks and other financial institutions are immaterial.

13. Derivative financial instruments

Use of derivatives

The group transacts in derivatives for two purposes: to create risk management solutions for clients and to manage and hedge the groups own risk. The group's derivative activities give rise to open positions in portfolios of derivatives. These positions are managed constantly to ensure that they remain within acceptable risk levels, with offsetting deals being utilised to achieve this where necessary.

For further details on the valuation of derivatives refer to note 34.

Hedging instruments

Fair value hedges

The group's fair value hedges consist principally of currency forwards and interest rate swaps used to hedge the fair value risk associated with changes in interest rates.

For further details on the group's approach to managing interest rate risk and market risk, refer to note 37.

By using derivative financial instruments to hedge exposures to changes in interest rates and commodity prices, the group also exposes itself to the credit risk of the derivative counterparty, which is not offset by the hedged item. For information on how the group minimises counterparty credit risk in derivative instruments, refer to note 37.

Most of the group's derivatives transactions relate to sales activities. Sales activities include the structuring and marketing of derivative products to customers to enable them to take on, transfer, modify or reduce current or expected risk.

Notes to the consolidated annual financial statements *continued*

13. Derivative financial instruments *continued*

Hedging instruments *continued*

Fair value hedges *continued*

The following tables reflect the notional and fair value of the derivatives that are held for trading:

2025

N\$'000	Asset notional	Fair value	Liabilities notional	Fair value
Held for trading				
Currency derivatives	2 584 932	126 993	2 526 467	124 010
Interest rate derivatives	2 272 609	26 734	2 097 609	24 041
Commodity derivatives	2 509 681	787 687	2 509 681	834 556
Energy derivatives	19 303	1 910	19 303	1 910
	7 386 525	943 324	7 153 060	984 517

2024

Held for trading				
Currency derivatives	1 646 753	66 318	972 062	95 046
Interest rate derivatives	2 194 065	13 050	2 194 076	15 162
Commodity derivatives	2 279 032	270 441	2 279 032	320 507
	6 119 850	349 809	5 445 170	430 715

14. Investment securities

N\$'000	2025	2024
Treasury bills	3 109 859	3 099 656
Other government and government guaranteed stock	6 211 145	5 362 877
Unlisted equity	10 365	37 079
Other undated securities	152 340	165 424
	9 483 709	8 665 036
Loss allowance on investment securities	(4 428)	(3 887)
	9 479 281	8 661 149
Analysis of investment securities		
Equities – Fair value through other comprehensive income	10 365	10 365
Other securities – Fair value through profit or loss	1 067 156	639 608
Amortised cost	8 249 420	7 845 752
Fair value through profit or loss	152 340	165 424
Total investment securities	9 479 281	8 661 149

N\$8 249 million (2024: N\$7 846 million) of the financial instruments form part of the group's liquid asset portfolio in terms of the new Banking Institutions Act, (No 13 of 2023) and other foreign banking regulators' requirements.

Information regarding other investments as required in terms of Schedule 4 of the Companies Act, 2004 is kept at the company's registered offices. This information is open for inspection in terms of the provisions of Section 120 of the Companies Act.

The loss allowance on investment securities measured at amortised cost is N\$4.4 million (2024: N\$3.9 million).

The loss allowance on investment securities designated at fair value through other comprehensive income is nil.

The carrying amount approximates the fair value.

Reconciliation of the loss allowance		
Balance at the beginning of the year	3 887	4 654
Impairment for the periods: Impairment charge/(reversal) in the income statement		
– Stage 1	541	(767)
	4 428	3 887

15. Advances

N\$'000	2025	2024
Notional value of advances	40 819 407	39 416 717
Gross value of advances	40 819 407	39 416 717
Geographical analysis (based on credit risk)		
Namibia	39 222 379	37 745 001
Category analysis		
Overdraft and cash management accounts	4 134 159	3 429 502
Card loans	562 363	566 451
Instalment sales	4 474 282	4 136 879
Lease payment receivables	154 002	138 068
Term loans	13 403 195	12 714 943
Property finance	16 618 830	16 788 949
Investment bank term loans	–	302 759
Preference share agreements	1 192 198	964 464
Invoice finance	84 979	11 729
Other	195 399	284 019
Assets under agreement to resell	–	78 954
Gross value of advance	40 819 407	39 416 717
Impairment of advances	(1 597 030)	(1 671 716)
Net advances	39 222 377	37 745 001
Gross advances – fair value	–	381 713
Impairment of advances – fair value	–	(963)
Net advances – fair value	–	380 750
Gross advances – amortised cost	40 819 407	39 035 004
Impairment of advances – amortised cost	(1 597 030)	(1 670 753)
Net advances – amortised cost	39 222 377	37 364 251
Net advances	39 222 377	37 745 001
Maturity analysis of lease payment receivables		
Within 1 year	100 839	103 415
Between 1 and 2 years	57 902	30 630
Between 2 and 3 years	12 867	17 766
Between 3 and 4 years	6 561	5 834
Between 4 and 5 years	2 146	3 523
More than 5 years	100	3 149
Total Gross Amount	180 415	164 317
Unearned finance charges	(26 413)	(26 249)
Net amount	154 002	138 068

Lease payment receivables relate to leases for motor vehicles and equipment.

Notes to the consolidated annual financial statements *continued*

15. Advances *continued*

The following table analyses advances per class according to measurement basis.

2025

N\$'000	Amortised cost	Fair value through profit or loss	Loss allowance	Total
Advances per class				
Property finance	16 633 705	–	(420 157)	16 213 548
Vehicle asset finance	2 168 406	–	(53 108)	2 115 298
Total retail secured	18 802 111	–	(473 265)	18 328 846
Credit card	540 833	–	(54 265)	486 568
Personal loans	3 635 499	–	(351 451)	3 284 048
Other retail	623 323	–	(111 225)	512 098
Total retail unsecured	4 799 655	–	(516 941)	4 282 714
Total retail	23 601 766	–	(990 206)	22 611 560
FNB commercial	6 392 049	–	(416 970)	5 975 079
Commercial vehicle asset finance	2 655 279	–	(133 389)	2 521 890
Total FNB commercial	9 047 328	–	(550 359)	8 496 969
RMB corporate and investment banking	8 170 313	–	(56 465)	8 113 848
Total Corporate and Commercial	17 217 641	–	(606 824)	16 610 817
Total advances	40 819 407	–	(1 597 030)	39 222 377

2024

Advances per class				
Property finance	16 788 707	–	(552 248)	16 236 459
Vehicle asset finance	1 904 655	–	(59 628)	1 845 027
Total retail secured	18 693 362	–	(611 876)	18 081 486
Credit card	548 070	–	(67 655)	480 415
Personal loans	3 426 686	–	(309 627)	3 117 059
Other retail	553 305	–	(102 727)	450 578
Total retail unsecured	4 528 061	–	(480 009)	4 048 052
Total retail	23 221 423	–	(1 091 885)	22 129 538
FNB commercial	6 513 002	–	(422 930)	6 090 072
Commercial vehicle asset finance	2 651 924	–	(103 338)	2 548 586
Total FNB commercial	9 164 926	–	(526 268)	8 638 658
RMB corporate and investment banking	6 648 655	381 713	(53 563)	6 976 805
Total Corporate and Commercial	15 813 581	381 713	(579 831)	15 615 463
Total advances	39 035 004	381 713	(1 671 716)	37 745 001

In determining classes of advances, the type of client is used as a primary indicator and then the type of loan provided to that client is reflected as a sub-class.

15. Advances *continued*

Reconciliation of the gross carrying amount of advances:

2025 N\$'000	Gross advances				Loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost	33 328 935	3 312 344	2 393 725	39 035 004	256 589	350 682	1 063 482	1 670 753
Fair value	381 713	–	–	381 713	963	–	–	963
Amount as at 01 July 2024	33 710 648	3 312 344	2 393 725	39 416 717	257 552	350 682	1 063 482	1 671 716
Current year movement in the back book								
Transfer from stage 1 to stage 2	(1 025 415)	1 025 415	–	–	(20 769)	20 769	–	–
Transfer from stage 1 to stage 3	(169 993)	–	169 993	–	(3 052)	–	3 052	–
Transfer from stage 2 to stage 3	–	(144 944)	144 944	–	–	(24 467)	24 467	–
Transfer from stage 2 to stage 1	1 220 793	(1 220 793)	–	–	44 114	(44 114)	–	–
Transfer from stage 3 to stage 2	–	–	–	–	–	–	–	–
Transfer from stage 3 to stage 1	–	–	–	–	–	–	–	–
Opening balance of back book after transfer*	33 736 033	2 972 022	2 708 662	39 416 717	277 845	302 870	1 091 001	1 671 716
Current period provision created/(released)	1 796 694	190 432	177 244	2 164 370	(59 423)	44 226	702 191	686 994
Change in exposure of back book in the current period								
– Exposures with a change in measurement basis from 12 months to LECL	–	133 096	–	133 096	–	7 244	–	7 244
– Other current year impairment charge/(release)	(1 999 689)	(152 566)	111 753	(2 040 502)	(97 572)	13 543	641 963	557 934
Change in exposure due to new business in the current year	3 796 383	209 902	65 491	4 071 776	38 149	23 439	60 228	121 816
Bad debts written off**	–	–	(761 680)	(761 680)	–	–	(761 680)	(761 680)
Amount as at 30 June 2025	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030
Amortised cost	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030

* The reconciliations have been prepared using a year to date view. This means that the group reports exposures based on the impairment stage at the end of the reporting period. The current year movement is split between new business and back book.

The group transfers opening balances (back book) at the value as at 1 July based on the impairment stage at the end of the reporting period. Any change in exposure and additional ECL raised or released is included in the impairment stage as at the end of the reporting period. Exposures that are in the back book can move directly from stage 3 to stage 1 if the curing requirements have been met in a reporting period. The opening balances as at 1 July are transferred to the impairment stage at 30 June in the transfers section and the current year movements in the back book (changes in exposure and net movement on GCA and ECL provided/(released) are reflected separately in the reconciliation. The current year movement for stage 2 advances is split between exposure where there has been a change in the measurement basis from 12 months to lifetime ECL and changes in other risk parameters.

** Decrease in the advance as a result of write-off is equal to the decrease in ECL as exposures are 100% provided for before being written off. The total contractual amount outstanding on financial assets that were written off during the period and are still subject to enforcement activity is N\$761.7 million (2024: N\$181.4 million).

Notes to the consolidated annual financial statements *continued*

15. Advances *continued*

2024 N\$'000	Gross advances				Loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost	32 059 275	2 948 269	1 771 362	36 778 906	248 014	274 096	807 189	1 329 299
Amount as at 01 July 2023	32 059 275	2 948 269	1 771 362	36 778 906	248 014	274 096	807 189	1 329 299
Movement in the back book								
Transfer from stage 1 to stage 2	(3 009 400)	3 009 400	–	–	(13 930)	13 930	–	–
Transfer from stage 1 to stage 3	(568 117)	–	568 117	–	(5 661)	–	5 661	–
Transfer from stage 2 to stage 3	–	(527 287)	527 287	–	–	(59 509)	59 509	–
Transfer from stage 2 to stage 1	2 264 447	(2 264 447)	–	–	69 187	(69 187)	–	–
Transfer from stage 3 to stage 2	–	18 091	(18 091)	–	–	3 801	(3 801)	–
Transfer from stage 3 to stage 1	49 495	–	(49 495)	–	6 798	–	(6 798)	–
Opening balance after transfer*	30 795 700	3 184 026	2 799 180	36 778 906	304 408	163 131	861 760	1 329 299
Current period provision created/(released)	2 914 948	128 318	(224 019)	2 819 247	(46 856)	187 551	383 158	523 853
Change in exposure of back book in the current period								
– Exposures with a change in measurement basis from 12 months to LECL	–	(20 859)	–	(20 859)	–	27 964	–	27 964
– Other current year charge/(release)	(3 828 048)	(95 845)	(367 542)	(4 291 435)	(91 931)	139 096	287 034	334 199
– Change in exposure due to new business in the current year	6 742 996	245 022	143 523	7 131 541	45 075	20 491	96 124	161 690
Bad debts written off**	–	–	(181 436)	(181 436)	–	–	(181 436)	(181 436)
Amount as at 30 June 2024	33 710 648	3 312 344	2 393 725	39 416 717	257 552	350 682	1 063 482	1 671 716
Amortised cost	33 328 935	3 312 344	2 393 725	39 035 004	256 589	350 682	1 063 482	1 670 753
Fair value	381 713	–	–	381 713	963	–	–	963

* The reconciliations have been prepared using a year to date view. This means that the group reports exposures based on the impairment stage at the end of the reporting period. The current year movement is split between new business and back book.

The group transfers opening balances (back book) at the value as at 1 July based on the impairment stage at the end of the reporting period. Any change in exposure and additional ECL raised or released is included in the impairment stage as at the end of the reporting period. Exposures that are in the back book can move directly from stage 3 to stage 1 if the curing requirements have been met in a reporting period. The opening balances as at 1 July are transferred to the impairment stage at 30 June in the transfers section and the current year movements in the back book (changes in exposure and net movement on GCA and ECL provided/(released) are reflected separately in the reconciliation. The current year movement for stage 2 advances is split between exposure where there has been a change in the measurement basis from 12 months to lifetime ECL and changes in other risk parameters.

** Decrease in the advance as a result of write-off is equal to the decrease in ECL as exposures are 100% provided for before being written off. The total contractual amount outstanding on financial assets that were written off during the period and are still subject to enforcement activity is N\$761.7 million (2024: N\$181.4 million).

15. Advances *continued*

Analysis of the gross advances and loss allowance on total advances per class:

2025	Gross advances				Loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
N\$'000								
Retail	20 383 277	1 773 201	1 445 288	23 601 766	147 432	179 674	663 100	990 206
FNB commercial*	7 331 680	1 036 710	678 938	9 047 328	53 178	128 769	368 412	550 359
RMB corporate and investment banking	7 817 770	352 543	–	8 170 313	17 812	38 653	–	56 465
Total	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030
2024								
Retail	19 438 697	2 128 130	1 654 596	23 221 423	177 292	206 446	708 147	1 091 885
FNB commercial*	7 673 648	752 149	739 129	9 164 926	59 104	111 829	355 335	526 268
RMB corporate and investment banking	6 598 303	432 065	–	7 030 368	21 156	32 407	–	53 563
Total	33 710 648	3 312 344	2 393 725	39 416 717	257 552	350 682	1 063 482	1 671 716

* In the current year, FNB commercial and commercial vehicle finance have been aggregated and are now presented under FNB commercial, as both relate to the commercial segment. In prior years, these were disclosed separately.

Notes to the consolidated annual financial statements *continued*

16. Impairment on advances

Analysis of the loss allowance closing balance

N\$'000	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amount as at 30 June								
Included in the total loss allowance	218 422	347 096	1 031 512	1 597 030	257 552	350 682	1 063 482	1 671 716
On and off balance sheet exposure*	215 118	347 096	1 031 512	1 593 726	253 981	350 682	1 063 482	1 668 145
Letters of credit and guarantees	3 304	–	–	3 304	3 571	–	–	3 571
Components of total loss allowance								
– Forward looking information**	21 649	29 783	630	52 062	21 045	27 075	2 948	51 068
– Model update***	–	–	–	–	(355)	(804)	–	(1 159)
– Interest on stage 3 advances****	–	–	356 245	356 245	–	–	404 812	404 812

* Includes committed undrawn facilities as the credit risk of the undrawn component is managed and monitored with the drawn component as a single EAD. The EAD on the entire facility is used to calculate the ECL and is therefore included in the ECL allowance.

** This represents the total ECL closing balance as at 30 June that incorporate FLI macro economics information into the ECL calculations. For more detail refer to the accounting policy note 9.4.

*** This represents the total ECL closing balance as at 30 June that is attributable to model recalibrations or the impairment methodology used that has been approved by a governance body. The amount reflected is the additional ECL recognised at the point/date that the model change was implemented.

**** Cumulative balance as at 30 June.

Breakdown of impairment charge recognised during the year

N\$'000	2025			2024		
	Amortised cost	Fair value	Total	Amortised cost	Fair value	Total
Increase/(decrease) in loss allowance	686 994	–	686 994	522 890	963	523 853
Interest in suspense	(110 842)	–	(110 842)	(76 671)	–	(76 671)
Recoveries/release of bad debts	(48 720)	–	(48 720)	(21 612)	–	(21 612)
Impairment of advances recognised during the period	527 432	–	527 432	424 607	963	425 570

16. Impairment on advances *continued*

Breakdown of impairment charge recognised during the year *continued*

Reconciliation of the loss allowance on total advances per class:

N\$'000	Retail secured		Retail unsecured			Corporate and commercial			Total
	Residential mortgages	Vehicle asset finance	Credit card	Personal loans	Other retail	FNB Commercial	Commercial vehicle asset finance	RMB Corporate and Investment banking	
Amount as at 1 July 2024	552 248	59 628	67 655	309 627	102 727	422 930	103 338	53 563	1 671 716
– Stage 1	67 799	19 459	14 448	58 699	16 887	47 236	11 868	21 156	257 552
– Stage 2	118 342	5 462	7 731	31 157	43 754	77 238	34 591	32 407	350 682
– Stage 3	366 107	34 707	45 476	219 771	42 086	298 456	56 879	–	1 063 482
Bad debts written off	(325 636)	(13 397)	(15 082)	(99 847)	(24 954)	(273 636)	(9 128)	–	(761 680)
Current period provision created/ (released)	193 545	6 877	1 692	141 671	33 452	267 676	39 179	2 902	686 994
– Stage 1	(20 973)	1 655	262	(11 484)	679	(5 172)	(754)	(3 343)	(39 130)
– Stage 2	(34 693)	113	1 661	867	5 281	13 852	3 088	6 245	(3 586)
– Stage 3	249 211	5 109	(231)	152 288	27 492	258 996	36 845	–	729 710
Amount as at 30 June 2025	420 157	53 108	54 265	351 451	111 225	416 970	133 389	56 465	1 597 030
– Stage 1	46 826	21 114	14 710	47 215	17 566	42 064	11 114	17 813	218 422
– Stage 2	83 649	5 575	9 392	32 024	49 035	91 090	37 679	38 652	347 096
– Stage 3	289 682	26 419	30 163	272 212	44 624	283 816	84 596	–	1 031 512

Notes to the consolidated annual financial statements *continued*

16. Impairment on advances *continued*

Breakdown of impairment charge recognised during the year *continued*

Reconciliation of the loss allowance on total advances per class: *continued*

N\$'000	Retail secured		Retail unsecured			Corporate and commercial			Total
	Residential mortgages	Vehicle asset finance	Credit card	Personal loans	Other retail	FNB Commercial	Commercial vehicle asset finance	RMB Corporate and Investment banking	
Amount as at 1 July 2023	435 073	66 377	49 562	263 058	75 767	324 213	61 992	53 257	1 329 299
– Stage 1	47 624	23 276	12 450	42 022	18 316	51 630	16 365	36 331	248 014
– Stage 2	80 589	7 597	6 523	25 757	34 868	73 863	27 973	16 926	274 096
– Stage 3	306 860	35 504	30 589	195 279	22 583	198 720	17 654	–	807 189
Bad debts written off	(37 019)	(8 557)	(19 154)	(69 778)	(14 568)	(30 596)	(1 764)	–	(181 436)
Transfers and other current period charges/ (released)	154 194	1 808	37 247	116 347	41 528	129 313	43 110	306	523 853
– Stage 1	20 177	(3 817)	1 999	16 677	(1 430)	(4 394)	(4 497)	(15 175)	9 540
– Stage 2	37 755	(2 135)	1 209	5 400	8 886	3 375	6 618	15 481	76 589
– Stage 3	96 262	7 760	34 039	94 270	34 072	130 332	40 989	–	437 724
Amount as at 30 June 2024	552 248	59 628	67 655	309 627	102 727	422 930	103 338	53 563	1 671 716
– Stage 1	67 799	19 459	14 448	58 699	16 887	47 236	11 868	21 156	257 552
– Stage 2	118 342	5 462	7 731	31 157	43 754	77 238	34 591	32 407	350 682
– Stage 3	366 107	34 707	45 476	219 771	42 086	298 456	56 879	–	1 063 482

17. Other assets

N\$'000	2025	2024
Items in transit*	178 647	106 732
Prepayments	77 869	93 831
Property in possession	31 866	34 532
Other receivables	48 623	46 975
Loss allowance	(5 588)	(4 782)
	331 417	277 288

Financial assets and non-financial assets components of trade and other receivables

N\$'000	2025	2024*
Financial assets	221 682	148 926
Non-financial assets	109 735	128 362
	331 417	277 288

The group has not pledged any of its property in possession. An impairment loss of N\$1.3 million (2024: N\$2.6 million) was recognised on property in possession.

Information about the credit quality of the above balances is set out in the risk management note 37.

The carrying value of other assets approximates the fair value.

ECL for other receivables is N\$5.6 million (2024 N\$4.8 million).

* During the year, the classification of items in transit was reassessed to better reflect their nature, resulting in their reclassification from non-financial assets to financial instruments. Comparative information has been updated, with N\$106.7 million previously reported under non-financial assets now presented under financial assets. Financial assets and non-financial assets were previously stated as N\$42.1 million and N\$235.1 million, respectively and have been reassessed to N\$148.9 million and N\$128.4 million, respectively.

18. Non-current asset held for sale

Opening balance	53 000	–
Transfer from property and equipment	–	56 820
Impairment	2 040	(3 820)
	55 040	53 000

During the current year, the building remained classified as held for sale in accordance with IFRS 5, as management remains committed to its disposal. As a result of an increase in fair value less costs to sell, an impairment reversal of N\$2 040 was recognised.

19. Investments in associates

The following table lists all of the associates in the company:

			% Ownership interest	
	Country of incorporation	Method	2025	2024
Stimulus Investment Limited	Investment company (Windhoek)	Equity	37%	37%

The percentage voting rights is equal to the percentage ownership for all associates.

The country of incorporation is the same as the principle place of business.

Stimulus Investment Limited has a February year end. The difference in year end arises due to Stimulus Investment Limited's board-approved reporting and audit cycle. This reporting period difference has no material impact on the Group's consolidated financial statements, as there were no significant transactions or events occurring between 28 February and 30 June that would require adjustment for equity method accounting.

Notes to the consolidated annual financial statements *continued*

19. Investments in associates *continued*

Summarised financial information of significant associates

2025

Summarised statement of profit or loss and other comprehensive income		Revenue	Profit (loss) from continuing operations	Total comprehensive income
Stimulus Investment Limited		26 910	49 755	49 755
		26 910	49 755	49 755

Summarised consolidated statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Stimulus Investment Limited	786 297	32 263	755 638	13 166	49 756
	786 297	32 263	755 638	13 166	49 756

Reconciliation of movement in investments in associates	Investment at beginning of 2025	Share of profit	Investment at end of 2025
Stimulus Investment Limited	–	18 409	18 409
	–	18 409	18 409

2024

Summarised statement of profit or loss and other comprehensive income		Revenue	Total comprehensive income
Stimulus Investment Limited		32 159	–
		32 159	–

Summarised consolidated statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Stimulus Investment Limited	675 652	50 769	707 707	18 713	1
	675 652	50 769	707 707	18 713	1

Reconciliation of movement in investments in associates	Investment at beginning of 2024	Share of profit	Investment at end of 2024
Stimulus Investment Limited	–	–	–
	–	–	–

The group has no exposure to contingent liabilities as a result of its relationship with its associates.

20. Property and equipment

N\$'000	2025			2024		
	Cost or revaluation	Accumulated depreciation/ Impairment loss	Net book value	Cost or revaluation	Accumulated depreciation/ Impairment loss	Net book value
Buildings	657 131	(74 459)	582 672	646 930	(64 713)	582 217
Leasehold improvements	81 399	(45 585)	35 814	81 187	(47 409)	33 778
Furniture and fixtures	219 729	(177 706)	42 023	218 073	(163 319)	54 754
Motor vehicles	9 831	(4 481)	5 350	8 692	(3 789)	4 903
Office equipment	102 043	(93 615)	8 428	122 816	(107 664)	15 152
IT equipment	494 833	(325 551)	169 282	432 006	(288 197)	143 809
Right-of-use asset property	84 154	(44 665)	39 489	102 147	(70 462)	31 685
Total	1 649 120	(766 062)	883 058	1 611 851	(745 553)	866 298

Reconciliation of property and equipment – 2025

N\$'000	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	582 217	11 211	(1 011)	–	(9 745)	582 672
Leasehold improvements	33 778	7 189	(37)	–	(5 116)	35 814
Furniture and fixtures	54 754	7 821	(506)	–	(20 046)	42 023
Motor vehicles	4 903	1 615	(122)	–	(1 046)	5 350
Office equipment	15 152	5 226	(16)	(9 685)	(2 249)	8 428
IT equipment	143 809	81 934	(3 139)	9 685	(63 007)	169 282
Right of use asset property	31 685	30 528	(225)	–	(22 499)	39 489
	866 298	145 524	(5 056)	–	(123 708)	883 058

Reconciliation of property and equipment – 2024

N\$'000	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Buildings	637 802	14 869	(2 962)	(56 820)	(10 672)	–	582 217
Leasehold improvements	28 868	9 627	(225)	–	(4 492)	–	33 778
Furniture and fixtures	65 616	10 346	(457)	–	(20 751)	–	54 754
Motor vehicles	3 089	3 075	(445)	–	(816)	–	4 903
Office equipment	10 818	7 761	(4)	–	(3 423)	–	15 152
IT equipment	129 887	69 500	(470)	–	(49 988)	(5 120)	143 809
Right of use asset property	36 580	17 922	(471)	–	(22 346)	–	31 685
	912 660	133 100	(5 034)	(56 820)	(112 488)	(5 120)	866 298

The useful life of each asset is assessed individually. For the information on the benchmarks used when assessing the useful life of the individual assets refer to accounting policy 5.1.

Property and equipment are not pledged as security against any liabilities. There are also no restrictions or liens on property and equipment.

In prior year, Swabou Investments (Pty) Ltd's building, located at Erf 7065, Independence Avenue, Windhoek, has been reclassified from owner-occupied property in accordance with IAS 16 to a non-current asset held for sale in accordance with IFRS 5, on 30 June 2024. Although the sale of the building was not completed during the 2025 financial year, management remains committed to the disposal. Negotiations regarding the terms of the sale are ongoing, and management believes that the sale will be concluded within the next financial year. Please see note 18 for more detail.

Notes to the consolidated annual financial statements *continued*

21. Intangible assets

N\$'000	2025			2024		
	Cost/ Valuation	Accumulated amortisation	Net book value	Cost/ Valuation	Accumulated amortisation	Net book value
Trademarks	181 375	(164 225)	17 150	181 375	(154 425)	26 950
Software	84 294	(77 046)	7 248	80 573	(68 958)	11 615
Customer related intangibles	40 145	(32 116)	8 029	40 145	(28 101)	12 044
Total	305 814	(273 387)	32 427	302 093	(251 484)	50 609

Reconciliation of intangible assets – 2025

N\$'000	Opening balance	Additions	Amortisation	Total
Trademarks	26 950	–	(9 800)	17 150
Software	11 615	3 721	(8 088)	7 248
Customer related intangibles	12 044	–	(4 015)	8 029
	50 609	3 721	(21 903)	32 427

Reconciliation of intangible assets – 2024

Trademarks	36 750	–	(9 800)	26 950
Software	18 165	3 706	(10 256)	11 615
Customer related intangibles	16 058	–	(4 014)	12 044
	70 973	3 706	(24 070)	50 609

22. Deferred tax liabilities

N\$'000	2025	2024
Deferred tax liability		
Opening balance	(304 143)	(303 410)
– Recognised in profit or loss	62 684	3 165
– Deferred tax on amounts charged directly to other comprehensive income	758	2 835
– Taxable temporary difference adjustment	–	(6 733)
– Other	6 733	–
Total deferred tax liability	(233 968)	(304 143)
Deferred tax asset		
Opening balance	22 864	25 236
– Recognised in profit or loss	2 475	(2 372)
– Other	1 477	–
Total deferred tax asset	26 816	22 864
Total net deferred tax liability	(207 152)	(281 279)

Deferred tax assets and liabilities are offset when the income taxes relate to the same fiscal authority, same legal entity and there is legally enforceable to set-off.

The group has not recognised a deferred tax asset amounting to N\$36 million (2024: N\$36 million) relating to tax losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and is supported by future cash flow forecasts. Deferred tax has an impact of N\$8 million (2024: N\$9.4 million) due to the substantively enacted tax rate of 30% (2024: 31%).

Currently tax losses have no expiry date.

22. Deferred tax liabilities *continued*

N\$'000	2025	2024
Reconciliation of deferred tax asset/(liability)		
Accruals	(189 426)	(297 189)
Deferred staff costs	45 876	11 781
Fair value adjustment of financial instruments	–	8 858
Instalment credit agreements	(114 823)	(77 526)
Post-employment benefit liabilities	14 226	13 201
Property and equipment	(102 327)	(112 629)
Provision for loan impairment	131 273	113 654
Other	(18 767)	35 707
	233 968	(304 143)
Deferred income tax assets		
Property and equipment	(20)	(20)
Other	26 836	22 884
Total net deferred income tax assets	26 816	22 864
Charge through profit and loss	(65 159)	(1 659)
Deferred income tax on other comprehensive income	(758)	(2 835)
	(65 917)	(4 494)

Other deferred income tax assets includes amortisation of the trademark.

23. Short trading position

Government and government guaranteed stock	16 682	34 085
--	--------	--------

24. Creditors and accruals

Items in transit	485 601	512 720
Audit fees	16 503	11 387
Accrued expenses	37 773	27 128
Accounts payable and accrued liabilities	422 422	208 442
	962 299	759 677

Accounts payable and accrued liabilities balance mainly includes sundry creditors, withholding tax for employees, VAT payment control and other accrued liabilities.

All amounts are expected to be settled within twelve months.

The carrying value of creditors and accruals approximates fair value.

Notes to the consolidated annual financial statements *continued*

25. Deposits and current account

N\$'000	2025	2024
25.1 Deposits from customers		
Current accounts	17 778 739	17 713 757
Call deposits	11 807 455	10 355 447
Savings accounts	1 010 871	833 192
Fixed and notice deposits	10 348 001	9 892 381
Debt securities		
Negotiable certificates of deposit	4 046 032	5 524 360
Fixed and floating rate notes	613 000	353 671
Total deposits	45 604 098	44 672 808
25.2 Due to banks and other financial institutions		
To banks and other financial institutions	254 954	7 548 800

FNB Namibia (FNBN) previously entered into a series of fully collateralised repo and reverse transactions with FirstRand Bank (FRB) for a total value N\$7 080 million for the purpose of asset and liability management. During the current year a decision was taken to exit the structural ALM hedge and N\$5 775 million was unwound. Management continues to actively monitor ALM risk, and where desirable will engage in ALM management activities that align with ALM frameworks, risk appetite and Banking regulations. The repo transaction is disclosed under due from banks and other financial institutions. Refer to note 12.

26. Employee liabilities

Post-employment benefit liabilities	46 421	43 299
Liability for short-term employee liabilities	265 732	242 322
	312 153	285 621

- The group has a liability to subsidise the post-retirement medical expenditure of certain of its employees which constitutes a defined benefit plan. All employees who join the employ of the group on or after 1 December 1998 are not entitled to the post retirement medical aid subsidy.

The actuarial method used to value the liabilities is the projected unit credit prescribed by IAS 19 Employee Benefits. The liability is measured as the present value of the group's share of contributions to the medical scheme. Continuing member contributions are projected into the future year using the assumption rate of health care cost inflation and are then discounted back using the discount rate. The group subsidises medical aid contributions for all eligible members at various rates.

- A severance pay provision is carried in terms of the Labour Act of 2007 and relates to when employment services are terminated by dismissal under certain circumstances or if employees die while employed.
- The medical plan is regulated by Namfisa. The medical fund is governed by a board of trustees independent of the group. An external auditor performs an audit of the fund on an annual basis.

The employer contributed N\$3.6 million (2024: N\$3.9 million) to the post-retirement medical benefit.

The severance pay liability is unfunded and is valued using the projected unit credit method prescribed by IAS 19 Employee Benefits.

The independent actuarial valuations are done on an annual basis.

N\$'000	2025			2024		
	Medical	Severance	Total	Medical	Severance	Total
Present value of unfunded liabilities	37 269	9 152	46 421	35 026	8 273	43 299

26. Employee liabilities *continued*

The amount recognised in the statement of comprehensive income are as follows:

N\$'000	2025			2024		
	Medical	Severance	Total	Medical	Severance	Total
Current service cost	189	643	832	182	581	763
Interest cost	4 046	925	4 971	3 602	996	4 598
Included in staff cost	4 235	1 568	5 803	3 784	1 577	5 361
Remeasurements recognised in other comprehensive income						
Actuarial loss recognised*	1 295	1 151	2 446	4 819	4 326	9 145
– Actuarial gains from changes in demographic	2 015	(75)	1 940	4 094	3 782	7 876
– Actuarial (gains)/loss from financial assumptions	(457)	599	142	725	(47)	678
– Other remeasurements	(263)	627	364	–	591	591
Total included in staff costs	5 530	2 719	8 249	8 603	5 903	14 506

* In the current year, additional information was provided to explain the composition of actuarial gains and losses recognised, in order to provide more useful insights to users of the financial statements regarding the actuarial movements. The comparative figures have been included above.

Movement in post-employment liabilities

N\$'000	2025			2024		
	Medical	Severance	Total	Medical	Severance	Total
Present value at beginning of the year	35 026	8 273	43 299	30 125	7 234	37 359
Current service cost	189	643	832	182	581	763
Interest cost	4 046	925	4 971	3 602	996	4 598
Benefits paid	(3 287)	(1 840)	(5 127)	(3 702)	(4 864)	(8 566)
Actuarial loss recognised*	1 295	1 151	2 446	4 819	4 326	9 145
Present value at end of the year	37 269	9 152	46 421	35 026	8 273	43 299

* The description 'Actuarial (gains)/loss from changes in financial assumptions' has been updated to 'Actuarial loss recognised' to provide a more accurate representation of the underlying balance.

The sensitivity analysis illustrates how the value of the liability would change in response to certain changes in actuarial assumptions

N\$'000	2025	2024
Effect of 1% change in the medical aid inflation assumption is as follows:		
1% increase – effect in current service and interest cost	4 399	4 643
1% decrease – effect in current service and interest cost	3 689	3 881
Effect of 1% change in the normal salary inflation assumptions is as follows		
1% increase – effect in current service and interest cost	1 776	1 710
1% decrease – effect in current service and interest cost	1 499	1 441

The principal actuarial assumptions used for accounting purposes were:

N\$'000	2025		2024	
	Medical	Severance	Medical	Severance
Discount rate (%)	10.71%	10.39%	12.06%	11.48%
Medical aid inflation (%)	6.15%	–	7.60%	–
Salary inflation (%)	–	5.95%	–	7.11%
Employees covered	88	2 216	92	2 136

Notes to the consolidated annual financial statements *continued*

27. Other liabilities

N\$'000	2025	2024
Lease liabilities	42 799	33 977
Other funding liabilities	63 013	94 588
Total other liabilities	105 812	128 565
Opening balance	128 565	171 412
Cash flow movements	(63 806)	(63 786)
– Principal payments towards other liabilities	(31 286)	(27 049)
– Principal payments towards lease liabilities	(22 150)	(22 712)
– Interest paid on other liabilities	(7 286)	(11 210)
– Interest paid on lease liabilities	(3 084)	(2 815)
Non-cash flow movements	41 053	20 939
– New leases issued during the year	17 419	17 766
– Modification of lease/(early termination of lease)	13 552	(225)
– Interest accrued	10 082	3 546
– Disposal of subsidiaries	–	(148)
Total other liabilities	105 812	128 565

The group's significant leases relate to property rentals of office premises and the various branch network channels represented by branches and ATMs. The rentals have fixed monthly payments. Escalation clauses are based on market-related rates and vary between 5% and 10%.

The leases are usually for a period of one to five years. The leases are non-cancellable and some of the leases have an option to renew for a further leasing period at the end of the original lease term.

Restrictions are more of an exception than the norm and usually relate to the restricted use of the asset for the business purposes specified in the lease contract.

28. Insurance liabilities and reinsurance assets

N\$'000	Note(s)	2025	2024
Insurance liabilities	28.1	(66 954)	(44 350)
Reinsurance assets*	28.2	7 891	5 912

* During the current year, reinsurance assets and reinsurance liabilities are presented as a single line item, to reflect the substance of the reinsurance arrangement as one portfolio in terms of IFRS 17. Comparative figures have been updated accordingly. Previously reported reinsurance assets of N\$11.6 million and reinsurance liabilities of N\$5.7 million were presented separately on note 28.2, have been represented as reinsurance assets of N\$5.9 million.

All contracts issued are personal lines.

28. Insurance liabilities and reinsurance assets *continued*

28.1 Reconciliation of liability for remaining coverage (LRC) and liability for incurred claims (LIC) for insurance

2025

NS\$'000	Total	LRC excluding loss component	LRC loss component	LIC for contracts under PAA present value of future cash flows	LIC for contracts under PAA risk adjustment
Net opening balance					
– Insurance contract liabilities	44 350	20 392	224	19 790	3 944
Insurance revenue	(177 569)	(177 569)	–	–	–
Insurance service expenses	172 081	–	(119)	173 764	(1 564)
– Incurred claims and other directly attributable expenses	169 387	–	57	169 330	–
– Changes that relate to past service – changes in the FCF relating to the LIC	2 870	–	–	4 434	(1 564)
– Losses on onerous contracts and reversal of those losses	(176)	–	(176)	–	–
Insurance service result	(5 488)	(177 569)	(119)	173 764	(1 564)
Cash flows	60 203	181 682	–	(121 479)	–
– Premiums received	181 682	181 682	–	–	–
– Claims paid	(121 479)	–	–	(121 479)	–
Transfer to working capital/other balance sheet accounts	(32 111)	–	–	(32 111)	–
Net closing balance as at 30 June	66 954	24 505	105	39 964	2 380
– Insurance contract liabilities	66 954	24 505	105	39 964	2 380
Insurance contract liabilities under unmatured policies comprise the following:					
Motor	23 184	8 485	36	13 839	824
Property	43 770	16 020	69	26 125	1 556
Insurance contract liabilities	66 954	24 505	105	39 964	2 380

Notes to the consolidated annual financial statements *continued*

28. Insurance liabilities and reinsurance assets *continued*

28.1 Reconciliation of liability for remaining coverage (LRC) and liability for incurred claims (LIC) for insurance *continued*

2024

N\$'000	Total	LRC excluding loss component	LRC loss component	LIC for contracts under PAA present value of future cash flows	LIC for contracts under PAA risk adjustment
Net opening balance					
– Insurance contract liabilities	43 652	19 210	–	22 425	2 017
Insurance revenue	(161 688)	(161 688)	–	–	–
Insurance service expenses	111 907	–	46	113 367	(1 506)
– Incurred claims and other directly attributable expenses	111 581	–	–	112 319	(738)
– Changes that relate to past service – changes in the FCF relating to the LIC	280	–	–	1 048	(768)
– Losses on onerous contracts and reversal of those losses	46	–	46	–	–
Insurance service result	(49 781)	(161 688)	46	113 367	(1 506)
Transition adjustment	4 149	538	178	–	3 433
Cash flows	46 330	162 332	–	(116 002)	–
– Premiums received	162 332	162 332	–	–	–
– Claims paid	(116 002)	–	–	(116 002)	–
Net closing balance as at 30 June	44 350	20 392	224	19 790	3 944
– Insurance contract liabilities	44 350	20 392	224	19 790	3 944
Insurance contract liabilities under unexpired policies comprise the following:					
Motor	11 671	3 751	30	6 637	1 253
Property	32 679	16 641	194	13 153	2 691
Insurance contract liabilities	44 350	20 392	224	19 790	3 944

All contracts issued are personal lines.

28. Insurance liabilities and reinsurance assets *continued*

28.2 Reconciliation of liability for remaining coverage (LRC) for reinsurance and liability for incurred claims (LIC) for reinsurance

2025

N\$'000	Total	Remaining coverage for contracts under PAA excluding loss recovery component	Remaining coverage excluding loss recovery component	Incurred claims component for contracts under PAA present value of future cash flows	Incurred claims for contracts under PAA risk adjustment
Opening balance	5 912	(6 111)	380	10 674	969
– Reinsurance contract assets**	5 912	(6 111)	380	10 674	969
Net income (expenses) from reinsurance contracts held	(3 326)	(22 028)	(367)	19 565	(496)
– Reinsurance expenses	(22 028)	(22 028)	–	–	–
– Incurred claims recovery	13 057	–	(1 020)	14 539	(462)
– Changes that relate to past service – changes in the FCF relating to incurred claims recovery	4 992	–	–	5 026	(34)
– Income on initial recognition of onerous underlying contracts	653	–	653	–	–
Cash flows	5 305	15 425	–	(10 120)	–
– Premiums paid net of ceding commissions***	15 425	15 425	–	–	–
– Recoveries from reinsurance	(10 120)	–	–	(10 120)	–
Closing balance as at 30 June	7 891	(12 714)	13	20 119	473
– Reinsurance contract assets	7 891	(12 714)	13	20 119	473

2024

N\$'000	Total	Remaining coverage for contracts under PAA excluding loss recovery component*	Remaining coverage excluding loss recovery component*	Incurred claims component for contracts under PAA present value of future cash flows*	Incurred claims for contracts under PAA risk adjustment*
Opening balance	2 854	21 808	–	24 662	–
– Reinsurance contract assets**	2 854	21 808	–	24 662	–
Net income (expenses) from reinsurance contracts held	(9 700)	(23 611)	380	12 562	969
– Reinsurance expenses	(23 611)	(23 611)	–	–	–
– Incurred claims recovery	13 772	–	–	12 803	969
– Changes that relate to past service – changes in the FCF relating to incurred claims recovery	139	–	–	139	–
– Income on Initial recognition of onerous underlying contracts	–	–	380	(380)	–
Cash flows	12 758	39 308	–	(26 550)	–
– Premiums paid net of ceding commissions***	39 308	39 308	–	–	–
– Recoveries from reinsurance	(26 550)	–	–	(26 550)	–
Closing balance as at 30 June	5 912	(6 111)	380	10 674	969
– Reinsurance contract assets**	5 912	(6 111)	380	10 674	969

* Previously reported balance of remaining coverage excluding loss recovery component of (N\$5.7 million) have been represented as remaining coverage for contracts under PAA excluding loss recovery component of (N\$6.1 million) and remaining coverage excluding loss recovery component of N\$380k. While, previously reported balance of Incurred claims component for contracts under PAA present value of future cash flows of N\$1.6 million have been represented as incurred claims component for contracts under PAA present value of future cash flows of N\$10.7 million and incurred claims for contracts under PAA risk adjustment of N\$969k. This change had no impact on the overall closing balance, which remained at N\$5.9 million.

** During the current year, reinsurance assets and reinsurance liabilities are presented as a single line item on a net basis, to better reflect the substance of the reinsurance arrangement as one portfolio in terms of IFRS 17. Comparative figures have been updated accordingly. Previously reported reinsurance assets of N\$24.7 million and reinsurance liabilities of N\$21.8 million were presented separately in the opening balance and reinsurance assets of N\$11.6 million and reinsurance liabilities of N\$5.7 million in the closing balance, they have been represented as are now presented on a net basis as a reinsurance assets of N\$2.8 million in the opening balance and N\$5.9 million in the closing balance.

*** The description 'Premiums paid net of ceding commissions and other directly attributable expenses' has been updated to 'Premiums paid net of ceding commissions' to provide a more accurate representation of the underlying balance.

Notes to the consolidated annual financial statements *continued*

29. Tier 2 liabilities

Subordinated debt instruments	Interest rate	Final maturity date	2025
FNB34 (T2) floating rate notes (N\$'000)	Three-month JIBAR + 1.95%	3 December 2034	500 000
Accrued interest (N\$'000)			3 558

The above FNB floating rate notes were issued 3 December 2024, with a maturity date of 3 December 2034. The bank has the option to redeem in full on 3 December 2029.

Interest is paid quarterly in arrears on 3 March, 3 June, 3 September and 3 December of each year until the maturity date.

These notes are listed on the Namibia Securities Exchange (NSX).

The notes are subordinated and unsecured, which qualifies as Tier 2 capital for First National Bank of Namibia Limited.

Tier 2 liabilities are measured at amortised cost using the effective interest rate method.

Refer to note 34 fair value of financial instruments for the methodologies used to determine the fair value of the tier 2 liabilities. The group did not have any default of interest or other breaches with respect of its Tier 2 debt instrument during the year.

N\$'000	2025	2024
Tier 2 liabilities reconciliation		
Opening balance	–	–
Non-cash flow movements		
– Interest accrued	27 421	–
Cash flow movements		
– Interest paid	(23 863)	–
– Proceeds from the issue of Tier 2 liabilities	500 000	–
Closing balance	503 558	–

30. Share capital

Authorised		
990 000 000 (2024: 990 000 000) ordinary shares of par value of N\$0.005 per share	4 950	4 950
10 000 000 (2024: 10 000 000) cumulative convertible redeemable preference shares with a par value of N\$0.005 per share	50	50
	5 000	5 000
Issued		
267 593 250 (2024: 267 593 250) ordinary shares with a par value of N\$0.005 per share	1 335	1 335
Share premium	278 023	278 023
	279 358	279 358

The unissued ordinary shares are under the control of the directors until the next annual general meeting.

A detailed reconciliation of the movements in the share capital and premium balances is set out in the consolidated statement of changes in equity.

31. Remuneration schemes

N\$'000	2025	2024
The charge to profit or loss for share-based payments is as follows:		
Conditional and deferred incentive plan	26 927	25 054
Amount included in profit or loss	26 927	25 054

The CIP is structured as a conditional incentive plan which is denominated in South African Rands. To align with overall FirstRand group strategic intent, the CIP is linked to the performance of the FirstRand SA share price (applicable to qualifying employees). For all qualifying employees, 100% of the award has the FirstRand share price as the underlying.

No liability is recognised for the CIP scheme, as the liability is prepaid. Included in prepayments in note 17 is an amount of N\$53.3 million (2024: N\$51.7 million) relating to the group's share-based payment scheme. The prepayment fund is managed by RMB Morgan Stanley. Share based payments allocated to employees are accumulated in advance through the fund. The vesting of these scheme are subject to the vesting condition set out below.

Description of the scheme and vesting conditions:

Conditional and deferred incentive plans (awards)	
IFRS 2 treatment	Cash settled
Description	The award is a notional share based on the FirstRand Limited share price.
Vesting conditions	<p>Deferred bonus awards Short-term incentives over a specified threshold are converted to notional share awards and vests after 24 months to ensure these payments are share price linked. These awards are subject to employment conditions, personal and business unit performance requirements and have been included in the share awards outstanding tables below.</p> <p>Deferred incentive and conditional incentive awards These awards vest up to three years after the initial award. The deferred incentive plan (DIP) awards are subject to employment conditions and personal performance requirements. During the year, the DIP was replaced with the bonus share ownership plan (BSOP) for all new awards. Similar to the DIP, this award is only forfeited if the individual performance requirements are not met over the three-year vesting period, or if the individual is no longer employed by the group.</p> <p>The conditional incentive plan (CIP) awards are subject to employment conditions and vesting conditions relating to group performance.</p> <p>CIP vesting conditions are subject to specified financial performance targets set annually by the group's remuneration committee. These corporate performance targets (CPTs) are set out below.</p>
Valuation methodology	The awards are valued using the Black Scholes option pricing model. The awards are cash settled and are repriced at each reporting date.
Valuation assumptions	
Dividend data	Management's estimates of future discrete dividends.
Market related	Interest rate is the risk-free rate of return as recorded on the last day of the financial year, on a funding curve of a term equal to the remaining expected life of the plan.
Employee related	The weighted average forfeiture rate used is based on historical forfeiture data observed over all schemes.

Corporate performance targets:

The FirstRand remuneration committee sets the CPTs for each award based on the expected macroeconomic conditions, group earnings and returns forecasts over the performance period. These criteria vary from year to year, depending on the expectations for each of the aforementioned variables. For vesting to occur, the criteria must be met or exceeded. If the performance conditions are not met, the award fails. The awards have a graded vesting structure. The level of vesting is correlated to the earnings growth achieved relative to macroeconomic variables or set normalised earnings per share growth targets and minimum return on equity requirements. The vesting outcome is based on the delivery of the performance conditions and this level is finally determined and calculated by the group remuneration committee. The remuneration committee is permitted to adjust the final outcome of the graded vesting level downwards for pre-determined issues.

Notes to the consolidated annual financial statements *continued*

31. Remuneration schemes *continued*

Currently open

The significant weighted average assumptions used to estimate the fair value of the conditional share awards granted are detailed below.

	Conditional and deferred incentive plans (FirstRand shares)	
	2025	2024
Award life (years)	2 – 3	2 – 3
Risk-free rate (%)	7.35 – 7.68	8.43 – 8.83

	Conditional and deferred incentive plans (FirstRand shares)	
	2025	2024
Share awards outstanding		
Number of awards in force at the beginning of the year (millions)	1.695	2.646
Number of awards granted during the year (millions)	0.144	0.763
Number of awards purchased to settle the share award plans (millions)	–	–
Number of awards transferred (within the group) during the year (millions)	–	–
Number of awards exercised/released during the year (millions)	(0.520)	(1.270)
– Market value range at date of exercise/release (cents)*	8 415 – 8 415	6 435 – 6 486
– Weighted average (cents)	8 415	6 462
Number of awards forfeited during the year (millions)	(0.116)	(0.444)
Number of awards in force at the end of the year (millions)	1.203	1.695

	Conditional and deferred incentive plans (FirstRand shares)*			
	2025		2024	
	Weighted average Remaining life (years)	Outstanding awards (millions)	Weighted average Remaining life (years)	Outstanding awards (millions)
Awards outstanding**				
Vesting during 2024	–	–	0.31	0.514
Vesting during 2025	0.32	0.531	1.32	0.573
Vesting during 2026	1.32	0.564	2.32	0.608
Vesting during 2027	2.32	0.108	–	–
Total conditional awards	–	1.203	–	1.695
Number of participants	–	98	–	121

* Market values indicated above include those instances where a probability of vesting is applied to accelerated share award vesting prices due to a no-fault termination, as per the rules of the scheme.

** Years referenced in the rows relate to calendar years and not financial years.

The vesting conditions of the award schemes and details of the remuneration schemes are set out in the Remuneration report.

Page 67 of the separate Integrated annual report.

The award value outstanding table below reflects the share award value for which shares have not yet been purchased. At the point the shares are purchased, the value of the award is transferred to awards outstanding, with the number of shares purchased with respect to the share award plan reflected in the share award outstanding table above.

N\$ million	Share Award Plan	
	2025	2024
Award value outstanding	–	–
Value of awards in force at the beginning of the year	–	–
Value of awards granted during the year	37.844	–
Value of awards forfeited during the year	(2.225)	–
Value of awards that were transferred to awards outstanding	–	–
Value of award in force at the end of the year	35.619	–

32. Structured entities

Consolidated structured entities

The group assess whether it has control over structured entities in terms of IFRS 10. Where the group has control over a structured entity it is consolidated in terms of IFRS 10.

Interest in unconsolidated structured entities

The group has financial interests in other structured entities that expose the group to the variable income of those entities without resulting in control. Below set out, is the nature of those relationships and the impact that those relationships have had on the financial position and performance of the group.

Fund management

The group manages a number of unit trusts, ranging from income funds to equity funds. Unit trusts are regulated by the Namibia Financial Institution Supervisory Board and the Unit Trust Control Act of 1981. The group's interest is generally restricted to fund service and administration fees. The group may hold direct interests in a number of the funds, however the magnitude of such interest varies with sufficient regularity. The group earns service and administration fees from its administration of the funds, as well as unrealised gains and losses as a result of revaluations of the units held, but does not recognise the assets on its statement of financial position.

N\$'000	2025	2024
Investments and other securities		
Unit trust investments	447 513	304 797
Maximum exposure to loss	447 513	304 797
Assets under management		
– Traditional products	16 845 351	14 021 637
– Alternative products	2 842 126	2 167 159
	19 687 477	16 188 796

Notes to the consolidated annual financial statements *continued*

33. Related parties

Details of subsidiaries	Nature of business	Date of acquisition	Country of incorporation	Number of shares	Effective holding % 2025	Effective holding % 2024
Banking operations:						
First National Bank of Namibia Limited	Commercial bank	7 May 2003	Namibia	1 200 of N\$1 each	100	100
Swabou Investments (Proprietary) Limited	Home loan investment company	30 April 2004	Namibia	2 of N\$0.05 each	100	100
Insurance operations:						
FNB Short Term Insurance Company Limited	Short-term insurance	31 August 2007	Namibia	4 000 000 of N\$1 each	100	100
Capital markets:						
Ashburton Investment Managers (Proprietary) Limited	Unit trust management company	31 March 2017	Namibia	100 of N\$1 each	100	100
Ashburton Property Unit Trust Management Company Limited	Unit trust management company	31 March 2017	Namibia	2 000 000 of N\$1 each	100	100
Ashburton Unit Trust Management Company Limited	Unit trust management company	1 July 2006	Namibia	4 000 000 of N\$1 each	100	100
Pointbreak Unit Trust Management Company (Proprietary) Limited	Unit trust management company	31 March 2017	Namibia	2 000 000 of N\$1 each	100	100
Other:						
Talas Properties (Windhoek) (Proprietary) Limited	Property company	7 May 2003	Namibia	100 of N\$1 each	100	100
FNB Insurance Brokers (Namibia) (Proprietary) Limited	Insurance broker	30 April 2009	Namibia	100 of N\$1 each	100	100
RMB Investments (Proprietary) Ltd	Investment advisory services	14 November 2012	Namibia	100 of N\$1 each	100	100
FNB Fiduciary (Namibia) (Proprietary) Limited	Estate and trust services	28 January 1997	Namibia	200 of N\$1 each	100	100
FNB Nominees (Namibia) (Proprietary) Limited	To hold script and security items on behalf of clients	1 March 2006	Namibia	100 of N\$1 each	100	100
FNB Life Agency Operations and Management Company (Proprietary) Limited (Formerly: Ashburton Investments Namibia Holdings (Proprietary) Limited)	Life insurance agency, operations and management company	28 September 2016	Namibia	100 of N\$1 each	100	100
Pointbreak Trusts and Estates	Administration of deceased estates	31 March 2017	Namibia	8 500 of N\$2 each	100	100
Pointbreak Wealth Management (Proprietary) Limited	Wealth management, investment advisory activities	31 March 2017	Namibia	4 200 of N\$0.25 each	100	100
FNB Easy Loans Limited	Financial services	31 March 2017	Namibia	1 624 183 of N\$1 each	100	100
Keller & Neuhaus Estate Agents (Pty) Ltd	Estate agent	31 March 2017	Namibia	1 000 of N\$1 each	100	100
Namibia Executors and Trustees (Pty) Ltd	Administration of deceased estates	31 March 2017	Namibia	1 000 of N\$1 each	100	100
Akalako Investments (Pty) Ltd (Formerly: Ashburton Fund Managers Namibia (Proprietary) Limited)	Fund management	31 March 2017	Namibia	100 of N\$1 each 2 499 of N\$100 each	100	100

33. Related parties *continued*

FirstRand Namibia Limited is listed on the Namibian Securities Exchange and is 58.4% (2024: 58.4%) owned by FirstRand EMA Holdings (Proprietary) Limited, with its ultimate holding company FirstRand Limited, which is incorporated in South Africa, listed on the JSE Limited and on the NSX. Refer to section 2.2 of the accounting policies.

N\$'000	2025	2024
Related party balances		
Deposits		
FirstRand SA group companies	55 954	58 328
Balance due to banks and other financial institutions		
FirstRand SA group companies	–	7 255 149
Derivative Liabilities		
FirstRand SA group companies	833 492	291 923
Other liabilities		
FirstRand SA group companies	865	–
Advances		
FirstRand SA group companies	1 033 274	1 742 669
Balance due from banks and other financial institutions		
FirstRand SA group companies	–	7 236 323
Derivative Assets		
FirstRand SA group companies	108 259	49 955
Other assets		
FirstRand SA group companies	13 041	–
Related party transactions		
Interest received from related parties		
FirstRand SA group companies	(374 518)	(672 702)
Interest paid to related parties		
FirstRand SA group companies	268 586	631 968
Non-interest expenditure (Information Technology, platform and other support services)		
FirstRand SA group companies	580 439	572 983
Compensation to directors and other key management		
Directors fees	21 795	23 652
Advances	26 155	19 984
Current and credit card accounts	149	179
Instalment finance	4 550	3 639
Deposits	7 532	2 228
Key management compensation (Group Exco)		
Cash package	32 946	33 993
Retirement contributions	5 060	3 842
Performance related benefits	35 999	52 582

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements

34.1 Valuation methodology

The group has established control frameworks and processes at an operating business level to independently validate its valuation techniques and inputs used to determine its fair value measurements. At an operating business level, valuation specialists are responsible for the selection and implementation of the valuation techniques used to determine fair value measurements, as well as any changes required. Valuation committees comprising representatives from key management have been established within each operating business and at an overall group level. They are responsible for overseeing the valuation control process and considering the appropriateness of the valuation techniques applied in fair value measurement. The valuation models and methodologies are subject to independent review and approval at an operating business level by the required valuation specialists, valuation committees and relevant risk committees annually, or more frequently if considered appropriate.

When assessing the fair value measurement of financial instruments for this period, the valuation models have been built to take into consideration inputs that are reflective of market participant input as opposed to group-specific inputs. The appropriateness of the inputs to valuations, which include the use of correlations, price volatilities, funding costs and bid-offer spreads, price earnings multiples counterparty and own credit spreads, was also considered. Changes in valuation inputs have also been considered in terms of the impact they have on the classification of exposures in the fair value hierarchy, transfers within the fair value hierarchy and the level 3 sensitivity analysis that may be required if applicable.

Fair value measurements are determined by the group on both a recurring and non-recurring basis.

Non-recurring fair value measurements

Non-recurring fair value measurements are those triggered by particular circumstances and include:

- the classification of assets and liabilities as non-current assets or disposal groups held for sale under IFRS 5 where the standard requires that the asset be held at the lower of its carrying amount and its fair value less costs to sell; and
- IAS 36 where the recoverable amount is based on the fair value less costs to sell.

These fair value measurements are determined on a case-by-case basis as they occur within each reporting period.

34.2 Fair value hierarchy and measurements

Measurement of assets and liabilities at level 2 and level 3

The table below sets out the valuation techniques applied by the group for recurring fair value measurements of assets and liabilities categorised as level 2 and level 3.

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs Level 2	Unobservable inputs of Level 3
Investment banking book	Discounted cash flows	Certain of the group's investment banking advances do not meet the requirements to be carried at amortised cost and are measured at fair value through profit or loss. Credit risk is not observable and could have a significant impact on the fair value measurement of these advances. As such, these advances are classified as level 3 on the fair value hierarchy. Future cash flows are discounted using a market related interest rate, adjusted for credit inputs.	Market interest rates and curves	Credit inputs
Non-current asset held or for sale	Offer price	The fair value is based on a recent offer price received for the asset, assuming the offer is from a credible buyer and represents a price at which the asset could be sold in an orderly transaction between market participants at the measurement date.	Quoted Prices	Not applicable

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Measurement of assets and liabilities at level 2 and level 3 *continued*

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs Level 2	Unobservable inputs of Level 3
Investment securities and other investments				
Equities/bonds listed in an inactive market	Discounted cash flows	For listed equities and bonds, the listed price is used where the market is active (i.e. Level 1). However if the market is not active and the listed price is not representative of fair value, these are classified as Level 2 and a valuation technique is used, for example the discounted cash flow is used for listed bonds. This will be based on risk parameters of comparable securities and the potential pricing difference in spread and/or price terms with the traded comparable is considered. The future cash flows are discounted using a market related interest rate.	Market interest rates and curves	Not applicable
Unlisted equities	P/E model and discounted cash flow	For unlisted equities, the earnings included in the model are derived from a combination of historical and budgeted earnings, depending on the specific circumstances of the entity whose equity is being valued. The P/E multiple is derived from current market observations taking into account an appropriate discount rate for unlisted companies. The valuation of these instruments may be corroborated by discounted cash flow valuation or by the observation of other market transactions that have taken place.	Market transactions and market interest rates	Growth rates and P/E ratios
Unlisted bonds	Price earnings ("P/E") model	Where the valuation technique incorporates observable inputs for credit risk or the credit risk is an insignificant input, level 2 of the fair value hierarchy is deemed appropriate.	Market transactions	Not applicable
Negotiable certificates of deposit	Discounted cash flows	The future cash flows are discounted using a market related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable
Treasury bills	Discounted cash flows	The future cash flows are discounted using a market related interest rate.	Market interest rates and curves	Not applicable
Derivative financial instruments				
Forward rate agreements, forwards and swaps	Discounted cash flow	Future cash flows are projected using a related forecasting curve and then discounted using a market-related discounting curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates, credit and currency basis curves and spot prices	Not applicable
Options and equity derivatives	Option pricing and industry standard models	The models calculate fair value based on input parameters such as share prices, dividends, volatilities, interest rates, equity repo curves and, for multi-asset products, correlations. Unobservable model inputs are determined by reference to liquid market instruments and by applying extrapolation techniques to match the appropriate risk profile.	Strike price of the option, market-related discount rate, spot or forward rate, the volatility of the underlying, dividends and listed share prices	Not applicable

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Measurement of assets and liabilities at level 2 and level 3 *continued*

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs Level 2	Unobservable inputs of Level 3
Deposits				
Call and non-term deposits	None – the undiscounted amount is used	The undiscounted amount of the deposit is the fair value due to the short term nature of the instruments. These deposits are financial liabilities with a demand feature and the fair value is not less than the amount payable on demand i.e. the undiscounted amount of the deposit.	None – the undiscounted amount approximates fair value and no valuation is performed	Not applicable
Deposits that represent collateral on credit linked notes	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs on related advance
Other deposits	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs
Other liabilities and tier 2	Discounted cash flows	The future cash flows are discounted using a market related interest rate.	Market interest rates and curves	Not applicable
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Discounted cash flows	The future cash flows are discounted using a market related interest rate and curves adjusted for credit inputs.	Market interest rates and curves	Credit inputs

Fair value hierarchy and measurements

The group has elected to designate certain investment banking book advances at fair value through profit or loss. The designation is on a deal basis. Credit risk is not observable and has significant impact on the fair value measurement of these advances and as such these advances are classified as Level 3 on the fair value hierarchy.

Non-recurring fair value measurements

For non-recurring fair value measurements, the fair value hierarchy classification and valuation technique applied in determining fair value will depend on the underlying asset or liability being measured. Where the underlying assets or liabilities are those for which recurring fair value measurements are required, as listed in the table above, the technique applied and the inputs into the models would be in line with those as set out in the table. There were no assets or liabilities measured at fair value on a non-recurring basis in the prior year. However, there is a non-recurring fair value transactions in the current year. A building owned by Swabou Investments (Pty) Ltd was classified as asset held for sale at 30 June 2024. The building is subject to the IFRS 5 measurement criteria were measured at fair value less costs to sell and classified as level 2 on the fair value hierarchy. Further details have been provided in note 18.

Refer to page 84 for the effect of changes in significant unobservable assumptions of level 3 financial instruments to reasonably possible alternatives.

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Non-recurring fair value measurements *continued*

The following table presents the fair value measurements and fair value hierarchy of assets and liabilities of the group which are recognised at fair value.

2025

N\$'000	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Recurring fair value measurements				
Investment securities	–	1 196 068	33 793	1 229 861
Advances	–	–	–	–
Derivative financial instruments	–	943 324	–	943 324
Non-recurring fair value measurements				
Non-current asset held for sale	–	55 040	–	55 040
Total fair value assets	–	2 194 432	33 793	2 228 225
Liabilities				
Recurring fair value measurement				
Short Trading position	16 682	–	–	16 682
Derivative financial instruments	–	984 517	–	984 517
Total fair value liabilities	16 682	984 517	–	1 001 199

2024

Assets				
Recurring fair value measurements				
Investment securities	–	787 846	27 551	815 397
Advances	–	78 954	301 796	380 750
Derivative financial instruments	–	349 809	–	349 809
Non-recurring fair value measurements				
Non-current asset held for sale*	–	53 000	–	53 000
Total fair value assets	–	1 269 609	329 347	1 598 956
Liabilities				
Recurring fair value measurement				
Short Trading position	34 085	–	–	34 085
Derivative financial instruments	–	430 715	–	430 715
Total fair value liabilities	34 085	430 715	–	464 800

* The amount was reclassified from Level 1 to Level 2, following a reassessment of valuation measures and methods.

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Sensitivity of fair values to changing significant assumptions to reasonably possible alternatives

Fair values of financial instruments recognised in the financial statements may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data. In these instances, the net fair value recorded in the financial statements is the sum of three components:

- (i) the value given by application of a valuation model, based upon the group's best estimate of the most appropriate model inputs;
- (ii) any fair value adjustments to account for market features not included within the valuation model (for example, bid mid spreads, counterparty credit spreads and/or market data uncertainty); and
- (iii) day one profit or loss, or an unamortised element thereof, not recognised immediately in the income statement in accordance with the group's accounting policy, and separately detailed within the derivative note above.

The group classifies financial instruments in Level 3 of the fair value hierarchy when significant inputs into the valuation model are not observable. In addition to the valuation model for Level 3, financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

Changes in the group's best estimate of the non-observable inputs (Level 3) could affect the reported fair values recognised on the statement of financial position and the movement in fair values recognised in the statement of comprehensive income. These amounts are based on the assumptions without first tier margins and additional first tier margins respectively.

Changes in level 3 instruments with recurring fair value measurements

2025

N\$'000	Fair value at June 2024	Gains or losses recognised in profit or loss	Purchases/ (sales)/issues/ (settlements)	Fair value at June 2025
Advances	301 796	190	(301 986)	–
Investment securities	27 551	827	5 416	33 794
Total financial assets at fair value	329 347	1 017	(296 570)	33 794

2024

	Fair value at June 2023	Gains or losses recognised in profit or loss	Purchases/ (sales)/issues/ (settlements)	Fair value at June 2024
Advances	–	1 796	300 000	301 796
Investment securities	37 469	2 730	(12 648)	27 551
Total financial assets at fair value	37 469	4 526	287 352	329 347
Other liabilities	5 984	–	(5 984)	–
Total financial liabilities at fair value	5 984	–	(5 984)	–

Unrealised gains or losses on level 3 instruments with recurring fair value measurements

The valuation model for level 3 assets or liabilities typically relies on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in fair value related to both observable and unobservable inputs. The table below presents the total gains/(losses) relating to financial instrument classified in Level 3 that are still held on 30 June. With the exception of interest on funding instruments all of these gains or losses are recognised in non-interest revenue.

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Valuation techniques used to derive level 2 fair values

N\$'000	2025		2024	
	Gains or losses recognised in profit or loss	Gains or losses recognised in other comprehensive income	Gains or losses recognised in profit or loss	Gains or losses recognised in other comprehensive income
Advances	190	–	1 796	–
Investment securities	827	–	2 730	–
Total financial asset	1 017	–	4 526	–

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position but, for which fair value is required to be disclosed. For all other financial instruments the carrying value is equal to or a reasonable approximation of the fair value.

N\$'000	2025			2024		
	Carrying value	Fair value hierarchy level 2	Fair value hierarchy level 3	Carrying value	Fair value hierarchy level 2	Fair value hierarchy level 3
Advances	39 222 377	–	39 942 438	37 364 251	–	37 438 532
Total investment securities at amortised cost	8 249 420	8 405 882	–	7 845 752	7 906 720	–
	47 471 797	8 405 882	39 942 438	45 210 003	7 906 720	37 438 532
Total deposits at amortised cost	45 604 098	45 693 381	–	44 672 808	44 816 215	–
Tier 2 liabilities	503 558	501 889	–	–	–	–
Other liabilities	105 812	105 729	–	128 565	94 065	–
	46 213 468	46 300 999	–	44 801 373	44 910 280	–

The group has designated certain financial assets at fair value through profit or loss that would be otherwise have been measured at amortised cost or fair value through other comprehensive income.

The table below contains details on the change in credit risk attributable to these financial assets.

N\$'000	2025			2024		
	Change in fair value due to credit risk			Change in fair value due to credit risk		
	Fair value	Current period	Cumulative	Fair value	Current period	Cumulative
Advances	–	–	–	380 750	963	963
Investment securities	1 229 861	–	–	815 397	–	–
Total	1 229 861	–	–	1 196 147	963	963

The change in the fair value of these liabilities due to own credit risk is not material.

Effect of changes in significant unobservable assumptions of level 3 financial instruments to reasonably possible alternatives.

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

Valuation techniques used to derive level 2 fair values *continued*

The table below illustrates the sensitivity of the significant inputs when changed to reasonably possible alternative inputs.

Asset/liability	Significant unobservable inputs	Unobservable input to which reasonably possible changes are applied	Reasonably possible changes required
Advances	Credit	Scenario analysis	A range of scenarios are run as part of the group's credit risk management process for advances measured at fair value through profit or loss to determine credit losses and change in credit spreads in various economic conditions. The probability of default is adjusted either upwards or downwards versus the base case.
Investment securities	Credit, growth rates and P/E ratios of unlisted investments	Credit, growth rates and P/E ratios of unlisted investments	Increased and decreased by 10%.
Other liabilities	Performance of underlying contracts	Profits on the underlying contracts	Increased and decreased by 10%.

Fair value measurements

Information about valuation techniques and inputs used to derive level 3 fair values.

	2025			2024		
	Reasonably possible alternative fair value			Reasonably possible alternative fair value		
	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
N\$'000						
Advances	–	–	–	301 796	331 976	271 616
Investment securities	33 793	37 172	30 414	27 551	30 306	24 796
Total financial assets measured at fair value in level 3	33 793	37 172	30 414	329 347	362 282	296 412

35. Financial instruments designated at fair value through profit or loss

The group has designated certain financial assets at fair value through profit or loss that would otherwise have been measured at amortised cost or FVOCI. The table below contains details on the carrying value of the advance designated as fair value through profit or loss:

N\$'000	2025	2024
Included in advances	–	301 796

The change in credit risk is the difference between fair value of the advances based on the original credit spreads and the fair value of the advances based on the most recent market observable credit spreads.

There was no change in credit risk due to the difference between fair value of the advances based on the original credit spreads and the fair value of the advances based on the most recent market observable credit spreads.

36. Contingent liabilities and capital commitments

N\$'000	2025	2024
Contingencies		
Guarantees	1 604 163	1 569 910
Letters of credit	57 094	18 512
Total contingencies	1 661 257	1 588 422
Irrevocable unutilised facilities	2 506 109	2 112 493
Committed capital expenditure	60 977	106 348
Total contingencies and commitments	4 228 343	3 807 263

Guarantees consist predominantly of endorsement and performance guarantees. The fair value of guarantees approximates the face value as disclosed.

Legal proceedings

There are a number of legal or potential claims against the group, the outcome of which cannot at present be foreseen. These claims are not regarded as material, either on an individual or group basis.

Provision is made for all liabilities which are expected to materialise.

Commitments in respect of capital expenditure and long-term investments are approved by the directors.

37. Risk management

Overview of financial and insurance risks

The risk report of the group appears on page 36 of the separate Integrated annual report. The report describes the various risks the group is exposed to, as well as the methodology and instruments to mitigate these risks. The report includes the disclosures required by IFRS 7 and IFRS 17 related to the management of credit markets, liquidity and interest rate risks. Capital management is dealt with in the Capital Management report. Risk control policies and exposures limits for key risk areas of the group are approved by the board, while operational policies and control procedures are approved by the relevant risk committees. For all on balance sheet exposures, the carrying amount recognised in the statement of financial position represents the maximum exposure to credit risk, before taking into account collateral and other credit.

Categories of financial instruments

Credit risk

Objective

Credit risk management objectives are two-fold:

- **Risk control:** Appropriate limits are placed on the assumption of credit risk and steps are taken to ensure the accuracy of credit risk assessments and reports. Deployed and central credit risk management teams fulfil this task.
- **Management:** Credit risk is taken within the constraints of the risk appetite framework. The credit portfolio is managed at an aggregate level to optimise the exposure to this risk. Business units and deployed risk functions, overseen by the group's credit risk management function in ERM and relevant board committees, fulfil this role.

Based on the group's credit risk appetite, as measured on the ROE, NIACC and volatility-of-earnings basis, credit risk management principles include holding the appropriate level of capital and pricing for risk on an individual and portfolio basis. The scope of credit risk identification and management practices across the group, therefore, spans the credit value chain, including risk appetite, credit origination strategy, risk quantification and measurement, as well as collection and recovery of delinquent accounts.

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Categories of financial instruments *continued*

Credit risk *continued*

Assessment and management

Credit risk is managed through the implementation of comprehensive policies, processes and controls to ensure a sound credit risk management environment with appropriate credit granting, administration, measurement, monitoring and reporting of credit risk exposure. Credit risk management across the group is split into three distinct portfolios: retail, commercial and corporate, and are aligned to customer profiles.

The assessment of credit risk across the group relies on internally developed quantitative models for addressing regulatory and business needs. The models are used for the internal assessment of the three primary credit risk components:

- Probability of default (PD);
- Exposure at default (EAD) and
- Loss given default (LGD).

Management of the credit portfolio is reliant on these three credit risk measures. PD, EAD and LGD are inputs into the portfolio and group-level credit risk assessment where the measures are combined with estimates of correlations between individual counterparties, industries and portfolios to reflect diversification benefits across the group.

The group employs a granular, 100-point master rating scale, which has been mapped to the continuum of default probabilities, as illustrated in the following table. FirstRand (FR)1 is the lowest PD and FR100 the highest. External ratings have also been mapped to the master rating scale for reporting purposes. These mappings are reviewed and updated on a regular basis.

Mapping of FR grades to rating agency scales

FirstRand rating	Midpoint PD	RMB rating (based on S&P)
FR 1 – 14	0.06%	AAA, AA+, AA, AA-, A+, A, A-
FR 15 – 25	0.29%	BBB+, BBB(upper), BBB, BBB-(upper), BBB-, BB+(upper)
FR 26 – 32	0.77%	BB+, BB(upper), BB, BB-(upper)
FR 33 – 39	1.44%	BB-, B+(upper)
FR 40 – 53	2.52%	B+
FR 54 – 83	6.18%	B(upper), B, B-(upper)
FR 84 – 90	13.68%	B-
FR 91 – 99	59.11%	CCC
FR 100	100%	D (Defaulted)

37. Risk management *continued*

Categories of financial instruments *continued*

Credit assets

The following assets and off-balance sheet amounts expose the group to credit risk. For all on-balance sheet exposures, the gross amount disclosed represents the maximum exposure to credit risk, before taking into account collateral and other credit enhancements.

N\$'000	2025	2024
Total exposure (items where credit risk exposure exist)		
Cash and cash equivalents		
Balances with other banks	10 576	14 382
Balances with central bank	2 486 115	2 500 153
Total cash and cash equivalents	2 496 691	2 514 535
Due from banks and other financial institutions	2 194 326	9 591 662
Advances		
Residential mortgages	16 213 548	16 236 459
Vehicle asset finance	2 115 298	1 845 027
Credit card	486 568	480 415
Personal loans	3 284 048	3 117 059
Other retail	512 098	450 578
FNB Commercial	5 975 079	6 090 072
FNB Commercial vehicle finance	2 521 890	2 548 586
RMB Corporate and Investment banking	8 113 848	6 976 805
Total advances	39 222 377	37 745 001
Derivative financial instruments	943 324	349 809
Listed investment securities	6 211 145	5 362 877
Unlisted investment securities	3 268 136	3 298 272
Total debt investment securities	9 479 281	8 661 149
Accounts receivable	221 683	155 912
Guarantees	1 604 163	1 569 910
Letters of credit	57 094	18 512
Irrevocable commitments	2 506 109	2 112 493
Total	58 725 048	62 718 983

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Categories of financial instruments *continued*

Credit assets *continued*

The table below sets out the maximum exposure to credit risk for financial assets at amortised cost and fair value through profit or loss, and fair value through comprehensive income debt instruments.

2025

N\$'000	Carrying amount	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral	Net exposure to credit risk	Unsecured	Secured
Total exposure (items where credit exposure exists)							
Cash and cash equivalents							
Balances with other banks	10 576	–	10 576	–	10 576	10 576	–
Balances with central bank	2 486 115	–	2 486 115	–	2 486 115	2 486 115	–
Total cash and cash equivalents	2 496 691	–	2 496 691	–	2 496 691	2 496 691	–
Due from banks and other financial institutions	2 194 326	–	2 194 326	–	2 194 326	2 194 326	–
Advances							
Residential mortgages	16 633 705	(420 157)	16 213 548	–	16 213 548	–	16 213 548
Vehicle and asset finance	2 168 406	(53 108)	2 115 298	–	2 115 298	–	2 115 298
Credit card	540 833	(54 265)	486 568	–	486 568	486 568	–
Personal loans	3 635 499	(351 451)	3 284 048	–	3 284 048	3 284 048	–
Other retail	623 323	(111 225)	512 098	3 397	508 701	508 701	–
FNB Commercial	6 392 049	(416 970)	5 975 079	46 184	5 928 895	4 241 849	1 687 046
Commercial vehicle finance	2 655 279	(133 389)	2 521 890	–	2 521 890	–	2 521 890
RMB Corporate and Investment banking	8 170 313	(56 465)	8 113 848	770 139	7 343 709	1 640 714	5 702 995
Total advances	40 819 407	(1 597 030)	39 222 377	819 720	38 402 657	10 161 880	28 240 777
Investment securities	9 483 709	(4 428)	9 479 281	–	9 479 281	9 479 281	–
Derivatives	943 324	–	943 324	–	943 324	943 324	–
Guarantees	1 604 163	–	1 604 163	127 526	1 476 637	1 024 569	452 068
Letters of credit	57 095	–	57 095	–	57 095	57 095	–
Irrevocable commitments	2 506 109	–	2 506 109	–	2 506 109	2 506 109	–

37. Risk management *continued*

Categories of financial instruments *continued*

Credit assets *continued*

2024

N\$'000	Carrying amount	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral	Net exposure to credit risk	Unsecured	Secured
Total exposure (items where credit exposure exists)							
Cash and cash equivalents							
Balances with other banks	14 382	–	14 382	–	14 382	14 382	–
Balances with central bank	2 500 153	–	2 500 153	–	2 500 153	2 500 153	–
Total cash and cash equivalents	2 514 535	–	2 514 535	–	2 514 535	2 514 535	–
Due from banks and other financial institutions	9 591 662	–	9 591 662	–	9 591 662	9 591 662	–
Advances							
Residential mortgages	16 788 707	(552 248)	16 236 459	–	16 236 459	–	16 236 459
Vehicle and asset finance	1 904 655	(59 628)	1 845 027	–	1 845 027	–	1 845 027
Credit card	548 070	(67 655)	480 415	4 974	475 441	475 441	–
Personal loans	3 426 686	(309 627)	3 117 059	–	3 117 059	3 117 059	–
Other retail	553 305	(102 727)	450 578	2 682	447 896	447 896	–
FNB Commercial	6 513 002	(422 930)	6 090 072	24 128	6 065 944	1 895 780	4 170 164
Commercial vehicle finance	2 651 924	(103 338)	2 548 586	–	2 548 586	–	2 548 586
RMB Corporate and Investment banking	7 030 368	(53 563)	6 976 805	179 306	6 797 499	967 368	5 830 131
Total advances	39 416 717	(1 671 716)	37 745 001	211 090	37 533 911	6 903 544	30 630 367
Investment securities	8 665 036	(3 887)	8 661 149	–	8 661 149	8 661 149	–
Derivatives	349 809	–	349 809	–	349 809	339 500	10 309
Guarantees	1 569 910	–	1 569 910	160 597	1 409 313	979 451	429 862
Letters of credit	18 512	–	18 512	–	18 512	18 512	–
Irrevocable commitments	2 112 493	–	2 112 493	–	2 112 493	2 112 493	–

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Quality of credit assets

The following table shows the gross carrying amount of advances carried at amortised cost and the fair value of advances measured at fair value through profit or loss, as well as the exposure to credit risk of loan commitments and financial guarantee per class of advances and per internal credit rating.

The amount in stage 3 that do not have a rating of FR 91 – 100 relates to technical cures (performing accounts that have previously defaulted but don't meet the 12-month curing definition remains in stage 3) and paying debt-review customers as the PD's on these customers are lower than operational stage 3 advances and the PD drives the FR rating. In addition, where the group holds a guarantee against a stage 3 advance, the FR rating would reflect same.

2025

N\$'000	FR 1 – 25		FR 26 – 90		FR 91 – 100	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
FNB Retail						
Stage 1	–	–	18 331 893	1 892 622	2 051 384	–
Stage 2	–	–	873 575	–	899 625	–
Stage 3	–	–	11 679	–	1 433 610	–
Total retail	–	–	19 217 147	1 892 622	4 384 619	–
FNB commercial						
Stage 1	–	–	5 197 523	1 152 658	2 134 157	–
Stage 2	–	–	452 292	–	584 418	–
Stage 3	–	–	–	–	678 938	–
Total FNB commercial	–	–	5 649 815	1 152 658	3 397 513	–
RMB Corporate banking						
Stage 1	387 799	152 251	945 122	589 854	59	15 941
Stage 2	26	1 269	249 297	12 687	35	4 318
Stage 3	–	–	–	–	–	–
Total RMB Corporate banking	387 825	153 520	1 194 419	602 541	94	20 259
RMB investment banking						
Stage 1	269 092	84 623	6 215 698	255 990	–	–
Stage 2	–	–	103 185	5 154	–	–
Total RMB investment banking	269 092	84 623	6 318 883	261 144	–	–

37. Risk management *continued*

Quality of credit assets *continued*

2024

N\$'000	FR 1 – 25		FR 26 – 90		FR 91 – 100	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
FNB Retail						
Stage 1	–	–	19 426 364	1 655 122	12 334	–
Stage 2	–	–	783 072	–	1 345 057	–
Stage 3	–	–	–	–	1 654 596	–
Total retail	–	–	20 209 436	1 655 122	3 011 987	–
FNB commercial						
Stage 1	–	–	7 635 132	2 921 325	38 516	–
Stage 2	–	–	501 946	–	250 203	–
Stage 3	–	–	–	–	739 129	–
Total FNB commercial	–	–	8 137 078	2 921 325	1 027 848	–
RMB Corporate banking						
Stage 1	37 069	675 057	919 440	2 531 542	24	15 623
Stage 2	–	–	149 736	573 484	–	18 256
Stage 3	–	–	–	–	–	–
Total RMB Corporate banking	37 069	675 057	1 069 176	3 105 026	24	33 879
RMB investment banking						
Stage 1	395 826	127 452	5 245 945	256 563	–	–
Stage 2	–	–	282 329	4 217	–	–
Stage 3	–	–	–	–	–	–
Total RMB investment banking	395 826	127 452	5 528 274	260 780	–	–

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Analysis of impaired advances (stage 3)

The table represents an analysis of impaired advances for financial assets measured at amortised cost, and debt instruments measured both at fair value through other comprehensive income and fair value through profit or loss, in line with the manner the group manages credit risk.

N\$'000	2025			2024		
	Gross carrying amount	Expected recoveries from collateral	Loss allowance	Gross carrying amount	Expected recoveries from collateral	Loss allowance
– Residential mortgages	980 354	690 670	289 684	1 213 918	847 811	366 107
– Vehicle asset finance	33 373	6 954	26 419	43 591	8 885	34 706
Total retail secured	1 013 727	697 624	316 103	1 257 509	856 696	400 813
– Credit card	38 475	8 312	30 163	47 654	2 177	45 477
– Personal loans	348 464	76 252	272 212	296 940	77 169	219 771
– Other retail	44 623	–	44 623	52 493	10 407	42 086
Total retail unsecured	431 562	84 564	346 998	397 087	89 753	307 334
– FNB commercial	562 961	279 145	283 816	645 583	347 127	298 456
– Commercial vehicle finance	115 976	31 381	84 595	93 546	36 667	56 879
– RMB Corporate and investment banking	–	–	–	–	–	–
Total corporate and commercial	678 937	310 526	368 411	739 129	383 794	355 335
Total stage 3	2 124 226	1 092 714	1 031 512	2 393 725	1 330 243	1 063 482
Stage 3 by category						
Overdrafts and cash management accounts	284 073	73 079	210 994	293 661	116 682	176 979
Term loans	214 177	122 698	91 479	241 498	139 532	101 966
Card loans	38 475	6 686	31 789	49 740	3 979	45 761
Instalment sales and hire purchase agreements	148 941	38 335	110 606	133 840	45 241	88 599
Lease payments receivable	408	–	408	3 297	311	2 986
Property finance	1 087 576	768 536	319 040	1 374 749	947 329	427 420
Personal loans	350 576	83 380	267 196	296 940	77 169	219 771
Total stage 3	2 124 226	1 092 714	1 031 512	2 393 725	1 330 243	1 063 482

37. Risk management *continued*

Quality of credit assets – non-advances

The following table shows the gross carrying amount of non-advances carried at amortised cost and the fair value of non-advances measured at fair value through profit or loss or through other comprehensive income per external credit rating.

N\$'000	2025	2024
	BB+ to B-	BB+ to B-
Investment securities at amortised cost		
Stage 1	8 249 420	7 845 752
Investment securities at fair value through other comprehensive income		
Stage 1	10 365	10 365
Investment securities at fair value through profit or loss		
Stage 1	1 219 496	805 032
Total investment securities	9 479 281	8 661 149
Other assets		
Stage 1	221 683	42 193
Other financial assets	221 683	42 193
Cash and cash equivalents		
Stage 1	3 080 121	3 163 516
Due from banks and other financial institution	2 194 326	9 591 662
Derivative assets		
Stage 1	943 324	349 809

Sector analysis concentration of advances

Advances expose the group to concentration risk in various industry sectors. The table below set out the groups exposure to the various industry sectors for total advance and credit-impaired advances.

2025

N\$'000	Total advances	Off-balance sheet	Credit impaired advances	Security held and expected recoveries	Specific impairment
Agriculture	1 666 350	106 796	51 965	31 500	20 465
Banks and financial institutions	1 727 444	262 267	14 153	3 553	10 600
Building and property development	4 777 999	243 170	264 327	150 775	113 552
Government and public authorities	1 638 395	37 466	–	–	–
Individuals	23 750 429	1 603 713	1 445 289	786 074	659 215
Manufacturing and commerce	3 574 821	770 235	123 296	44 843	78 453
Mining	261 878	281 292	66 176	30 334	35 842
Transport and communication	1 170 620	248 649	42 151	8 324	33 827
Other services	2 251 471	613 777	116 870	37 312	79 558
	40 819 407	4 167 365	2 124 227	1 092 715	1 031 512

2024

Agriculture	1 588 307	126 387	118 836	63 328	55 508
Banks and financial institutions	1 527 644	215 580	8 433	3 847	4 586
Building and property development	4 810 796	432 281	229 848	123 904	105 944
Government and public authorities	2 025 346	144 131	–	–	–
Individuals	23 419 539	1 291 742	1 654 594	948 678	705 916
Manufacturing and commerce	3 089 884	657 191	162 113	78 270	83 843
Mining	266 034	295 715	60 942	32 306	28 636
Transport and communication	962 942	106 931	70 949	31 145	39 804
Other services	1 726 225	430 957	88 010	48 765	39 245
	39 416 717	3 700 915	2 393 725	1 330 243	1 063 482

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Concentration analysis of deposits

N\$'000	2025	2024
Deposit current accounts and other loans		
Sovereigns, including central banks	1 875 438	1 877 816
Public sector entities	3 923 215	4 633 826
Local authorities	1 256 140	843 110
Banks	12 486	32 539
Corporate customers	21 764 103	22 365 094
Retail customers	16 772 716	14 920 423
Total deposits	45 604 098	44 672 808
Geographical analysis		
Namibia	45 604 098	44 672 808

Concentration risk

Credit concentration risk is the risk of loss to the group arising from an excessive concentration of exposure to a single counterparty, industry, market, product, financial instrument or type of security, country or region, or maturity. This concentration typically exists when a number of counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Concentration risk is managed based on the nature of the credit concentration in each portfolio. The group's credit portfolio is well diversified, which is achieved through setting maximum exposure guidelines to individual counterparties. The group constantly reviews its concentration levels and sets maximum exposure guidelines for these.

The group seeks to establish a balanced portfolio profile and closely monitors credit concentrations.

Geographical risk is all is Namibian counter parties.

Credit risk mitigation and collateral held

Since taking and managing credit risk is core to its business, the group aims to optimise the amount of credit risk it takes to achieve its return objectives. Mitigation of credit risk is an important component of this, beginning with the structuring and approval of facilities only for those clients and within those parameters that fall within risk appetite.

Although, in principle, credit assessment focuses on the counterparty's ability to repay the debt, credit mitigation instruments are used where appropriate to reduced the group's lending risk, resulting in security against the majority of exposures. These include financial or other collateral, netting agreements, guarantees or credit derivatives. The collateral types are driven by portfolio, product and counterparty type.

Credit risk mitigation instruments:

- Mortgage and instalment sale finance portfolios in FNB and WesBank are secured by the underlying assets financed;
- FNB Commercial credit exposures are secured by the assets of the SME counterparties and commercial property finance deals are secured by the underlying property and associated cash flows;
- Structured facilities in RMB are secured as part of the structure through financial or other collateral, including guarantees, credit derivative instruments and assets;
- Counterparty credit risk in RMB is mitigated through the use of netting agreements and financial collateral. For additional information relating to the use of the netting agreements;
- Personal loans, overdrafts and credit card exposures are generally unsecured or secured by guarantees and securities;
- Invoice finance is secured by the underlying receivables (trade invoices); and
- Working capital facilities in RMB corporate banking are secured.

The group employs strict policies governing the valuation and management of collateral across all business areas. Collateral is managed internally to ensure that title is retained over collateral taken over the life of the transaction. Collateral is valued at inception of the credit agreement and subsequently where necessary through physical inspection or index valuation methods. For corporate and commercial counterparties, collateral is reassessed during the annual review of the counterparty's creditworthiness to ensure that proper title is retained. For mortgage portfolios, collateral is revalued on an ongoing basis using an index model and physical inspection, which is performed at the beginning of the recovery process. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries.

37. Risk management *continued*

Credit risk mitigation and collateral held *continued*

Concentrations in credit risk mitigation types, such as property, are monitored and managed at a product and credit segment level, in line with the requirements of the group's credit risk appetite framework.

Collateral is taken into account for capital calculation purposes through the determination of LGD. Collateral reduces LGD, and LGD levels are determined through statistical modelling techniques based on historical experience of the recovery processes as well as incorporating forward looking information.

The financial effect of collateral and other credit enhancements has been calculated separately per class of advance for the performing book (Incurred but not reported (IBNR) and portfolio specific impairments) and the non-performing book. The amounts disclosed above represents the difference between the impairment recognised on the statement of financial position using the actual LGD and a proxy LGD for all secured portfolios. The proxy LGD is based on the LGD used to determine the impairment recognised on the statement of financial position for unsecured portfolios.

Where there is no collateral or where collateral is disregarded for provisioning purposes, no financial effect is calculated.

Offsetting of financial assets and financial liabilities

Where appropriate, various instruments are used to mitigate the potential exposure to certain counterparties. These include financial or other collateral in line with common credit risk practices, as well as netting agreements, guarantees and credit derivatives. In addition, the group has set up a function to clear OTC derivatives centrally as part of risk mitigation.

In accordance with IAS 32 the group offsets financial assets and financial liabilities and presents the net amount in the statement of financial position only if there is both a legally enforceable right to offset and there is an intention to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously.

The group uses the International Swaps and Derivatives Association (ISA) and International Securities Market Association agreements for the purpose of netting derivative transactions and repurchase transactions respectively. These master agreements as well as associated credit support annexes (CSA) set out internationally accepted valuation and default covenants, which are evaluated and applied daily, including daily margin calls based on the approved CSA thresholds. Due to the fact that ISDA agreements under which derivatives are traded are not legally enforceable within Namibia, in the normal course of business or on bankruptcy, the IAS 32 set-off requirements of legal enforceability is not met thus no financial assets and financial liabilities have been presented on the net amount in the statement of financial position.

Liquidity risk

Objective

The group strives to fund its activities in a sustainable, diversified, efficient and flexible manner, underpinned by strong counterparty relationships within prudential limits and minimum requirements. The objective is to maintain natural market share, but also to outperform at the margin, which will provide the group with a natural liquidity buffer.

Given the liquidity risk introduced by its business activities, the group's objective is to optimise its funding profile within structural and regulatory constraints to enable its franchises to operate in an efficient and sustainable manner.

Compliance with the Basel III LCR influences the group's funding strategy, in particular as it seeks to restore the correct risk-adjusted pricing of liquidity. The group is actively building its deposit franchise through innovative and competitive product and pricing, while also improving the risk profile of its institutional funding. This continues to improve the funding and liquidity profile of the group.

Given market conditions and the regulatory environment, the group increased its holdings of available liquidity over the year in line with risk appetite. The group utilised new market structures, platforms and regulatory programmes to efficiently increase the available liquidity holdings.

Liquidity risk arises from all assets and liabilities with differing maturity profiles.

Assessment and management

The group focuses on continuously monitoring and analysing the potential impact of other risks and events on the funding and liquidity position of the group to ensure business activities preserve and improve funding stability. This ensures the group is able to operate through periods of stress when access to funding is constrained.

Mitigation of market and funding liquidity risks is achieved via contingent liquidity risk management. Buffer stocks of high quality, highly liquid assets are held, either to be sold into the market or to provide collateral for loans to cover any unforeseen cash shortfall that may arise.

The group's approach to liquidity risk management distinguishes between structural, daily and contingency liquidity risk management across all currencies, and various approaches are employed in the assessment and management of these on a daily, weekly and monthly basis.

Regular and rigorous stress tests are conducted on the funding profile and liquidity position as part of the overall stress testing framework with a focus on:

- Quantifying the potential exposure to future liquidity stresses;
- Analysing the possible impact of economic and event risks on cash flows, liquidity, profitability and solvency position; and
- Proactively evaluating the potential secondary and tertiary effects of other risks on the group.

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Undiscounted cash flows

The following table presents the group's undiscounted cash flows of financial liabilities and off-balance sheet amounts and includes all cash outflows related to principal amounts, as well as future payments. These balances will not reconcile to the statement of financial position for the following reasons:

- Balances are undiscounted amounts whereas the statement of financial position is prepared using discounted amounts;
- The table includes cash flows not recognised on the statement of financial position;
- All instruments held for trading purposes are included in the call to three-month bucket and not by maturity, as trading instruments are typically held for short periods of time; and
- Cash flows relating to principal and associated future coupon payments have been included on an undiscounted basis.

N\$'000	2025				2024			
	Term to maturity				Term to maturity			
	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total
Deposits and current accounts	38 826 418	3 741 663	3 625 285	46 193 366	37 145 879	5 105 847	2 897 621	45 149 347
Due to bank and other financial institutions	94 432	265 971	529 908	890 311	7 463 304	7 002	137 333	7 607 639
Short trading position	16 682	–	–	16 682	34 085	–	–	34 085
Derivative financial instruments	57 203	366 821	560 493	984 517	208 152	29 380	193 183	430 715
Creditors, accruals and provisions	845 396	5 491	114 907	965 794	630 060	13 264	93 472	736 796
Other liabilities	1 352	34 629	33 299	69 280	2 972	37 197	69 985	110 154
Lease liability	566	5 274	41 644	47 484	1 048	4 139	32 746	37 933
Tier 2 liabilities	11 689	34 686	662 249	708 624	–	–	–	–
Financial liabilities	39 853 738	4 454 535	5 567 785	49 876 058	45 485 500	5 196 829	3 424 340	54 106 669
Off-balance sheet exposures								
Financial and other guarantees	1 661 257	–	–	1 661 257	1 574 969	13 453	–	1 588 422
Other contingencies and commitments	2 506 109	–	–	2 506 109	2 112 493	–	–	2 112 493

37. Risk management *continued*

Discounted cash flows

The following table represents the group's contractual discounted cash flows of total assets, liabilities and equity for the group. Relying solely on the liquidity mismatch when assessing a bank's maturity analysis would overstate risk, since this represents an absolute worst case assessment of cash flows at maturity.

Due to Namibia's structural liquidity position, banks tend to have a particularly pronounced negative gap in the shorter term due to short-term institutional funds which represent a significant proportion of banks' liabilities. These are used to fund long-term assets, e.g. mortgages.

Discounted cash flow analysis – maturity analysis of total assets, liabilities and equity based on the present value of the expected payment.

N\$'000	2025				2024			
	Term to maturity				Term to maturity			
	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total
Total financial assets	13 816 607	6 752 829	34 571 675	55 141 111	13 155 486	7 782 516	38 615 328	59 553 330
Total financial liabilities	39 696 617	4 693 887	3 806 375	48 196 880	45 251 866	5 293 204	2 840 164	53 385 234
Net liquidity gap	(25 880 010)	2 058 941	30 765 300	–	(32 096 380)	2 489 312	35 775 164	–
Cumulative liquidity gap	(25 880 010)	(23 821 068)	6 944 232	–	(32 096 380)	(29 607 068)	6 168 096	–

As illustrated in the table above, the negative liquidity short-term gap increased slightly in the short end on a cumulative basis. This is aligned to the funding strategy to grow the deposit franchise via transactional deposit accounts. Management continues to align stress-funding buffers, taking into account prevailing economic and market conditions.

Securities lending transactions include only those where cash is placed against the securities borrowed. Transactions where securities are lent and borrowed and other securities placed against the borrowing and lending are excluded.

Non-traded market risk

Interest rate risk in the banking book

Interest rate risk is the sensitivity of the balance sheet and income statement to unexpected, adverse movements in interest rates.

Interest rate risk in the banking book (IRRBB) originates from the differing repricing characteristics of balance sheet instruments, yield curve risk, basis risk and client optionality embedded in banking book products.

The endowment effect, which results from a large proportion of non-maturity and low-rate liabilities that fund variable-rate assets, is the primary driver of IRRBB and results in the earnings being vulnerable to interest rate cuts, or conversely benefiting from interest rate hikes.

IRRBB is an inevitable risk associated with banking and can be an important source of profitability and shareholder value. FirstRand Namibia continues to manage IRRBB with the aim of protecting and enhancing earnings and economic value through the cycle within approved risk limits and appetite levels. Asset-liability management (ALM) strategies are in place to protect the bank's net interest margin and endowment portfolio. These strategies are actively monitored along with macroeconomic factors affecting interest rates in the Namibia or where the group has exposures.

Structural ALM strategies

Various ALM strategies are executed by Treasury to protect and enhance the earnings of the bank without adding to the natural risk position of the balance sheet. The ALM strategy to manage the endowment effect is implemented to reduce interest margin volatility arising from the structural balances i.e., rate insensitive deposits and equity capital endowment. The effectiveness of the ALM strategies must be considered on a through the cycle basis.

Sensitivity analysis

A change in interest rates impacts both the earnings potential of the banking book (as underlying assets and liabilities reprice to new rates), as well as in the economic value/NAV of an entity (as a result of a change in the fair value of any open risk portfolios used to manage the earnings risk). The role of management is to protect both the financial performance as a result of a change in earnings and to protect the long-term economic value. To achieve this, both earnings sensitivity and economic sensitivity measures are monitored and managed within appropriate risk limits and appetite levels, considering the macroeconomic environment and factors which would cause a change in rates.

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Earnings sensitivity

Earnings models are run on a monthly basis to provide a measure of the NII sensitivity of the existing banking book balance sheet to shocks in interest rates. Underlying transactions are modelled on a contractual basis and behavioural adjustments are applied where relevant. The calculation assumes a constant balance sheet size and product mix over the forecast horizon. Behavioural assumption is applied in relation to non-maturing deposits, which reprice at management of the group's discretion. This assumption is based on historical product behaviour.

Most of the NII sensitivity relates to the inability to cut interest rates on certain funding and capital components to the same extent as the cut of the MPC rate. The size of this portfolio is approximately N\$12.1 million. (2024: N\$10.1 million).

Assuming no change in the balance sheet and no management action in response to interest rate movements, an instantaneous, sustained parallel 200 bps decrease in interest rates would result in a reduction in projected 12-month NII of N\$323 million (2024: N\$250 million). A similar increase in interest rates would result in an increase in projected 12-month NII of N\$263 million (2024: N\$233 million).

Banking book NAV sensitivity to interest rate movement as a percentage of total group capital

	2025 Change in period 12-month NII	2024 Change in period 12-month NII
%		
Downward 200 bps	(18.49%)	(16.14%)
Upward 200 bps	15.06%	15.01%

Effect of reference rate reform

The South African Reserve Bank (SARB) has formally endorsed the South African Rand Overnight Index Average Rate (ZARONIA) as the successor to the Johannesburg Interbank Average Rate (JIBAR), with cessation of JIBAR expected by end-2026. The final confirmation of the cessation date is scheduled for December 2025. The transition is guided by the SARB and supported by industry-wide working groups to ensure minimal disruption to financial contracts and risk frameworks.

To preserve the economic equivalence of legacy contracts transitioning from JIBAR to ZARONIA, a Credit Adjustment Spread (CAS) will be applied. Legacy contracts will transition to: ZARONIA plus CAS plus a Margin. The CAS aims to keep both parties to the contract in more or less the same economic position pre and post the transition. This spread accounts for the structural differences between JIBAR and ZARONIA. The CAS methodology, recommended by SARB in March 2025, is aligned with the International Swaps and Derivatives Association (ISDA) framework using a 5-year historical median spread approach. New contracts are expected to reference ZARONIA directly, without CAS, and will be bilaterally negotiated.

Financial instruments that are impacted by reference rate reform:

N\$'000	2025	2024
Assets recognised on the balance sheet		
Derivative financial instruments (assets)*	2 202 609	2 599 065
Advances	1 353 156	1 397 073
Total asset exposure subject to reference rate reform	3 555 765	3 996 138
Liabilities recognised on the balance sheet		
Derivative financial instruments (liabilities)*	2 127 609	2 124 065
Deposits	4 659 032	5 878 031
Other liabilities	63 012	94 588
Tier 2 liabilities	503 558	–
Total liabilities recognised subject to reference rate reform	7 353 211	8 096 684

* These balances represent the notional amount directly impacted by the reference rate reform.

Insurance risk

The terms and conditions of short-term insurance contracts have a material effect on the amount, timing and uncertainty of future cash flows. The key risks associated with general insurance contracts are claims experience. The provisions for these contracts are refined at least annually. As claims experience develops, certain claims are settled, further claims are revised and new claims are reported. The reasonableness of the estimation process is tested by management and reviewed on a regular basis. The group believes that the liability for claims carried at end of the year is adequate.

37. Risk management *continued*

Insurance risk *continued*

The short-term insurance products offered by the group include:

- **Liability** – provides cover for risks relating to the incurring of a liability other than from risk covered more specifically under another insurance contract.
- **Motor** – provides indemnity cover relating to the possession, use or ownership of a motor vehicle. The cover includes comprehensive cover, third party, fire and theft, and third-party liabilities.
- **Property** – provides indemnity relating to movable and immovable property caused by perils such as fire, explosion, earthquakes, acts of nature, burst geyser and pipes, malicious damage, impact, alterations and additions.

Risk	Exposure arising from:	Measurement	Management
Market risk interest rate and inflation	Uncertainty due to market changes in rate of invested assets and the measurement of insurance contracts and reinsurance contracts	Sensitivity analysis	Management of risk levels and hedging where appropriate
Credit risk	Default risk relating to cash and cash equivalents, debt investments and reinsurance contract assets	Credit ratings Credit management team	Portfolio diversification Investment mandates and credit limit policy for investing in credit
Liquidity risk	Inability to meet all required outflows in a timely fashion Inability to realise assets to meet cash flow obligations in a stress scenario	Approved liquidity metrics limits Rolling cashflow forecasts	Monitoring of liquidity metrics on a regular basis Sale and reinvestment of coupons and maturities There are no insurance and reinsurance contract liabilities that are payable on demand

Claims development

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, without taking into account any reinsurance contracts held.

Gross of reinsurance

2025

N\$'000	2021	2022	2023	2024	2025	Total
Estimate of ultimate claim costs (Gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
In the same year	–	71 559	80 999	93 076	150 336	–
One year later	162 441	72 857	76 253	98 482	–	–
Two years later	161 577	72 286	75 340	–	–	–
Three years later	161 314	72 091	–	–	–	–
Four years later	161 185	–	–	–	–	–
Cumulative gross claims and other directly attributable expenses paid	(161 185)	(72 091)	(75 331)	(94 214)	(114 084)	(516 905)
Gross cumulative claims liabilities	–	–	9	4 268	36 252	40 529
Effect of discounting and other items	–	–	–	–	–	(565)
Effect of the risk adjustment margin for non-financial risk	–	–	–	–	–	2 380
Gross LIC for the contracts originated	–	–	–	–	–	42 344

2024

Estimate of ultimate claim costs (Gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
In the same year	–	–	71 559	80 999	93 076	–
One year later	–	74 216	72 857	76 253	–	–
Two years later	88 226	73 918	72 286	–	–	–
Three years later	87 659	73 618	–	–	–	–
Four years later	87 697	–	–	–	–	–
Cumulative gross claims and other directly attributable expenses paid	(87 630)	(73 555)	(72 091)	(75 102)	(73 625)	(382 003)
Gross cumulative claims liabilities	67	62	196	1 151	19 451	20 927
Effect of discounting and other items	–	–	–	–	–	(1 137)
Effect of the risk adjustment margin for non-financial risk	–	–	–	–	–	3 944
Gross LIC for the contracts originated	–	–	–	–	–	23 734

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Insurance risk *continued*

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, taking into account reinsurance contracts held.

Net of reinsurance

2025

N\$'000	2021	2022	2023	2024	2025	Total
Estimate of ultimate claim costs (Net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
In the same year	–	62 633	70 904	73 288	125 355	–
One year later	143 628	63 753	66 740	77 237	–	–
Two years later	142 878	63 254	65 923	–	–	–
Three years later	142 652	63 080	–	–	–	–
Four years later	141 735	–	–	–	–	–
Cumulative gross claims and other directly attributable expenses paid	(141 735)	(63 080)	(65 914)	(82 437)	(99 824)	(452 990)
Net cumulative claims liabilities	–	–	8	(5 200)	25 531	20 339
Effect of discounting and other items	–	–	–	–	–	(495)
Effect of the risk adjustment margin for non-financial risk	–	–	–	–	–	1 907
NET LIC for the contracts originated	–	–	–	–	–	21 751

2024

Estimate of ultimate claim costs (Net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
In the same year	–	–	62 633	70 904	73 288	–
One year later	–	64 941	63 753	66 740	–	–
Two years later	78 687	64 679	63 254	–	–	–
Three years later	78 199	64 416	–	–	–	–
Four years later	78 236	–	–	–	–	–
Cumulative gross claims and other directly attributable expenses paid	(78 175)	(64 361)	(63 080)	(65 714)	(64 422)	(335 752)
Net cumulative claims liabilities	61	55	174	1 026	8 866	10 182
Effect of discounting and other items	–	–	–	–	–	(1 066)
Effect of the risk adjustment margin for non-financial risk	–	–	–	–	–	2 975
NET LIC for the contracts originated	–	–	–	–	–	12 091

37. Risk management *continued*

Credit risk of reinsurers

The table below outlines the maximum exposure to credit risk and the credit ratings of reinsurers for reinsurance contracts held that are in an asset position based on international ratings. Where the reinsurers have no international ratings, the rating of the parent companies, which have provided guarantees, is provided instead.

N\$'000	2025	2024
Rating		
AAA to A-	1 211	1 915
BBB to B-	6 680	3 997
Total reinsurance assets	7 891	5 912

There is no material credit risk associated with insurance contracts.

Maturity analysis of insurance liabilities

The amounts below represent the estimated amount and timing of the remaining contractual discounted cash inflows/(outflows) arising from insurance. Liabilities for remaining coverage that are measured under the PAA are excluded from the analysis.

N\$'000	Within 1 year	Between 1 and 5 years	Total
2025			
Insurance contract liabilities	33 560	6 403	39 963
2024			
Insurance contract liabilities	19 672	–	19 672

Concentration risk

Risk concentrations are monitored by means of exception reporting. When large risks are underwritten individually, the impacts which they could have on risk concentrations are considered before they are accepted. Marketing efforts are also coordinated to attract business from a wide geographical spread. Risks which could lead to an accumulation of claims as the result of a single event are declined due to inadequate diversification and overall pool of risk covered. Attention is paid to attract large numbers of relatively small intendent risks which would lead to very stable and predictable claims experience.

The Company is exposed to a concentration of insurance risk in the Windhoek district where 55% (2024: 52%) of the total sum insured is domiciled. In order to manage the concentration of insurance risk, the Company entered into a catastrophe excess of loss reinsurance treaty that would limit the loss of the Company to pre-determined levels following the occurrence of a localised catastrophe in this area.

Exposure at sum assured

	Before reinsurance					After reinsurance				
	Motor Risk		Property Risk		Total	Motor Risk		Property Risk		Total
	N\$'000	%	N\$'000	%	N\$'000	N\$'000	%	N\$'000	%	N\$'000
2025										
1 – 499 999	1 641 547	69%	2 207 397	8%	3 848 944	1 436 354	69%	1 931 473	8%	3 367 826
500 000 – 999 999	581 187	25%	3 803 817	14%	4 385 005	508 539	25%	3 328 340	14%	3 836 879
1 000 000 – 1 999 999	132 902	6%	7 868 004	29%	8 000 906	116 289	6%	6 884 504	29%	7 000 793
2 000 000 and above	9 088	0%	13 223 843	49%	13 232 931	7 952	0%	11 570 863	49%	11 578 815
Total	2 364 724		27 103 062		29 467 786	2 069 133		23 715 179		25 784 313
2024										
1 – 499 999	1 283 977	69%	2 034 454	8%	3 318 431	1 123 480	69%	1 780 147	8%	2 903 627
500 000 – 999 999	436 066	23%	3 795 094	15%	4 231 160	381 557	23%	3 320 708	15%	3 702 265
1 000 000 – 1 999 999	122 119	7%	7 263 017	29%	7 385 136	106 854	7%	6 355 140	29%	6 461 994
2 000 000 and above	15 820	1%	11 649 223	47%	11 665 043	13 842	1%	10 193 070	47%	10 206 912
Total	1 857 982		24 741 788		26 599 770	1 625 733		21 649 065		23 274 798

Notes to the consolidated annual financial statements *continued*

37. Risk management *continued*

Insurance sensitivities

The following table present information on how reasonably possible changes in assumptions made by the company with regard to underwriting risk variables impact product line insurance, liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The company is exposed to significant volatility risk, as fluctuations in claims experience will have a significant impact on its reserving methodology. This is compounded by the shorter tail on the business, allowing adverse claims experience to quickly impact the balance sheet.

The company is exposed to market risk, as the estimates of future cash flows are adjusted to reflect the time value of money. The stress on interest rates was applied as a 500bps increase in the spot rates used for discounting. The stresses were applied across all lines of business, with run-off patterns remaining consistent with the base scenario. The inverse scenario, of a 500bps decrease, will reasonably approximate the inverse outcome of this stress scenario. This was done to better understand the sensitivity of the IFRS 17 reserves to these future assumptions.

2025

N\$'000	FCF	Total	Impact on FCF	Total change in insurance contract balances	Impact on profit before tax	Impact on equity
Net insurance contract balances						
– Insurance contract liabilities	66 954	66 954				
– Reinsurance contract assets	(7 891)	(7 891)				
Net insurance contract balances	59 063	59 063				
Interest/discount – 1% increase						
– Insurance contract liabilities	66 804	66 804	(150)	(150)	150	150
– Reinsurance contract assets	(7 873)	(7 873)	18	18	(18)	(18)
Net insurance contract balances	58 931	58 931	(133)	(133)	133	133
Interest/discount – 1% decrease						
– Insurance contract liabilities	67 105	67 105	150	150	(150)	(150)
– Reinsurance contract assets	(7 909)	(7 909)	(18)	(18)	18	18
Net insurance contract balances	59 196	59 196	133	133	(133)	(133)

2024

Net insurance contract balances						
– Insurance contract liabilities	44 350	44 350				
– Reinsurance contract assets	(5 912)	(5 912)				
Net insurance contract balances	38 438	38 438				
Interest/discount – 1% increase						
– Insurance contract liabilities	44 250	44 250	(100)	(100)	100	100
– Reinsurance contract assets	(5 899)	(5 899)	13	13	(13)	(13)
Net insurance contract balances	38 352	38 352	(86)	(86)	86	86
Interest/discount – 1% decrease						
– Insurance contract liabilities	44 450	44 450	100	100	(100)	(100)
– Reinsurance contract assets	(5 925)	(5 925)	(13)	(13)	13	13
Net insurance contract balances	38 524	38 524	86	86	(86)	(86)

38. Segment information

38.1 Reportable segments

Segment reporting		
Group's chief operating decision maker	Chief executive officer (CEO)	
Identification and measurement of operating segments	<p>Aligned with the internal reporting provided to the CEO and reflects the risks and rewards related to the segments' specific products and services offered in their specific markets.</p> <p>Operating segments whose total revenue, absolute profit or loss for the period or total assets are 10% or more of all the segments' revenue, profit or loss or total assets, are reported separately.</p>	
Major customers	The FirstRand group has no major customer as defined (i.e. revenue from the customer exceeds 10% of total revenue) and is, therefore, not reliant on revenue from one or more major customers.	
Reportable segments		
FNB		
	Products and services	Footprint
FNB	<p>Banking FNB represents FirstRand's activities in the retail and commercial segments in Namibia. FNB offers a diverse set of financial products and services to market segments including retail (personal and private), SMEs, business, agriculture, medium corporate, and public sector entities. FNB's products cover the entire spectrum of financial services – transactional, lending, investment management and savings. Products include mortgage loans and commercial property finance; credit and debit cards (card issuing); personal loans; debtor and leveraged finance; securities-based lending; foreign exchange; funeral, credit life, and savings and investment products. Services include transactional and deposit taking, card-acquiring, credit facilities, trust and fiduciary services, rewards programme, merchant services (card acquiring) and cash management solutions. FNB's distribution channels include the branch network and other physical representation points, ATMs, call centres, an app, cellphone banking (USSD) and online banking.</p> <p>Non-banking FNB also represents FirstRand's activities in insurance involving short-term insurance products and policies (FNB short-term Insurance).</p>	FNB Namibia only operates in Namibia
RMB		
	Products and services	Footprint
RMB	<p>Banking RMB represents the group's activities in the corporate and institutional segments in Namibia. RMB offers corporate finance, leveraged finance, resource sector solutions, infrastructure sector solutions, real estate finance, debt capital markets, debt trade solutions, sponsor services, corporate broking, loan syndications, coverage, advisory, corporate transactional banking and principal investments. From a markets perspective it offers market making, financial risk management and investment across interest rate, currency, commodity, equity and credit asset classes as well as execution, asset financing, custody and clearing services.</p> <p>Non-banking RMB also represents FirstRand's activities in asset management (Ashburton Investments).</p>	RMB Namibia only operates in Namibia
Other (including Group Treasury and FCC)		
Centre (including Group Treasury and FCC)	<p>The Centre represents group-wide functions, including Group Treasury, Group Finance, Group Tax, Enterprise Risk Management (ERM), Group Compliance and Group Internal Audit.</p> <p>The reportable segment includes all management accounting and consolidated entries.</p>	

Notes to the consolidated annual financial statements *continued*

38. Segment information *continued*

38.1 Reportable segments *continued*

N\$'000	Group		FNB		RMB		FCC and other	
	2025	2024	2025	2024	2025	2024	2025	2024
Net interest income before impairment of advances	3 355 159	3 082 367	2 592 013	2 480 233	503 441	528 464	259 705	73 670
Impairment and fair value of credit advances	(527 432)	(425 570)	(524 527)	(425 239)	(2 905)	(331)	–	–
Net impairment income after impairment of advances	2 827 727	2 656 797	2 067 486	2 054 994	500 536	528 133	259 705	73 670
Non-interest income	2 702 035	2 441 790	2 291 838	2 114 555	437 987	364 924	(27 790)	(37 689)
Insurance service result	(16 096)	20 670	(16 096)	20 670	–	–	–	–
Income from operations	5 513 666	5 119 257	4 343 228	4 190 219	938 523	893 057	231 915	35 981
Operating expenses	(2 799 324)	(2 652 443)	(2 459 737)	(2 300 410)	(313 372)	(331 271)	(26 215)	(20 762)
Net income from operations	2 714 342	2 466 814	1 883 491	1 889 809	625 151	561 786	205 700	15 219
Share of profit from associates	18 409	–	–	–	18 409	–	–	–
Indirect tax	(61 942)	(55 049)	(47 924)	(42 793)	(7 372)	(5 478)	(6 646)	(6 778)
Profit before tax	2 670 809	2 411 765	1 835 567	1 847 016	636 188	556 308	199 054	8 441
Income tax expense	(758 843)	(708 247)	(521 530)	(542 561)	(180 757)	(163 210)	(56 556)	(2 476)
Profit for the year	1 911 966	1 703 518	1 314 037	1 304 455	455 431	393 098	142 498	5 965
Income statement includes:								
Depreciation	123 709	(112 488)	121 763	(110 194)	1 782	(2 147)	164	(147)
Amortisation	21 902	(24 070)	8 038	(7 599)	49	(2 656)	13 815	(13 815)
The statement of financial position includes:								
Advances	39 222 377	37 745 001	31 108 568	30 768 196	8 113 809	6 976 805	–	–
Investment securities	9 479 281	8 661 149	128 898	164 061	1 100 174	490 990	8 250 209	7 846 541
Non-current assets held for sale	55 040	53 000	55 040	53 000	–	–	–	–
Total assets	56 274 487	60 787 647	38 987 032	34 912 051	7 167 738	8 746 492	11 941 683	17 129 104
Deposits	45 604 098	44 672 808	31 508 463	27 953 661	8 689 458	10 114 815	5 406 177	6 604 332
Total liabilities	49 127 193	54 555 762	36 837 998	32 994 383	7 078 927	8 116 135	5 210 268	13 445 244

CAPITAL MANAGEMENT

Capital management risk

What is capital management risk

This is the risk that the group fails to maintain sufficient capital to meet regulatory capital requirements, support its strategic objectives, and absorb losses under stressed conditions. Effective capital management ensures the group's resilience, protects depositors, and sustains stakeholder confidence.

How the risk is managed

The capital management framework sets out the objectives, policies and principles relating to capital management. The board approves the framework, and the assets, liabilities and capital committee ensures compliance with the framework.

Group Treasury is responsible for ensuring the group is adequately capitalised to generate returns while managing risk within the approved risk appetite. The primary objective of the group's capital management strategy is to maintain sufficient capital to build and invest in its businesses through normal economic cycles and under stressed economic conditions.

The group addresses its capital objectives on a forward-looking basis, considering the internal capital adequacy assessment process (ICAAP) review and annual budget. The budget is prepared using a three-year forecast under stress scenarios.

The group's long-term strategy is to increase balance sheet resilience, diversify advances exposures, improve market liquidity and ensure an optimal funding mix. The objectives when managing capital in all its forms are to:

- establish internal minimum capital requirement levels that consider the regulatory capital requirements set by the Bank of Namibia;
- maintain sound capital ratios and quality of capital during calm and turbulent periods of the economy and financial markets;
- safeguard the group's ability to continue as a going concern so it can continue to provide returns to shareholders and benefits to other stakeholders;
- maintain a strong and leading capital base position in the market to support the growth of the group's businesses, protect depositors and creditors, and promote and uphold public confidence; and
- maintain a strong credit rating.

The bank maintains a capital buffer above the regulatory minimum requirement. Capital stress testing is done annually as part of the ICAAP to assess the adequacy of the capital buffer. The stress test measures the impact on the balance sheet of macroeconomic and idiosyncratic stress scenarios and the consequent impact on earnings and capital adequacy levels.

The group endeavours to maintain sufficient capital that exceeds regulatory and economic capital requirements.

Internal capital adequacy assessment process

The ICAAP, as stipulated in Pillar II of Basel 3, requires banks to identify and assess risks, maintain sufficient capital to face these risks, and apply appropriate risk management techniques to maintain adequate capitalisation. Risk assessment for the ICAAP includes credit, market, operational and interest rate risk.

The risk, capital and compliance committee is responsible for the group's ICAAP. Capital planning is done as part of regular forecasting and scenario testing and aligns with dividend decisions and growth projections.

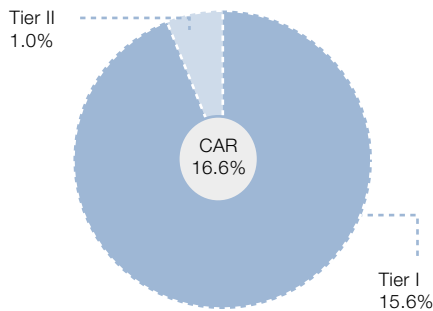
The group remained well capitalised with a common equity tier 1 (CET 1) ratio of 18.2%. The capital adequacy ratio (CAR) for both the bank and the group exceeds the board's set targets.

	End state	FNB Namibia	FirstRand Namibia group	Board target
Core equity	6.0%	14.4%	18.2%	–
Capital conservation buffer	2.5%	2.5%	0.0%	–
CET1 minimum	8.5%	16.9%	18.2%	>11.5%
Additional Tier 1	1.5%	0.0%	0.0%	–
Tier 1	10.0%	16.9%	18.2%	–
Tier 2	2.5%	2.3%	2.1%	–
Total CAR minimum	12.5%	19.2%	20.3%	>14.0%

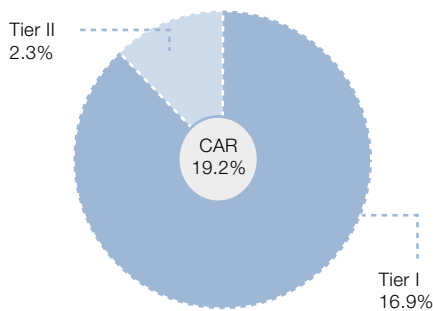
Capital management *continued*

Banking

June 2024



June 2025

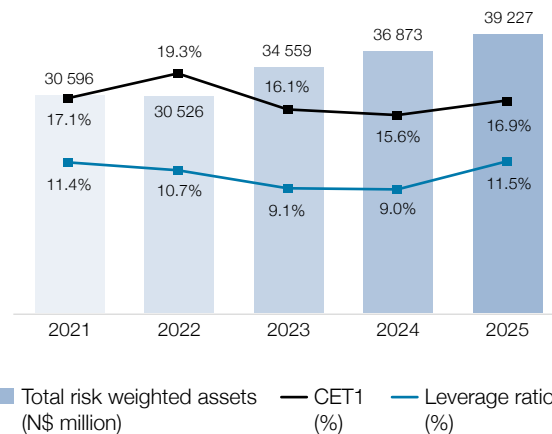


Regulatory developments

The Bank of Namibia's BID 5(a) draft determination indicates that a countercyclical buffer could be considered incremental to the CAR minimum of 12.5% for domestic systemically important banks. The draft determination was issued in November 2024, but the regulator has not yet issued a pronouncement on implementing the countercyclical buffer and the conditions under which it will apply.

The phase-in of the capital conservation buffer, which was suspended in March 2020, was reinstated to end state of 2.5%, and the exclusion of unaudited profits in tier 2 was phased in effective September 2024. The single large exposure limit was reduced to 25% (previously 30%) of qualifying capital effective April 2024.

Key performance measures



N\$'000	Banking operations Year end 30 June		Regulated consolidated group Year end 30 June	
	2025	2024	2025	2024
Risk weighted assets				
Credit risk	31 856 606	30 368 874	31 949 583	30 523 334
Market risk	78 182	109 471	78 182	109 471
Operational risk	7 292 241	6 394 567	7 501 680	6 607 014
Total risk weighted assets	39 227 029	36 872 912	39 529 445	37 239 819
Regulatory capital				
Share capital and share premium	1 142 792	1 142 792	282 148	282 148
Retained profits	5 548 802	4 643 681	6 993 699	6 037 683
Other disclosure reserves	2 915	4 603		
Capital impairments*	(55 215)	(59 533)	(81 697)	(101 391)
Total tier 1	6 639 294	5 731 543	7 194 150	6 218 440
Eligible subordinated debt	500 000	–	500 000	–
General risk reserve, including portfolio impairment	398 208	379 611	398 317	379 749
Capital impairments*			(57 299)	(50 831)
Total tier 2	898 208	379 611	841 018	328 918
Total tier 1 and tier 2 capital	7 537 502	6 111 154	8 035 168	6 547 358
Consolidated group Capital adequacy ratios				
Tier 1	16.9%	15.6%	18.2%	16.7%
Tier 2	2.3%	1.0%	2.1%	0.9%
Total	19.2%	16.6%	20.3%	17.6%
Tier 1 leverage ratio	11.5%	9.0%	12.5%	10.2%

* Includes intangible assets, investment in deconsolidated entities and investment in significant minority and majority insurance entities.

FirstRand Namibia Limited

COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2025

● Company statement of comprehensive income	108
● Company statement of financial position	109
● Company statement of changes in equity	110
● Company statement of cash flows	111
● Notes to the company annual financial statements	112

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

N\$'000	Note(s)	2025	2024
Interest and similar income	2	10 756	10 266
Net interest income		10 756	10 266
Non-interest revenue			
Gains less losses from investing activities	3	1 006 877	1 526 555
Income from operations		1 017 633	1 536 821
Operating expenses	4	(3 521)	(2 800)
Income before tax		1 014 112	1 534 021
Indirect tax	5	(254)	(1 085)
Profit before tax		1 013 858	1 532 936
Direct tax	5	(3 334)	(3 285)
Profit for the year		1 010 524	1 529 651
Other comprehensive income for the year		–	–
Total comprehensive income for the year		1 010 524	1 529 651
Profit for the year attributable to:			
Equity holders of the parent		1 010 524	1 529 651
Total comprehensive income for the year attributable to:			
Equity holders of the parent		1 010 524	1 529 651

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

N\$'000	Note(s)	2025	2024
Assets			
Cash and cash equivalents	8	46 797	43 894
Loan to group companies	9	254 171	215 392
Investment securities	10	15 267	36 970
Investments in subsidiaries	11	1 319 218	1 324 693
Total assets		1 635 453	1 620 949
Equity and liabilities			
Liabilities			
Creditors and accruals	12	39 418	37 166
Current tax liability	6	435	1 989
Total liabilities		39 853	39 155
Equity			
Share capital	13	1 338	1 338
Share premium	13	280 810	280 810
Reserves		1 313 452	1 299 646
Capital and reserves attributable to ordinary equity holders		1 595 600	1 581 794
Total equity and liabilities		1 635 453	1 620 949

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

N\$'000	Share capital	Share premium	Total share capital	Retained earnings	Total Equity
Balance at 1 July 2023	1 338	280 810	282 148	1 219 442	1 501 590
Total comprehensive income for the year				1 529 651	1 529 651
Ordinary dividends				(1 449 447)	(1 449 447)
Balance at 30 June 2024	1 338	280 810	282 148	1 299 646	1 581 794
Total comprehensive income for the year				1 010 524	1 010 524
Ordinary dividends				(996 718)	(996 718)
Balance at 30 June 2025	1 338	280 810	282 148	1 313 452	1 595 600
Note	13	13			

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

N\$'000	Note(s)	2025	2024
Cash generated from operating activities			
Profit before tax		1 013 858	1 532 936
Adjusted for:			
– Interest and similar income	2	(10 756)	(10 266)
– Dividend income	3	(1 006 877)	(1 525 724)
– Profit on sale of subsidiary	3	–	(200)
Interest received	2	10 756	10 266
Dividend received		1 001 187	1 499 010
Income tax paid	6	(4 888)	(1 511)
Cash generated from operating activities		1 003 280	1 504 511
Movement in operating assets and liabilities			
Increase in loan to group companies	9	(38 780)	(48 458)
Decrease in investment securities	10	27 393	–
Decrease in investments in subsidiaries		5 475	–
Increase in creditors and other payables	12	2 252	7 725
Net cash generated from operating activities		999 620	1 463 778
Cash flows from investing activities			
Proceeds from disposal of subsidiary	11	–	200
Net cash inflow from investing activities		–	200
Cash flows from financing activities			
Dividends paid	7	(996 718)	(1 449 447)
Net cash outflow from financing activities		(996 718)	(1 449 447)
Net increase in cash and cash equivalents		2 902	14 531
Cash and cash equivalents at the beginning of the year		43 894	29 363
Cash and cash equivalents at the end of the year		46 797	43 894

NOTES TO THE COMPANY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. Accounting policies

The financial statements of FirstRand Namibia Limited are prepared according to the same accounting principles used in preparing the consolidated financial statements of FirstRand Namibia group. For detailed accounting policies refer to pages 9 to 36 of this annual report.

2. Analysis of interest income

N\$'000	Amortised cost	
	2025	2024
Revenue other than from contract from customers*		
Interest income – amortised using effective interest rate	10 756	10 266

* The "Revenue other than from contract from customers" caption has been amended from "Revenue" in prior year for consistency with Group reporting.

3. Non-interest revenue

Dividend income		
– Subsidiaries	955 120	1 438 343
– Equities	51 757	87 381
Profit on sale of subsidiary	–	200
Other income	–	631
Total non-interest income	1 006 877	1 526 555

4. Operating expenses

Auditors' remuneration – external		
– Audit fees	1 363	1 279
Professional fees	308	313
Legal and other related expenses	–	157
Other operating costs		
– Other operating expenses	1 850	1 051
Total operating expenses	3 521	2 800

5. Tax

Current – direct		
Local income tax – current period	3 334	3 285
Total direct taxes	3 334	3 285
Indirect taxes		
Value added tax	254	562
Non resident shareholders tax	–	523
Total indirect taxes	254	1 085
Total taxes	3 588	4 370

6. Income tax paid

N\$'000	2025	2024
Amounts receivable at the beginning of the year	1 989	215
Local income tax – current period	3 334	3 285
Balance payable at the end of the year	(435)	(1 989)
Total tax paid for the year	4 888	1 511
Tax rate recon		
Standard rate	31.00%	32.00%
Non-taxable amounts – dividend income	(30.79%)	(31.87%)
Non-deductible amounts	0.11%	0.06%
Effective tax rate	0.32%	0.19%

7. Dividends

Final dividend (22 August 2024: 180.16 cents), (23 August 2023: 368.14 cents)	482 083	985 131
Interim dividend (20 February 2025: 192.32 cents), (14 February 2024: 173.52 cents)	514 635	464 316
	996 718	1 449 447

Final dividend of 284.02 cents (2024: 180.16 cents) per share was declared and authorised after the reporting period. The dividend is therefore not been recognised as a liability in the reporting period. It has been disclosed for information purposes only.

8. Cash and cash equivalents

Bank balances	46 797	43 894
	46 797	43 894

ECL for cash and cash equivalent are immaterial.

The carrying value of cash and cash equivalents approximates the fair value.

No cash or cash equivalents have been pledged.

9. Loan to/(from) group companies

Balances with Talas Properties (Windhoek) (Pty) Ltd	254 171	215 392
	254 171	215 392

10. Investment securities

Fair value through profit or loss		
Equity investment (preference shares)	5 691	27 394
Fair value through other comprehensive income		
Equity investment	9 576	9 576
Total	15 267	36 970

Notes to the company annual financial statements *continued*

11. Investments in subsidiaries

N\$'000				2025	2024
Unlisted investments					
Carrying value at beginning of the year				1 319 218	1 324 693
Carrying value at end of the year				1 319 218	1 324 693
The list of subsidiaries are:	Nature	Ownership %	Voting rights %	2025	2024
First National Bank of Namibia Ltd	Banking	100	100	1 142 792	1 142 792
FNB Easy Loan Ltd	Other	100	100	45 975	45 975
RMB Investments (Pty) Ltd	Other	100	100	–	–
FNB Fiduciary Namibia (Pty) Ltd	Other	100	100	–	–
Talas Properties (Windhoek) (Pty) Ltd	Other	100	100	2 967	2 967
FNB Short Term Insurance Company of Namibia Ltd	Insurance	100	100	68 034	68 034
FNB Insurance Brokers (Namibia) (Pty) Ltd	Other	100	100	27 904	27 904
Ashburton Property Unit Trust Management Company Ltd	Other	100	100	–	5 475
FNB Life Agency Operations and Management Company (Pty) Ltd	Other	100	100	250	250
Pointbreak Trusts and Estates (Pty) Ltd	Other	100	100	(728)	(728)
Pointbreak Wealth Management (Pty) Ltd	Other	100	100	1 549	1 549
Ashburton Investment Managers (Pty) Ltd	Other	100	100	30 475	30 475
Pointbreak Investment Management (Pty) Ltd	Other	100	100	–	–
				1 319 218	1 324 693

The following trusts are controlled by FirstRand Namibia Limited:

- FNB Namibia Staff assistance trust

The carrying amount of this investment is N\$nil.

Investment in subsidiaries are considered to be a non-current asset.

11.1 Disposal of subsidiaries

During the year ended 30 June 2025, the group disposed off its entire shareholding in Pointbreak Investment Management (Pty) Ltd.

The details of the disposal of Pointbreak Investment Management (Pty) Ltd are as follows:

Proceeds on disposal	5 475	200
Investment in subsidiary	5 475	–
Profit on disposal	–	200

The proceeds in relation to the disposal of Ashburton Property Trust Management Company have been noted under the intercompany transactions within the loans with Group balance. Refer to note 34 in the group financial statements for full related party transactions and balances.

12. Creditors and accruals

Accounts payable	10	10
Accrued expenses	–	18
Audit fees	1 091	564
Dividend payable	38 317	36 574
	39 418	37 166

13. Share capital

N\$'000	2025	2024
Authorised		
990 000 000 (2024: 990 000 000) ordinary shares with a par value of N\$0.005 per share	4 950	4 950
10 000 000 (2024: 10 000 000) cumulative convertible redeemable preference shares with a par value of N\$0.005 per share	50	50
	5 000	5 000
Issued		
267 593 250 (2024: 267 593 250) ordinary shares with a par value of N\$0.005 per share	1 338	1 338
2 (2024: 2) cumulative convertible redeemable preference shares with a par value of N\$0.005 per share	1 338	1 338
	1 338	1 338
Share premium	280 810	280 810

Term of preference shares: redeemable at 31 days notice by either party. The dividend rights in terms of the agreement with the shareholder are based on the actual profits made, per agreed adjustments, of a portion of the short-term insurance business.

The unissued ordinary and preference shares are under the control of the directors until the next annual general meeting.

All issued shares are fully paid up.

14. Liquidity, credit and market risk information

The assets and liabilities of the company consist mainly of financial assets and liabilities which are not subject to liquidity, credit and market risk for IFRS 7 purposes.

Cash & cash equivalents and creditors & accruals are repayable on demand or short notice and within Namibia. Investments securities and loans to/from group are repayable on demand or short notice.

Loan to group companies is considered a stage 1 instrument, held at amortised cost and no ECL on this instrument. The fair value approximates the carrying amount.

Investment securities is considered a stage 1 instrument and these are considered as high credit quality assets, therefore no ECL is recognised on the instrument.

Interest rate risk is the sensitivity of the balance sheet and income statement to unexpected, adverse movements in interest rates. Refer to note 37 on the group financial statement for more details regarding the interest rate risk.

15. Fair value information

Fair value hierarchy disclosure

The company shows an investment in equities and this is measured at fair value and analysed below by valuation technique. The classification of instruments is based on the lowest level input that is significant to fair value measurement in its entirety. A description of the nature of the techniques used to calculate valuations, the inputs and definitions of levels is set out in note 34 of the group financial statements.

Level 3		
Recurring fair value measurements		
Fair value through other comprehensive income		
Investment securities	9 576	9 576
Fair value through profit or loss		
Investment securities	5 691	27 394

The group classifies financial instruments in Level 3 of the fair value hierarchy when significant inputs into the valuation model are not observable. In addition to the valuation model for Level 3, financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

No transfers between the levels were recognised.

Notes to the company annual financial statements *continued*

15. Fair value information *continued*

Fair value hierarchy disclosure *continued*

2025

N\$'000	Opening balance	Gains or losses recognised in profit and loss	Gains or losses recognised in other comprehensive income	Purchases/ (sales)/issues/ (settlements)	Closing balance
Assets					
Fair value through other comprehensive income					
Investment securities	9 576	–	–	–	9 576
Fair value through profit or loss					
Investment securities	27 394	(21 702)	–	–	5 691
Total financial assets	36 970	(21 702)	–	–	15 266

2024

Assets					
Fair value through other comprehensive income					
Investment securities	9 576	–	–	–	9 576
Fair value through profit or loss					
Investment securities	680	26 714	–	–	27 394
Total financial assets	10 256	26 714	–	–	36 970

SHAREHOLDER INFORMATION

for the year ended 30 June 2025

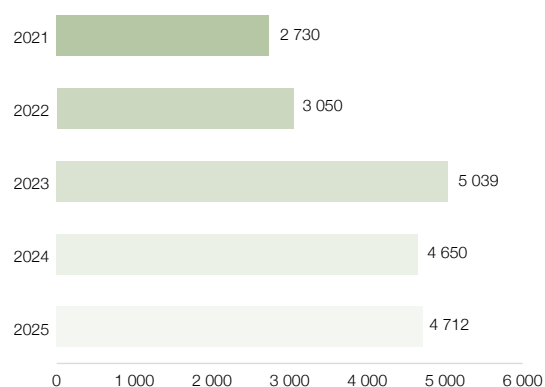
● Stock exchange performance	118
● Closing share price – Ordinary	118
● Shareholder diary	118
● Simplified group structure	119
● Analysis of ordinary shareholders	120
● Corporate information	121
● Notice of annual general meeting	122
● Form of proxy	125

SHAREHOLDER INFORMATION

Stock exchange performance

	2025	2024
Share price (cents)		
– high for the year	4 712	5 200
– low for the year	4 600	4 649
– closing price per share	4 712	4 650
Number of shares traded ('000)	2 633	2 341
Value of shares traded (N\$'000)	122 785	115 878
Number of shares traded as % of issued shares	0.98	0.87
Average price (cents)	4 663	4 950

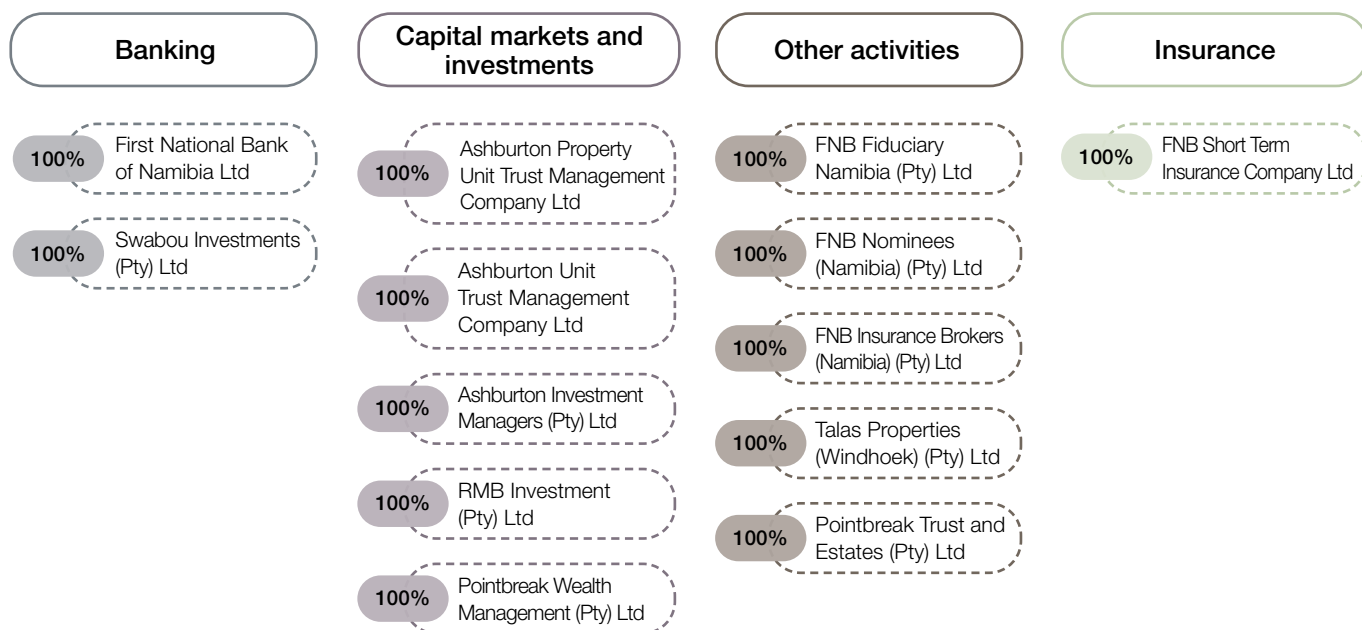
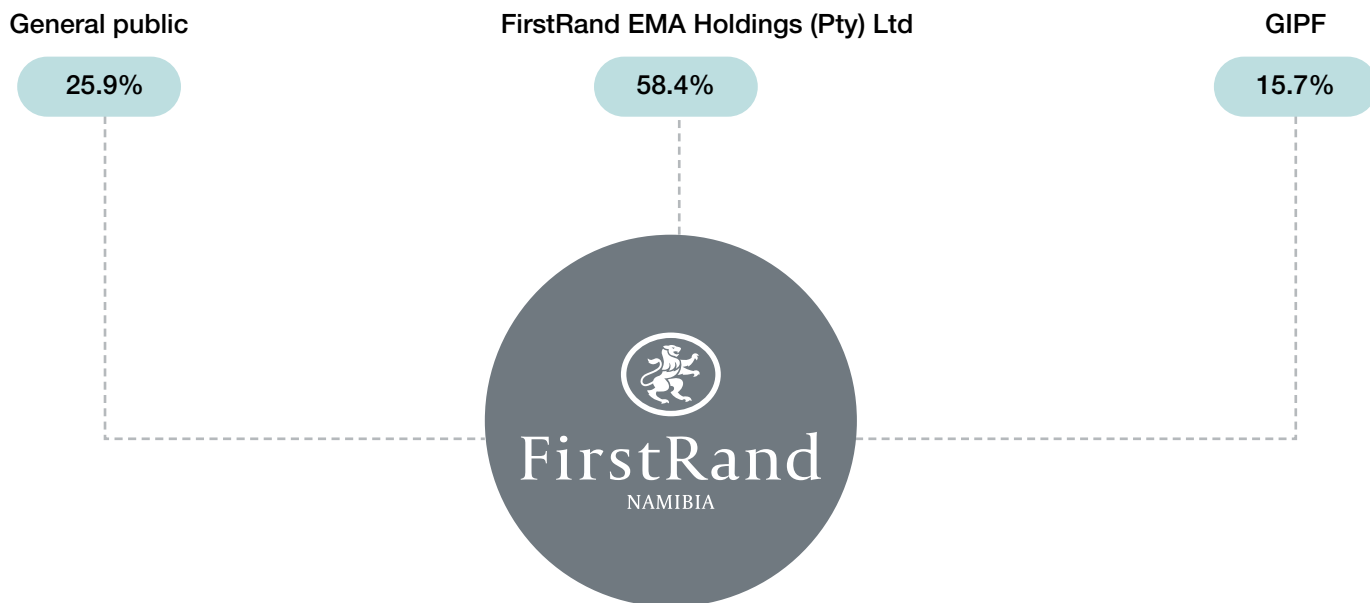
Closing share price (cents) - Ordinary shares



Shareholder diary

Financial year end	30 June 2025
SENS announcement	11 September 2025
Last day to trade	26 September 2025
Ex-entitlement	29 September 2025
Record date	03 October 2025
AGM	17 October 2025
Payment date	17 October 2025
Dividend number	64

SIMPLIFIED GROUP STRUCTURE



ANALYSIS OF ORDINARY SHAREHOLDERS

Range of shareholders	Number of shareholders		Number of shares	
		%		%
1 – 999	1 201	45.1	416 296	0.1
1 000 – 1 999	389	14.6	500 644	0.2
2 000 – 2 999	189	7.1	458 192	0.2
3 000 – 3 999	98	3.7	332 481	0.1
4 000 – 4 999	63	2.4	275 670	0.1
5 000 – 9 999	237	8.9	1 574 337	0.6
over 10 000	484	18.2	264 035 630	98.7
	2 661	100.0	267 593 250	100.0
Shareholder type				
Corporate bodies	45	1.7	163 859 932	61.2
Nominee companies	94	3.5	85 063 678	31.8
Private individuals	2 473	93.0	15 345 500	5.8
Trusts	49	1.8	3 324 140	1.2
	2 661	100.0	267 593 250	100.0
Geographic ownership				
Namibian including unknown	2 490	93.6	109 667 191	41.0
Other Africa	155	5.8	157 867 088	59.0
International	16	0.6	58 971	0.0
Total	2 661	100.0	267 593 250	100.0

Major shareholders	Number of shareholders	
		%
FirstRand EMA Holdings (Pty) Ltd	156 271 536	58.4
Government Institutions Pension Fund	42 104 874	15.7
Old Mutual Life Assurance Company (Namibia) Ltd	7 530 965	2.8
Allan Gray Namibia Balanced Fund	3 343 919	1.3
Investec Namibia Trustee Account (Naman)	3 127 372	1.2
Chappa'ai Investments Forty-Two (Pty) Ltd	3 018 199	1.1
Sovereign Capital (Pty) Ltd	2 800 551	1.1
The Bank of New York Mellon	2 619 513	1.0
Benchmark Retirement Fund	2 432 746	0.9
Retirement Fund for Local Authorities and Utility Services in Namibia	2 293 303	0.9

FirstRand EMA Holdings (Pty) Ltd and Government Institutions Pension Fund are the only shareholders who beneficially hold more than 5% of the issued ordinary shares in the Company.

CORPORATE INFORMATION

Registered Office

FirstRand Namibia Ltd
Registration number: 88/024
@Parkside, 130 Independence Avenue, c/o Fidel Castro
PO Box 195, Windhoek, Namibia
Tel: +264 (61) 299 2111
www.firststrandnamibia.com.na

Chief Executive Officer

Conrad Dempsey
5th Floor, @Parkside
130 Independence Avenue, c/o Fidel Castro
PO Box 195, Windhoek, Namibia
Tel: +264 (61) 299 2111

Chief Financial Officer

Lizette Smit
5th Floor, @Parkside
130 Independence Avenue, c/o Fidel Castro
PO Box 195, Windhoek, Namibia
Tel: +264 (61) 299 2111

Transfer Secretaries

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
PO Box 2401, Windhoek, Namibia
Registration No: 93/0713
E-mail: ts@nsx.com.na
Tel: +264 (61) 227 647

Sponsor

Cirrus Securities (Pty) Ltd
Member of the NSX
35 Schanzen Road, Windhoek, Namibia
PO Box 27, Windhoek, Namibia
Registration No: 98/463
E-mail: sponsor@cirrus.com.na
Tel: +264 (61) 256 666

External Auditors

Ernst & Young Namibia
cnr Otto Nitzsche & Maritz street
Windhoek, Namibia
PO Box 1857, Windhoek, Namibia
E-mail: eynamibia@za.ey.com
Tel: +264 (61) 289 1100
www.ey.com/en_na

Group Company Secretary

Nelago Makemba
2nd Floor, @Parkside
130 Independence Avenue, c/o Fidel Castro
PO Box 195, Windhoek, Namibia
Tel: +264 (61) 299 2111

NOTICE OF ANNUAL GENERAL MEETING



FirstRand NAMIBIA

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

Notice of annual general meeting

Notice is hereby given to all holders of ordinary shares in the company that the thirty-eighth (38th) annual general meeting of the shareholders of FirstRand Namibia Ltd will be held via electronic media and in the Etosha Boardroom, FirstRand Namibia Ltd, 5th Floor, @Parkside, 130 Independence Avenue, c/o Fidel Castro, Windhoek, on 17 October 2025 at 14:30. Shareholders are advised that should they wish to attend the annual general meeting via electronic media, an e-mail request be sent to shareholder@fnbnamibia.com.na. Shareholders will be provided with a registration document, and subsequently a link to the event.

Shareholders joining online will not be able to participate in discussions or vote during the meeting. Voting will be in person or by proxy only.

1. Ordinary resolution number 1: Annual Financial Statements

THAT the Annual Financial Statements for the year ended 30 June 2025 as approved by the board of directors on 21 August 2025, including the report of the external auditors, Audit committee, and directors' report be approved. The Annual Financial Statements were made available via the Securities Exchange News Service (SENS), have been distributed electronically, and are available on the company's website: <https://www.firststrandnamibia.com.na/investors/financial-results/>

2. Ordinary resolution number 2: Confirmation of dividends

TO confirm the ordinary dividends of the financial year 476.34 (2024: 353.68) cents per share.

3. Ordinary resolution number 3: Re-election of Directors by way of separate resolutions

Otto Shikongo, Emile van Zyl and I-Ben Nashandi retire as directors of the company in terms of the company's Articles of Association. The directors who, being eligible, offer themselves for re-election. Biographical information of the two (2) directors to be re-elected is set out on pages 17 to 19 of the separate integrated annual report.

Ordinary resolution number 3.1

TO re-elect Otto Shikongo as an independent non-executive director of the company.

Ordinary resolution number 3.2

TO re-elect Emile van Zyl as an Independent non-executive director of the company.

Ordinary resolution number 3.3 – Confirmation of Resignation of Director

Resolved that the resignation of I-Ben Nashandi as a non-executive director of the Company be and is hereby noted and confirmed. Nashandi retires from the Board and has not offered himself for re-election.

Explanatory Note:

In accordance with the Company's Articles of Association, a director who does not offer himself for re-election is not automatically reappointed. Therefore, shareholder consent is not required for I-Ben Nashandi's non-re-election. The AGM will simply note and confirm his resignation.

4. Ordinary resolution number 4: Vacancy filled by Directors

Vacancies on the board are filled by the appointment of directors during the year, upon the recommendation of the Directors Governance Committee and the board. Samantha Balsdon was appointed by the board effective 15 July 2024 to fill a vacancy in accordance with the Act and the company's Articles of Association and is now recommended by the board for election by shareholders by way of separate resolution.

Ordinary resolution number 4.1

TO elect Samantha Balsdon as a non-executive director of the company.

The abridged curricula vitae of the director standing for election for ordinary resolution number 4.1 is set out on page 17 of the separate integrated annual report.

5. Ordinary resolution number 5: Re-appointment of Audit Committee Members

That the following directors be re-appointed as members of the Audit committee.

Ordinary resolution number 5.1

TO re-appoint Markus Johannes Lubbe as a member of the Audit committee for the financial year.

Ordinary resolution number 5.2

TO re-appoint Libertha Dewina Kapere as a member of the Audit committee for the financial year.

Ordinary resolution number 5.3

TO re-appoint Jan Coetzee as a member of the Audit committee for the financial year.

6. Ordinary resolution number 6: Re-appointment of Auditors

THAT Ernst & Young Namibia be re-appointed as the auditors of the company and authorise the directors to determine the remuneration of the auditors so appointed.

7. Ordinary resolution number 7: Non-Executive Director Remuneration

Directors' fees were reviewed against relevant market benchmarks to ensure competitiveness and alignment with governance best practices. An inflationary adjustment was applied across all fee categories, with targeted increases to three fee types that were previously positioned below the 50th percentile, thereby enhancing market alignment and supporting retention of board talent.

TO approve the remuneration of the non-executive directors or members, as reflected below for the 2026 financial year:

	No of meetings per annum	2026 Remuneration per meeting (N\$)
FirstRand Namibia Ltd Board		
Member	4	33 750
Deputy Chair	4	45 000
Chair	4	61 250
First National Bank of Namibia Ltd Board		
Member	4	40 776
Deputy Chair	4	61 165
Chair	4	81 553
Board Committees		
Audit Committee		
Member	4	31 052
Chair	4	71 359
Risk, Capital and Compliance Committee		
Member	4	33 250
Chair	4	59 500
Talent and Remuneration Committee		
Member	4	21 736
Chair	4	32 595
Directors Governance Committee		
Member	3	19 222
Chair	3	33 640
Specialist Committees		
Senior Credit Risk Committee		
Member	As required	11 650
Chair	As required	12 115
Information Technology Risk and Governance Committee		
Member	4	22 780
Chair	4	31 247
Asset, Liability and Capital Committee		
Member	4	12 048
Chair	4	20 569
Social, Ethics & Transformation Committee		
Member	4	22 780
Chair	4	29 588
Credit Risk Management Committee		
Member	4	18 539
Chair	4	23 613
<i>Ad-hoc work</i>		
Standard hourly rate for <i>ad hoc</i> work including attending director interviews, board training and board strategy sessions	3 200	

Notice of annual general meeting *continued*

8. Ordinary resolution number 8: Reward Philosophy and Principles Policy

TO approve the Reward Philosophy and Principles Policy as set out in the remuneration report on pages 67 to 79 of the integrated annual report.

9. Ordinary resolution number 9: Authority to sign documents

TO approve that each director and/ or the Company Secretary, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice.

Voting:

All holders of FirstRand Namibia Ltd shares will be entitled to:

- (i) Attend and vote in person at the annual general meeting. On a show of hands, every holder of FirstRand Namibia Ltd shares who is present in person, or in the case of a company, the representative appointed in terms of section 196 of the Companies Act, shall have one vote. Or
- (ii) Vote via the Form of Proxy.

On a poll, the holders of ordinary shares present in person or by proxy will each be entitled to one vote for every ordinary share held. **There will be no online voting via electronic media.**

Proof of identification required:

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents and passports.

Proxies:

Each member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need to be a member of the company) to attend, speak and, on a poll, to vote in his/her stead. The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, accompanies this notice. In order to be effective, duly completed forms of proxy must be received at the office of the transfer secretaries of the company by no later than 15:00 on Wednesday, 15 October 2025.

By order of the board

FirstRand Namibia Limited

Nelago Makemba

Company Secretary
11 September 2025

Registered office

FirstRand Namibia Ltd
@Parkside, 130 Independence Avenue, c/o Fidel Castro
P O Box 195, Windhoek, Namibia

Transfer Secretaries

4 Robert Mugabe Avenue, Windhoek
P O Box 2401, Windhoek, Namibia

FORM OF PROXY



FirstRand

NAMIBIA

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

For completion by the registered ordinary shareholders who hold ordinary shares of FirstRand Namibia Ltd in preparation for the 2025 annual general meeting of the Company taking place on Friday, 17 October 2025 at 14:30 (the annual general meeting).

I/We(name in full)
 Holder Number.....being the holder(s)
 of.....ordinary shares in FirstRand Namibia Ltd do hereby appoint:
 1. or failing him/her
 2. or failing him/her
 3. the chair of the annual general meeting, as my/our proxy to act for me/us at the annual general meeting (as the case may be) which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote on such resolution in respect of the shares in the issued capital of FirstRand Namibia Ltd registered in my/our name/s in accordance with the following instructions (see note):

Resolutions		Insert an X		
		For*	Against*	Abstain*
Ordinary Resolution 1	Approval of Annual Financial Statements for 30 June 2025			
Ordinary Resolution 2	Confirmation of dividends			
Ordinary Resolution 3	Re-election of directors by way of separate resolutions:			
	3.1 Otto Shikongo (Independent Non-Executive Director)			
	3.2 Emile van Zyl (Independent Non-executive Director)			
	3.3 Confirmation of I-Ben Nashandi (Non-Executive Director) resignation			
Ordinary Resolution 4	Vacancies filled by Director during the year by way of separate resolutions:			
	4.1 Samantha Balsdon (Non-Executive Director)			
Ordinary Resolution 5	Re-appointment of Audit Committee Members			
	5.1 Markus Johannes Lubbe			
	5.2 Libertha Dewina Kapere			
	5.3 Jan Coetzee			
Ordinary Resolution 6	Re-appointment of external auditors and authority to determine their remuneration			
Ordinary Resolution 7	Approval of Non-Executive Director Remuneration			
Ordinary Resolution 8	Approval of the Reward Philosophy and Principles Policy			
Ordinary Resolution 9	Authority to sign documents			

* Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the voting box provided. A cross is deemed to represent all shares held by the holder.

Signed at this day of 2025

Signature

Assisted by me (where applicable) (State capacity and full name).....

Each Shareholder is entitled to appoint one or more proxy(ies) (none of whom need be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.

Notes:

A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chair of the annual general meeting", but any such deletion must be initialed by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

A shareholder is entitled to one vote on a show of hands and on a poll one vote in respect of each Share held. A resolution put to the vote shall be decided by a show of hands unless before, or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the annual general meeting.

1. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of the member's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
2. Forms of proxy must be received at the Company's transfer secretaries, Transfer Secretaries (Proprietary) Limited, 4 Robert Mugabe Avenue (entrance on Dr. Theo-Ben Gurirab Street), Windhoek (PO Box 2401) Windhoek, Namibia by no later than 15:00 on Wednesday, 15 October 2025. Alternatively, forms of proxy may be sent to the Company's transfer secretaries by way of telefax (+264 61 248531) or email (ts@nsx.com.na), provided that such telefaxes are received by the transfer secretaries by no later than 15:00 on Wednesday, 15 October 2025.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chair of the annual general meeting.
5. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
6. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
7. The chair of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chair is satisfied as to the manner in which the member wishes to vote.
8. Where there are joint holders of ordinary shares:
 - i. any one holder may sign the form of proxy;
 - ii. the vote of the senior (for that purpose seniority will be determined by the order in which the names of the member appear in FirstRand Namibia Limited's register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.



FirstRand
NAMIBIA

*Building a globally competitive Namibia,
providing access to opportunities.*

www.firstrandnamibia.com.na