



**FIRST NATIONAL BANK OF NAMIBIA LIMITED**

*(Incorporated in the Republic of Namibia with limited liability under registration number 2002/0180)*

**Issue of NAD500,000,000 Tier 2 Floating Rate Notes due 3 December 2034  
under its NAD5,000,000,000 Domestic Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 16 March 2022, prepared by First National Bank of Namibia Limited in connection with the NAD5,000,000,000 Domestic Note Programme, as updated and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “Terms and Conditions of the Notes” or Annexure D (*Additional Definitions in respect of these Tranches of Notes of the Series*) hereto, where the provisions set out in Annexure D will prevail to the extent that there is any conflict or inconsistency between the definitions set out therein and those in the Programme Memorandum. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum.

**To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.**

The proceeds obtained through the issue of Tier 2 Notes under and pursuant to this Applicable Pricing Supplement are intended to qualify as capital for the issuing bank in terms of the provisions of the Banking Institutions Act.

The Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement constitute direct, unsecured and, subordinated obligations of the Issuer and rank *pari passu* without any preference amongst themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Tier 2 Notes.

If the Issuer is wound-up or put into liquidation or business rescue proceedings (or judicial management (if applicable)), voluntarily or involuntarily, the claims of Tier 2 Noteholders shall be subordinated to the claims of

Senior Creditors. In any such event, no amount shall be payable to any Tier 2 Noteholders entitled to be paid amounts due under the Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement until the claims of Senior Creditors which are admissible in any such winding-up, liquidation or business rescue proceedings (or judicial management (if applicable)) have been paid or discharged in full.

**The attention of investors contemplating investing in the Tier 2 Notes is drawn to Annexure C (Additional risk factors relating to these tranches of notes of the series) for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in the Capital Notes, specifically there may be considerable tax consequences in the hands of Tier 2 Noteholders, the Issuer or both. Prospective investors in Tier 2 Notes are strongly advised to consult their own professional advisers as to the tax consequence of investing in Tier 2 Notes, and particularly as to whether a disposal or write off of Tier 2 Notes will result in an income tax liability.**

The Bank of Namibia has approved the issue of the Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement in terms of the Banking Institutions Act and for the proceeds thereof to rank as "Tier 2 Capital" (also known as "Supplementary Capital" or "Secondary Capital") as described in the Government Gazette.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as updated and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

## **PARTIES**

- |    |                   |   |
|----|-------------------|---|
| 1. | Issuer            | First National Bank of Namibia Limited  |
|    | Registered Office | @Parkside<br>130 Independence Avenue<br>Windhoek<br>Namibia                     |
| 2. | Dealer(s)         | First National Bank of Namibia Limited, acting through its RMB Namibia division |
|    | Specified Address | @Parkside<br>130 Independence Avenue<br>Windhoek<br>Namibia                     |

3.	Managers	N/A
	Specified Address	N/A
4.	NSX Debt Sponsor	Cirrus Securities (Proprietary) Limited
	Specified Address	35 Schanzen Road Windhoek Namibia
5.	Paying Agent	First National Bank of Namibia Limited
	Specified Address	@Parkside 130 Independence Avenue Windhoek Namibia
6.	Calculation Agent	First National Bank of Namibia Limited
	Specified Address	@Parkside 130 Independence Avenue Windhoek Namibia
7.	Transfer Secretary	Transfer Secretaries (Proprietary) Limited
	Specified Address	4 Robert Mugabe Avenue, Windhoek, Namibia
8.	Settlement Agent	First National Bank of Namibia Limited
	Specified Address	@Parkside 130 Independence Avenue Windhoek Namibia

#### **PROVISIONS RELATING TO THE NOTES**

9.	Status of Notes	Subordinated, unsecured Tier 2 Notes, the proceeds of which are intended to qualify as Tier 2 Capital
		In accordance with the Capital Regulations, Tier 2 Notes issued under and pursuant to this Applicable Pricing

Supplement will be subject to Write Off if a Trigger Event occurs in relation to the Issuer.

See Annexure A and Annexure B attached to this Applicable Pricing Supplement.

10.	Form of Notes	The Notes in this Tranche are listed Notes issued in certificated form
11.	Series Number	1
12.	Tranche Number	1
13.	Aggregate Nominal Amount:	
	(a) Series	NAD500,000,000,000
	(b) Tranche	NAD500,000,000,000
14.	Provisions applicable to Capital Notes	See Annexure A to Annexure D attached to this Applicable Pricing Supplement
15.	Notes in issue	As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of NAD353,000,000 under the Programme.
		The aggregate Nominal Value of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Value of this Tranche (when issued), will not exceed the Programme Amount.
16.	Interest	Interest-bearing
17.	Interest Payment Basis	Floating Rate
18.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19.	Issue Date	3 December 2024
20.	Nominal Amount per Note	NAD1,000,000
21.	Specified Denomination	NAD1,000,000

22.	Specified Currency	NAD
23.	Issue Price	100%
24.	Interest Commencement Date	3 December 2024
25.	Maturity Date	3 December 2034
26.	Maturity Period	<p>Notes may be issued with any maturity date, subject, in relation to Tier 2 Notes, to such minimum maturities as may be required from time to time by the applicable Capital Regulations and, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Subject to the applicable Capital Regulations, Tier 2 Notes will have a minimum maturity of five years.</p>
27.	Applicable Business Day Convention	Following Business Day
28.	Final Redemption Amount	100% of the Nominal Amount subject to Capital Regulations
29.	Last Day to Register	By 17h00 on 20 February, 23 May, 23 August and 22 November, of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period
30.	Books Closed Period(s)	The Register will be closed from 21 February to 2 March, 24 May to 2 June, 24 August to 2 September and 23 November to 2 December of each year until the Maturity Date (all dates inclusive), or if any early redemption occurs, 10 Days prior to the actual Redemption Date
31.	Default Rate	N/A

#### **PROVISIONS RELATED TO INTEREST (IF ANY PAYABLE)**

##### **FLOATING RATE NOTES**

32.	(a)	Floating Interest Payment Date(s)	3 December, 3 March, 3 June and 3 September of each year until the Maturity Date, with the first Floating Interest Payment Date being 3 March 2025, or, if such day is not a Business Day, the Business Day on which interest will be
-----	-----	-----------------------------------	---

paid, as determined in accordance with the Applicable Business Day Convention (as specified in this Applicable Pricing Supplement)

(b)	Interest Period(s)	From and including the applicable Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending the day before the next Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)
(c)	Definition of Business Day (if different from that set out in Condition 1) ( <i>Interpretation</i> )	N/A
(d)	Minimum Rate of Interest	N/A
(e)	Maximum Rate of Interest	N/A
(f)	Day Count Fraction	Actual/365
(g)	Other terms relating to the method of calculating interest (e.g.: rounding up provision)	N/A
33.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination
34.	Margin	195 basis points to be added to the relevant Reference Rate
35.	If ISDA Determination	N/A
36.	If Screen Rate Determination:	
(a)	Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	ZAR-JIBAR-SAFEX with a designated maturity of 3 (three) months  In the event that the ZAR-JIBAR-SAFEX ceased to apply such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 19 ( <i>Notices</i> )

- (b) Interest Rate Determination Date(s) 28 November 2024 for the first Interest Period and thereafter the first Business Day of each Interest Period
- (c) Relevant Screen Page and Reference Code ZAR-JIBAR-SAFEX

37. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions N/A
38. Calculation Agent responsible for calculating amount of principal and interest First National Bank of Namibia Limited, acting through its RMB Namibia division

#### PROVISIONS REGARDING REDEMPTION/MATURITY

39. Prior consent of the Bank of Namibia required for any redemption prior to the Maturity Date? Yes, save for redemption for regulatory reasons as contemplated in Section E (1.2) (*Redemption for regulatory reasons*) (as inserted by paragraph 10 of Annexure B to this Applicable Pricing Supplement).
40. Redemption at the Option of the Issuer pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*): Yes, subject to the applicable Capital Regulations

If yes:

- (a) Optional Redemption Date(s) Each Floating Interest Payment Date after (i) the Issue Date (for redemption for regulatory reasons) or (ii) 3 December 2029
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) 100% of the Nominal Amount
- (c) Minimum period of notice (if different from Condition 10.3 (*Redemption at the Option of the Issuer*)) N/A

(d)	If redeemable in part:	N/A
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on Redemption	See Section E (1.4) ( <i>Redemption of Tier 2 Notes</i> ) (as inserted by paragraph 9 of Annexure B to this Applicable Pricing Supplement), and see applicable Capital Regulations.
41.	Redemption at the Option of the Senior Noteholders pursuant to Condition 10.4 ( <i>Redemption at the Option of the Senior Noteholders</i> ):	No
42.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 ( <i>Redemption in the event of a Change of Control</i> ) or any other terms applicable to a Change of Control	No
43.	Redemption in the event of a failure to maintain NSX Listing and Rating at the election of the Noteholders pursuant to Condition 10.6 ( <i>Redemption in the event of a failure to maintain NSX Listing and Rating</i> )	No
44.	Early Redemption Amount(s) payable on redemption for taxation reasons pursuant to Condition 10.2 ( <i>Redemption for Tax Reasons</i> ) on Event of Default pursuant to Condition 18 ( <i>Events of Default</i> ) or on a Change of Control pursuant to Condition 10.5 ( <i>Redemption in the event of a Change of Control</i> ) or in relation to a failure to maintain a NSX Listing and/or Rating pursuant to Condition 10.6 ( <i>Redemption in the event of a failure to maintain NSX Listing and Rating</i> ) (if	Yes, in respect of Condition 10.2 ( <i>Redemption for Tax Reasons</i> ) and Condition 17 ( <i>Events of Default</i> ) and Section E (1.4) ( <i>Redemption of Tier 2 Notes</i> ) (inserted in paragraph 9 of Annexure B to this Applicable Pricing Supplement) and the applicable Capital Regulations, at the option of the Issuer.



required or if different from that set out in the relevant Conditions)

If yes:

(a) Amount payable; or Determined in accordance with Condition 10.7 (*Early Redemption Amounts*)

(b) Method of calculation of amount payable N/A

45. Redemption amount(s) payable on redemption for regulatory reasons

(a) Amount payable; or Determined in accordance with Condition 10.7 (*Early Redemption Amounts*)

(b) Method of calculation of amount payable N/A

## GENERAL

46. Exchange NSX

47. Substitution and Variation for Capital Notes Applicable

48. Additional selling restrictions N/A

49. ISIN NA000A3L6P87

50. Stock Code FNB34

51. Stabilising manager N/A

52. Provisions relating to stabilisation N/A

53. Method of distribution Dutch Auction

54. Credit Rating assigned to the Issuer Ba2/NP, stable outlook assigned on 21 March 2024

55. Applicable Rating Agency Moody's Investors Service Limited

56. Governing law (if the laws of Namibia are not applicable) N/A



any part of the aforementioned documents. The NSX's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the NSX will not be liable for any claim whatsoever.

The authorised Programme Amount of NAD5,000,000,000 has not been exceeded.

Application **is hereby** made to list this issue of Notes **on 3 December 2024**.

**SIGNED** at WINDHOEK on this 28th day of NOVEMBER 2024.

For and on behalf of

**FIRST NATIONAL BANK OF NAMIBIA LIMITED**




---

Name: Lizette Smit

Capacity: Director

Who warrants his/her authority hereto




---

Name: Selma Kapeng

Capacity: Group Treasurer

Who warrants his/her authority hereto

## Annexure A

**ADDITIONAL/UPDATED SUMMARY OF THE PROGRAMME SECTION RELATING TO THESE TIER 2  
NOTES OF THE SERIES**

The content of this Annexure A are to be read in conjunction with the Programme Memorandum dated 16 March 2022, and are intended to update and/or supplement the contents of the Programme Memorandum for purposes of the Tier 2 Notes issued pursuant to this Applicable Pricing Supplement and not to any other Notes issued pursuant to the Programme Memorandum.

The content of the Programme Memorandum is updated and/or supplemented in relation to these Tranches of Notes by the replacement of the items titled “Maturities of Notes”, “Redemption” and “Status and Characteristics of Subordinated Notes” in the section titled “*Summary of the Programme*” on pages 10 to 17 of the Programme Memorandum, with the following paragraphs:

**“Maturities of Notes”**

Such maturity(ies) as specified in the Applicable Pricing Supplement, subject, in relation to Capital Notes, to such minimum maturities as may be required from time to time by the applicable Capital Regulations.

**“Redemption”**

Unless otherwise set out in the Applicable Pricing Supplement, a Tranche of Notes will be redeemed on the Maturity Date, as set out in Condition 10.1 (*Redemption at Maturity*).

If so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Tranche at any time prior to the Maturity Date following the occurrence of a change in law and/or for tax reasons, as set out in Condition 10.2 (*Redemption for Tax Reasons*).

Unless otherwise set out in the Applicable Pricing Supplement, if “Early Redemption at the Option of the Issuer” is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*), the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 19 (*Notices*), redeem the Tranche of Notes on any Optional Redemption Date(s), or unless otherwise set out in the Applicable Pricing Supplement.

Unless otherwise set out in the Applicable Pricing Supplement, if “Redemption at the Option of the Senior Noteholders” is specified

as applicable in the Applicable Pricing Supplement, the Senior Noteholders of any Tranche of Senior Notes may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement), require the Issuer to redeem Senior Notes on any Optional Redemption Date in the manner specified in Condition 10.4 (*Redemption at the Option of the Senior Noteholders*) and the Applicable Pricing Supplement.

Unless otherwise set out in the Applicable Pricing Supplement, if "Early Redemption in the event of a Change of Control" is specified as being applicable in the Applicable Pricing Supplement and (i) a Change of Control (as defined below) occurs; and (ii) within the Change of Control Period (as defined below), (A) a Rating Downgrade (as defined below) occurs in relation to the Issuer and/ and/or the Programme and/or any Tranche of Notes, as the case may be; or (B) if, at the time the Change of Control occurs the Issuer and/ and/or the Programme and/or any Tranche of Notes are not so rated, a Negative Rating Event in respect of that Change of Control occurs, (in either case, a Change of Control Event) (C) the Noteholders resolve by way of an Extraordinary Resolution to have their Notes redeemed by the Issuer, then each Noteholder in that Class of Noteholders shall have the option to require the Issuer to redeem each Note in that Tranche of Notes held by that Noteholder at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days after the delivery by that Noteholder of a Change of Control Redemption Notice (as defined below).

Unless otherwise set out in the Applicable Pricing Supplement, if "Redemption in the event of a failure to maintain NSX Listing and Rating" is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, after having been notified by the Issuer in accordance with Condition 19 (*Notices*), require the Issuer to redeem Notes on any Optional Redemption Date in the manner specified in Condition 11.6 (*Redemption in the event of a failure to maintain NSX Listing and Rating*) and the Applicable Pricing Supplement.

Subject to the applicable Capital Regulations, Capital Notes may have a minimum Maturity Period (determined in accordance with

the Capital Regulations relating to such Capital Notes) as set out in the Applicable Pricing Supplement. The Maturity Date(s) of any such Capital Notes will accordingly need to fall after the end of any such Maturity Period(s). For so long as the applicable Capital Regulations so require, any redemption, purchase or cancellation of Capital Notes prior to the applicable Maturity Date(s), will require the prior written approval of, and must be in accordance with the Additional Conditions (if any) approved by, the Bank of Namibia. This is true even where an Event of Default has occurred.

**“Status and Characteristics relating to Subordinated Notes”**

Unless otherwise specified in the Applicable Pricing Supplement, the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will, subject to the applicable Capital Regulations in the case of Subordinated Notes which are also Capital Notes, rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer.

Subject to Applicable Law and the Capital Regulations (in the case of Subordinated Notes which are also Capital Notes), in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or is subject to business rescue proceedings (or judicial management (if applicable)), then and in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness of the Issuer, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or business rescue proceedings (or judicial management (if applicable)) (other than Subordinated Indebtedness) has been paid or discharged in full.

In order for the proceeds of the issue of a Tranche of Subordinated Notes to qualify as Regulatory Capital, Subordinated Notes must comply with the applicable Capital Regulations and such Additional Conditions (if any) as are prescribed by the Bank of Namibia in

respect of that Tranche of Subordinated Notes. The Issuer will specify in the Applicable Pricing Supplement whether any issue of Subordinated Notes is an issue of Notes, the proceeds of which are intended to qualify as Regulatory Capital. The Additional Conditions (if any) prescribed by the Bank of Namibia in respect of Capital Notes, the proceeds of which are intended to qualify as Regulatory Capital, will be specified in the Applicable Pricing Supplement or a supplement to the Programme Memorandum.

## Annexure B

**ADDITIONAL/UPDATED TERMS AND CONDITIONS RELATING TO THESE TRANCHES OF NOTES OF THE SERIES**

The additional/updated Terms and Conditions set out in this Annexure B will only apply to the Tier 2 Notes issued pursuant to this Applicable Pricing Supplement and not to any other Notes issued pursuant to the Programme Memorandum.

The Terms and Conditions set out in the Programme Memorandum are to be read in conjunction with the contents of this Annexure B, which are to update and/or supplement the Programme Memorandum in relation to these Tranches of Notes by:

1. the use of the words “*and, in respect of Capital Notes, the Capital Regulations*” after the words “*Subject to Applicable Law ...*” in the first line of Condition 6.2 under Condition 6 (*Status and Characteristics of Subordinated Notes*) on page 48 of the Programme Memorandum;
2. the inclusion of the following in relation to the *Status of the Tier 2 Notes* to be read in conjunction with Condition 6 (*Status and Characteristics of Subordinated Notes*):

**A. “Status of the Tier 2 Notes:**

- A (1.1) *Application*: This section in respect of “**Status of the Tier 2 Notes**” applies only to Tier 2 Notes.
- A (1.2) *Status of the Tier 2 Notes*: The Tier 2 Notes constitute direct, unsecured and, in accordance with A (1.3) (*Subordination*) below, subordinated obligations of the Issuer and rank (i) *pari passu* without any preference among themselves and (ii) save for those that have been accorded by law preferential rights, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer’s obligations under the Tier 2 Notes), including but not limited to subordinated obligations in the form of other Tier 2 Notes and Tier 2 Capital, whether issued before the date of issue of the Tier 2 Notes or thereafter and (iii) behind in priority to all claims of depositors and Senior Creditors.
- A (1.3) *Subordination*: The claims of Tier 2 Noteholders entitled to be paid amounts due in respect of the Tier 2 Notes (including any damages or other amounts (if payable)) are subordinated to the claims of depositors and Senior Creditors and, accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation,



curatorship or wound-up (in each case other than pursuant to a Solvent Reconstruction):

- A (1.3) (i) no Tier 2 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Tier 2 Notes in such event to the extent that the claims of the Issuer's Senior Creditors which are admissible in any such dissolution, insolvency or winding-up would not be paid or discharged in full as a result of such proof;
- A (1.3) (ii) no amount due under the Tier 2 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Tier 2 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Tier 2 Notes nor shall any amount due under the Tier 2 Notes be payable to any Tier 2 Noteholder until the claims of such Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full; and
- A (1.3) (iii) subject to Applicable Law, a Tier 2 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Tier 2 Notes owed to it by the Issuer and each Tier 2 Noteholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Notes, (i) be deemed to have waived all such rights of set-off and, (ii) to the extent that any set-off takes place, whether by operation of law or otherwise, between: (a) any amount in respect of the principal and/or interest on the Tier 2 Notes owed by the Issuer to a Tier 2 Noteholder; and (b) any amount owed to the Issuer by such Tier 2 Noteholder, such Tier 2 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding-up or curatorship (as the case may be), the liquidator, curator or other relevant insolvency official of the Issuer, to be held on trust for the benefit the Issuer's depositors and Senior Creditors until the claims of such depositors and Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full, and this undertaking will constitute a *stipulatio alteri* in favour of the depositors and Senior Creditors,

until the claims of Senior Creditors which are admissible in any such dissolution, insolvency or winding-up have been paid or discharged in full.”;

3. the inclusion of the following Section in respect of the *Write off of Tier 2 Notes upon a Trigger Event* to be read in conjunction with Condition 6 (*Status and Characteristics of Subordinated Notes*) of the Programme Memorandum:

**B. “Write off of Tier 2 Notes upon a Trigger Event:**

B (1.1) If a Trigger Event occurs in relation to the Issuer:

- (i) following receipt by it of a Bank of Namibia's Trigger Event Notice, the Issuer will immediately notify:
  - a. the Tier 2 Noteholders by way of an announcement *via* NENS; and
  - b. if the Tier 2 Notes are uncertificated and held in the CSD, the CSD in writing; and
  - c. if the Tier 2 Notes are listed on an Exchange, such Exchange in writing,

of the occurrence of the Trigger Event specified in such Bank of Namibia's Trigger Event Notice; and
- (ii) forthwith, subject to Section B (1.3) below but always in accordance with Applicable Law, the Capital Regulations and the instructions received from the Bank of Namibia, and to the extent notified by the Bank of Namibia, write off the Tier 2 Notes or Relevant Part(s) thereof identified by the Bank of Namibia. Any write off of Tier 2 Notes or Relevant Part(s) thereof in accordance with this Section pertaining to *Write off of Tier 2 Notes upon a Trigger Event* will be final, permanent and irreversible.

B (1.2) Any Tier 2 Notes written off in accordance with the Section numbers B (1.1) (ii) above will promptly be cancelled in the Register, and each Tier 2 Noteholder hereby agrees to such cancellation and acknowledges that, where the Tier 2 Note is certificated and evidenced in an Individual Certificate, such cancellation will occur without such Tier 2 Noteholder having to deliver the relevant Individual Certificate to the Issuer.

B (1.3) Subject always to the applicable Capital Regulations and the instructions received from the Bank of Namibia upon the occurrence of a Trigger Event, where only a Relevant Part of Tier 2 Note(s) is/are written off in accordance with this

Section pertaining to *Write off of Tier 2 Notes upon a Trigger Event*, the Issuer shall use reasonable endeavours to conduct such write off such that:

- (i) Tier 2 Noteholders of any Series of Tier 2 Notes will be treated rateably and equally; and
- (ii) Tier 2 Notes will only be written off after Capital Notes the proceeds of which are intended to qualify as Tier 1 capital, (as such terms are defined in the Banking Institutions Act), have been completely written off in accordance with the instructions of the Bank of Namibia; and
- (iii) the write off of Tier 2 Notes is conducted on a *pro rata* and proportionate basis with all other Tier 2 Capital of the Issuer to the extent that such other Tier 2 Capital (including but not limited to other Notes which qualify as Tier 2 Capital) are capable of being written off or converted under Applicable Laws and/or the applicable contractual provisions of such Tier 2 Capital;

provided that if any lawful actions taken by the Issuer with a view to complying with the Write Off Parameters (as such term is defined in Section B (1.6) below) prevent the Issuer from writing off in accordance with this Section B (1.3), the Issuer will not, notwithstanding anything to the contrary in the Conditions, be deemed to have breached the Tier 2 Notes, and such failure will not under any circumstances give rise to or constitute an Event of Default under the Conditions.

- B (1.4) Provided the manner in which the Tier 2 Notes or Relevant Part(s) thereof are written off is in accordance with Applicable Law, the Capital Regulations and the instructions received from the Bank of Namibia, such write off will be deemed to be full, final, unconditional and irrevocable settlement of any and all claims a Tier 2 Noteholder may have against the Issuer under and pursuant to his/her Tier 2 Notes (or the Relevant Part thereof), and no Tier 2 Noteholder whose Tier 2 Notes are written off will have any further recourse against the Issuer or any other party in respect of such Tier 2 Notes (or the Relevant Part thereof).
- B (1.5) Where only a Relevant Part of a Tier 2 Note is written off (and such Tier 2 Note is therefore only partially written off), a Tier 2 Noteholder's rights, title and interest in, and the Issuer's obligations in respect of, that portion of such Tier 2 Noteholder's Tier 2 Notes not written off, will remain unaffected by the writing off of such Relevant Part.
- B (1.6) For the avoidance of doubt and notwithstanding anything to the contrary in the Conditions, no lawful actions of whatsoever nature taken by the Issuer in accordance

with, and/or to give effect to, the Capital Regulations and any other applicable law, regulation or guidance note issued by the Bank of Namibia and/or instructions received from the Bank of Namibia (the “**Write Off Parameters**”), will amount to a breach under the Tier 2 Notes and/or constitute an Event of Default under the Conditions.”;

4. the inclusion of the following Section in respect of *Statutory Loss Absorption of Tier 2 Notes* to be read in conjunction with Condition 6 (*Status and Characteristics of Subordinated Notes*) in the Programme Memorandum:

C. “**Statutory Loss Absorption of Tier 2 Notes contractual:**

C (1.1) This Section detailing *Statutory Loss Absorption of Tier 2 Notes* applies only to Capital Notes.

C (1.2) If a Statutory Loss Absorption Regime is implemented in Namibia, and such Statutory Loss Absorption Regime:

- (iv) is not applied mandatorily to a Capital Note; and
- (v) provides that the Issuer may, or otherwise allows the Issuer to, or does not restrict the ability of the Issuer to, elect to apply such Statutory Loss Absorption Regime to a Capital Note;

then the Issuer may at any time, subject to Condition 10 (*Redemption and Purchase*) and by giving notice (the “**Amendment Notice**”) to the Noteholders of such Capital Note (which Amendment Notice shall be irrevocable) in accordance with Condition 19 (*Notices*), elect to apply that Statutory Loss Absorption Regime to such Capital Note from the date specified in the Amendment Notice (the “**Amendment Date**”), being a date no earlier than the date on which the Statutory Loss Absorption Regime takes effect, and upon such Statutory Loss Absorption Regime applying to such Capital Note on and from the Amendment Date the Non-Viability Loss Absorption Condition shall cease to apply to such Capital Note (such Issuer option to apply the Statutory Loss Absorption Regime to such Capital Note, being the “**Amendment Option**”) provided that:

- C (1.3) if the Issuer does not exercise the Amendment Option, and, this non-exercise (a) results in such Tier 2 Notes being fully or partially excluded from the Tier 2 Capital; on a solo and/or consolidated basis and (b) is the sole reason for such exclusion, then such exclusion shall not constitute a Regulatory Event under these Conditions (although this limited exclusion is without prejudice to any other rights the Issuer may have if a different event occurs or has occurred which is deemed to be a Regulatory Event); and

C (1.4) notwithstanding C (1.3) above, any mandatory application of the Statutory Loss Absorption Regime to a Capital Note under applicable law which results in: the Tier 2 Notes being fully or partially excluded from such Tier 2 Capital of the Issuer on a solo and/or consolidated basis shall constitute a Regulatory Event under these Conditions unless such mandatory application of the Statutory Loss Absorption Regime would not have resulted in the Tier 2 Notes being so excluded from such Tier 2 Capital of the Issuer had the Issuer exercised its Amendment Option.”;

5. the inclusion of the following Section in respect of *Non-Viability Loss Absorption* to be read in conjunction with Condition 6 (*Status and Characteristics of Subordinated Notes*) of the Programme Memorandum:

D “**Statutory Loss Absorption of Tier 2 Notes:**

D (1.1) Application

This Section dealing with *Non-Viability Loss Absorption* applies only to Capital Notes and is referred to in these Conditions as the “**Non-Viability Loss Absorption Condition**”.

D (1.2) Non-Viability Event

Upon the occurrence of a Non-Viability Event, the Issuer shall notify the Noteholders of Capital Notes (a “**Non-Viability Event Notice**”) in accordance with Condition 19 (*Notices*) that a Non-Viability Event has occurred and subsequently Write-off, the Capital Notes, in accordance with the Capital Regulations.

D (1.3) No Compensation

For the avoidance of doubt, the Issuer shall not be obliged to pay compensation in any form to the Noteholders of Capital Notes in respect of a Write-off of Capital Notes in accordance with the Terms and Conditions.

D (1.4) No Default

For the avoidance of doubt, any Write-off of the Capital Notes upon the occurrence of a Non-Viability Event will not constitute an Event of Default or any other breach of the Issuer’s obligations under the Terms and Conditions.”;

6. the addition of the underlined wording under Condition 10.1 (*Redemption at Maturity*) in the Programme Memorandum, which is to be read in conjunction herewith,:

10.1 ***“Redemption at Maturity***

Subject to Section E (1.1) (*Redemption of Capital Notes*) below and, in relation to Capital Notes, the Capital Regulations and prior written approval of the Bank of Namibia (as required), unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount plus interest (if any) specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.”;

7. the addition of the underlined wording under Condition 10.2 (*Redemption for Tax Reasons*) under Condition 10 (*Redemption and Purchase*), in the Programme Memorandum, which is to be read in conjunction herewith:

10.2 ***“Redemption for Tax Reasons:***

10.2.1 Subject to Section E (1.1) (*Redemption of Capital Notes*) below and, in relation to Capital Notes, the Capital Regulations and prior written approval of the Bank of Namibia and any instructions received from the Bank of Namibia, the Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 (thirty) Days nor more than 60 (sixty) Days notice to the Noteholders and the Bank of Namibia, to the extent required, prior to such redemption, in accordance with Condition 19 (*Notices*) (which notice shall be irrevocably certified by 2 (two) authorised directors of the Issuer and include particulars of the relevant change pursuant to Condition 10.2.1.1 below), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

10.2.1.1 as a result of any change in, or amendment to, the laws or regulations of Namibia, or any political sub-division of, or any authority in, or of, Namibia, having power to tax, or any change or amendment of such laws which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*); and

10.2.1.2 the requirement and/or any adverse effect cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) Days prior to the earliest date on which the Issuer would be obliged to pay or may become subject to the payment of such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 10.2(*Redemption for Tax Reasons*) in whole or in part. A redemption in part may be effected by the Issuer:

10.2.1.3. notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 11 (*Taxation*); and

10.2.1.4. mutatis mutandis in the manner described in Condition 10.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount (both as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.

10.2.2 From the date of publication of the notice to Noteholders of the redemption referred to in this Condition 10.2 (*Redemption for Tax Reasons*), the Issuer shall deliver to the Transfer Secretary and the Paying Agent at their Specified Addresses, for inspection by the relevant Noteholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to effect such redemption have occurred and (ii) a copy of a legal opinion from independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

10.2.3. Notes redeemed for tax reasons pursuant to this Condition 10.2 (*Redemption for Tax Reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amounts*), together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.”;

8. the addition of the underlined wording in Condition 10.3.1 under Condition 10.3 (*Redemption at the Option of the Issuer*) under Condition 10 (*Redemption and Purchase*), in the Programme Memorandum, which is to be read in conjunction herewith:

10.3.1 “If the Issuer has specified in the Applicable Pricing Supplement to having an option to redeem, the Issuer may, subject to Section E (1.1) (*Redemption of Capital Notes*) below, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days

irrevocable notice to the Noteholders in accordance with Condition 19 (*Notices*) or unless otherwise specified with the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).”;

9. the use of the following wording in respect of *Redemption of Capital Notes* to be read in conjunction with the Programme Memorandum, specifically Condition 10 (*Redemption and Purchase*) thereof:

E (1.1) **“Redemption of Capital Notes:**

Subject to the applicable Capital Regulations and prior written approval of the Bank of Namibia and any instructions received from the Bank of Namibia, Subordinated Notes that are also Capital Notes may have a minimum Maturity Period determined in accordance with the Capital Regulations relating to such Capital Notes as set out in the Applicable Pricing Supplement. Notwithstanding the foregoing provisions of Condition 10 (*Redemption and Purchase*), and subject to Sections E (1.2) to E (1.4) below, for so long as the applicable Capital Regulations so require, Subordinated Notes that are also Capital Notes may be redeemed, or purchased and cancelled by the Issuer, prior to the Maturity Date only at the option of the Issuer and with the prior written approval of the Bank of Namibia and in accordance with the Additional Conditions (if any) approved by the Bank of Namibia, even where an Event of Default has occurred.

E (1.2) **Redemption for regulatory reasons:**

- (i) Subject to Section E (1.4) (*Redemption of Tier 2 Notes*) below, any Series of Tier 2 Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes having an Interest Rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 (thirty) nor more than 60 (sixty) calendar days’ notice prior to such redemption (the “**Regulatory Redemption Date**”), to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that a Regulatory Event has occurred and is continuing.
- (ii) Notes redeemed for regulatory reasons pursuant to the contents of this Section E (1.2) (*Redemption for regulatory reasons*) will be redeemed, in whole but not in part, at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amounts*), together (if appropriate) with



interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

- (iii) Prior to the publication of any notice of redemption pursuant to the contents of this Section E (1.2), the Issuer shall deliver to the Calculation Agent:
  - (a) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred; and
  - (b) written confirmation from the Bank of Namibia (if applicable) to the Issuer that the aggregate outstanding nominal amount of the Notes of any Series which comprise Tier 2 Capital on the Issue Date is, as a result of a Regulatory Change, fully excluded from the Tier 2 Capital of the Issuer on a solo and/or a consolidated basis, and
  - (c) an opinion of independent advisors of recognised standing to the effect that a Regulatory Event has occurred. Upon the expiry of any such notice as is referred to in this Section E (1.2), the Issuer shall be bound to redeem the Notes in accordance with the contents of this Section E (1.2)";

**E (1.3)      *Substitution or variation***

- (i) Where "Substitution or Variation" for Capital Notes is specified in the Applicable Pricing Supplement as being applicable, a Regulatory Event as contemplated in Section E (1.2) (*Redemption for regulatory reasons*), has occurred and is continuing, then the Issuer may, instead of giving notice to redeem, subject to Section H (1.5) (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Capital Notes*) and having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 19 (*Notices*), but without any requirement for the consent or approval of the Noteholders, at any time substitute all (but not only some) of the Tier 2 Notes in a Series for, or vary the terms of such Tier 2 Notes in that Series such that they remain, or as appropriate, become, Qualifying Tier 2 Securities.
- (ii) Upon the expiry of the notice contemplated above at Section E (1.3) (i), the Issuer shall either vary the terms of or substitute the relevant Capital Notes in accordance with this Section E (1.3) (*Substitution or variation*). The Issuer shall, in connection with any substitution or variation of a Tranche of Capital Notes that is listed on an Exchange in accordance with the contents of this Section E (1.3) (*Substitution or variation*), comply with the relevant listings requirements of such Exchange.

**E (1.4)      *Redemption of Tier 2 Notes:***

- (i) Subject to the applicable Capital Regulations and any instructions received from the Bank of Namibia, Tier 2 Notes may be redeemed or purchased and cancelled at the option of the Issuer pursuant to Condition 10 (*Redemption and Purchase*) only and provided that:
  - (a) the Issuer has notified the Bank of Namibia of its intention to redeem or purchase and cancel the relevant Tier 2 Notes (as applicable) at least one month (or such other period, longer or shorter, as the Bank of Namibia may then require or accept) prior to the date scheduled for such redemption or such purchase and cancellation, as the case may be, and (if required pursuant to the Capital Regulations in force at the relevant time) approval of the same has been received from the Bank of Namibia;
  - (b) if required pursuant to the Capital Regulations in force at the relevant time, such redemption or purchase and cancellation (as applicable) is effected in accordance with Additional Conditions (if any) approved by the Bank of Namibia in writing;
  - (c) the redemption of the Tier 2 Notes is not prohibited by the Capital Regulations (including any prohibitions on redemption prior to the lapsing of a minimum initial period of issue in the Capital Regulations);
  - (d) unless the Bank of Namibia is satisfied that the Issuer is duly capitalised above the minimum capital requirements after the redemption, purchase or cancellation, the Issuer concurrently replaces the Capital Notes being redeemed with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of the Issuer; and
  - (e) both at the time when the notice of redemption is given and immediately following such redemption, the Issuer is or will be, as the case may be, in compliance with its capital adequacy requirements as provided in the Capital Regulations (except to the extent that the Bank of Namibia

no longer so requires), as confirmed by the Bank of Namibia.

- (ii) If so specified in the Applicable Pricing Supplement, this Section E (1.4) (*Redemption of Tier 2 Notes*) will not apply in respect of the redemption of Capital Notes upon the occurrence of a Regulatory Event in accordance with Section E (1.2) (*Redemption for regulatory reasons*).”;

**E (1.5) *Conditions to redemption, purchase, cancellation, modification, substitution or variation of Capital Notes***

- (i) Notwithstanding any other provisions of Condition 10 (*Redemption and Purchase*) and subject as provided below, for so long as the applicable Capital Regulations so require Tier 2 Notes (which at the time of redemption, purchase, cancellation, modification, substitution or variation constitute Tier 2 Capital) may only be redeemed, purchased or cancelled (in each case, in whole or in part) prior to the Maturity Date, or modified, substituted or varied pursuant to Section E (1.3) (*Substitution or variation*), at the option of the Issuer, and only if:
  - (a) the Issuer has notified the Bank of Namibia, and the Bank of Namibia has consented in writing to, such redemption, purchase, cancellation, modification, substitution or variation, as the case may be, subject to such conditions (if any) as the Bank of Namibia may deem appropriate (in any case, only if and to the extent that such notification or consent is required in terms of the Capital Regulations) (subject to any prescribed notice periods with which the Issuer may need to comply, if any, in the Capital Regulations);
  - (b) the redemption, purchase, cancellation, modification, substitution or variation, as the case may be, of the Capital Notes is not prohibited by the Capital Regulations (including any prohibitions on redemption prior to the lapsing of a minimum initial period of issue in the Capital Regulations);
  - (c) in the case of redemption, purchase or cancellation, as the case may be, unless the Bank of Namibia is satisfied that the Issuer is duly capitalised above the minimum capital requirements after the redemption, purchase or

cancellation, the Issuer concurrently replaces the Capital Notes being redeemed, purchased or cancelled with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of the Issuer; and

(d) both at the time when the notice of redemption, modification, substitution or variation is given and immediately following such redemption, modification, substitution or variation, as the case may be, the Issuer is or will be, as the case may be, in compliance with its capital adequacy requirements as provided in the Capital Regulations (except to the extent that the Bank of Namibia no longer so requires), as confirmed by the Bank of Namibia.

(ii) Subject to the applicable Capital Regulations, Tier 2 Notes may be redeemed at maturity, provided that, for so long as is required by the Capital Regulations, Tier 2 Notes shall have a minimum Maturity Period of 5 (five) years and accordingly, the Maturity Date specified pursuant to Condition 10.1 (*Redemption at Maturity*) shall comply with this requirement.

(iii) If so specified in the Applicable Pricing Supplement, the contents of this Section E (1.5) (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Capital Notes*) will not apply in respect of the redemption of Capital Notes upon the occurrence of a Regulatory Event in accordance with Section E (1.2) (*Redemption for regulatory reasons*).

(iv) For the avoidance of doubt, references in this Section E (1.5) (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Regulatory Capital Notes*) to purchase and/or cancellation do not contemplate any purchases and/or cancellation required to give effect to a Conversion or Write Off of Capital Notes, as the case may be, in accordance with Condition 6 (*Status and Characteristics of Subordinated Notes*).

10. in respect of Condition 10.7 (*Early Redemption Amounts*) under Condition 10 (*Redemption and Purchase*) on pages 58 to 59 of the Programme Memorandum, which is to be read in conjunction herewith, the inclusion of the words “, Section E (1.2) (*Redemption for regulatory reasons*),” after the

words “*For the purposes of Condition 10.2 (Redemption for Tax Reasons) ...*” in the first line of Condition 10.7 (*Early Redemption Amounts*).

11. in respect of Condition 17.2 (*Subordinated Notes*) under Condition 17 (*Events of Default*), the following wording to be read in conjunction with the contents of the Programme Memorandum:

**F (1.1) “*Subordinated Notes (other than Tier 2 Notes)*”**

(i) If the Issuer defaults in relation to Subordinated Notes (other than Tier 2 Notes) in the payment of any amount payable in respect of such Subordinated Notes (other than Tier 2 Notes), and such default continues for a period of 7 (seven) Business Days after receiving written notice from any of the holders of Subordinated Notes (other than Tier 2 Notes), or if an Event of Default as contemplated in Condition 17.1.6 (*Insolvency etc.*) or Condition 17.1.7 (*Winding up etc.*) occurs, any holder of a Subordinated Note (other than Tier 2 Notes) may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes (other than Tier 2 Notes), provided that the Issuer shall not be obliged, save in the case of liquidation, winding-up or business rescue proceedings (or judicial management (if applicable)), to pay any sum or sums sooner than the same would otherwise have been payable by it.

(ii) In the event of the winding-up or liquidation, whether finally or provisionally, or business rescue proceedings (or judicial management (if applicable)), of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy, then any holder of Subordinated Notes (other than Tier 2 Notes) issued by the Issuer may by written notice to the Issuer at its registered office, require that its Subordinated Notes (other than Tier 2 Notes) are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes (other than Tier 2 Notes) may only receive payment once all the other creditors of the Issuer have been paid in full.”;

12. in respect of Condition 17 (*Events of Default*) of the Programme Memorandum, which is to be read in conjunction herewith, the insertion of the following additional wording pertaining to *Events of Default relating to Tier 2 Notes* :

**G (1.1) “*Events of Default relating to Tier 2 Notes*”**

- (i) The wording in this Section J (1.1) only applies to Tier 2 Notes, is only for the benefit of Tier 2 Noteholders and is subject to Condition 6 (*Status and Characteristics of Subordinated Notes*).
- (ii) Notwithstanding any of the provisions below in Section J (1.1) (*Events of Default relating to Tier 2 Notes*), the remedies available to

Tier 2 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings. If the Issuer fails to pay any amount due and payable in respect of any Series of Tier 2 Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied (unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business days after the due date), any Tier 2 Noteholder of that Series may, subject to Section A (*Status of Tier 2 Notes*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; provided that no action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.

- (iii) If an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), each Tier 2 Noteholder may, by written notice to the Issuer as its Specified Office, effective upon the date of receipt thereof by the Issuer, declare the Tier 2 Notes held by such Tier 2 Noteholder to be forthwith due and payable whereupon those Tier 2 Notes shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment (or as otherwise specified in the Applicable Pricing Supplement), subject to Section A (*Status of Tier 2 Notes*) (and specifically Section A (1.3)(iii)), provided that no such action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.)
- (iv) Without prejudice to the contents of subsections (ii) and (iii) above, if the Issuer breaches any of its obligations under the Tier 2 Notes of the relevant Series (other than any payment obligation arising out of or in connection with the Tier 2 Notes, including but not limited to in respect of the payment of principal or interest on such Tier 2 Notes), then each Tier 2 Noteholder may, at its discretion and without further notice, but subject to the Capital Regulations, bring such proceedings as it may think fit to enforce the

obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Tier 2 Notes earlier than the same would otherwise have been payable by it.

- (v) The rights of the holder of a Tier 2 Note shall be subject to any condition which requires such Tier 2 Note to be Written Off upon the occurrence of a Trigger Event in accordance with the applicable Capital Regulations in respect of Tier 2 Notes (and subject further to the Capital Regulations, including such Additional Conditions (if any) as are prescribed by the Bank of Namibia in respect of a Tranche of Tier 2 Notes)."

## Annexure C

### ADDITIONAL RISK FACTORS RELATING TO THESE TRANCHES OF NOTES OF THE SERIES

The additional risk factors set out in this Annexure C will only apply to the Tier 2 Notes issued pursuant to this Applicable Pricing Supplement and not to any other Notes issued pursuant to the Programme Memorandum.

The Programme Memorandum to be read in conjunction with the contents of this Annexure C which is intended to supplement the Programme Memorandum, specifically in respect of the Risk Factors set out on page 18 of the Programme Memorandum:

#### Risks relating to Tier 2 Notes

##### 1. Notes may be subordinated to most of the Issuer's liabilities

- 1.1. The payment obligations of the Issuer under Tier 2 Notes will rank behind Senior Creditors. See Condition 6.4 (*Status of the Tier 2 Notes*) (as inserted by paragraph 2 of Annexure B to this Applicable Pricing Supplement) for a full description of subordination and the payment obligations of the Issuer under Tier 2 Notes.
- 1.2. With regard to any Tier 2 Notes, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, or wound-up, the Issuer will be required to pay or discharge the claims of Senior Creditors in full before it can make any payments in respect of such Tier 2 Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such Tier 2 Notes.

##### 2. No Restrictions on the issuance of securities or indebtedness which ranks senior or pari passu to Tier 2 Notes

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to, or pari passu with, the relevant Tier 2 Notes. The issue of any such securities or indebtedness may reduce the amount recoverable by Tier 2 Noteholders on a winding-up, liquidation or curatorship of the Issuer.

##### 3. Winding-up, liquidation and limited rights of acceleration

- 3.1. If the Issuer is wound-up or put into liquidation or business rescue proceedings (or judicial management (if applicable)), voluntarily or involuntarily, Tier 2 Noteholders will not be entitled to any payments of the Tier 2 Notes until the claims of Senior Creditors which are admissible in any such winding-up, liquidation or business rescue proceedings (or judicial management (if applicable)) have been paid or discharged in full. If the Issuer does not have sufficient assets at the time of winding-up, liquidation or business rescue proceedings (or judicial management (if applicable)) to satisfy those claims, Tier 2 Noteholders will not receive any payment on the



Tier 2 Notes. There is no limitation on the ability to issue debt securities in the future that would rank equal or senior in winding-up, liquidation or business rescue proceedings (or judicial management (if applicable)) to the Tier 2 Notes.

- 3.2. In addition, the rights of Tier 2 Noteholders are limited in certain respects. In particular, if the Issuer defaults on a payment of principal due on a Tier 2 Note for a period of 5 (five) days or more, or if the Issuer defaults on a payment of interest due on a Tier 2 Note for a period of 10 (ten) days or more, such Tier 2 Noteholder may only institute proceedings for the winding-up of the Issuer (and/or prove in any winding-up of the Issuer) but take no other action in respect of that default. Only if an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction (as defined in Annexure D) shall the Tier 2 Noteholder be able to declare (upon written notice) such Tier 2 Note immediately due and payable.

#### 4. **Capital Regulations**

In order for the proceeds of the issuance of Tier 2 Notes to qualify as Tier 2 Capital the Tier 2 Notes must comply with the applicable Capital Regulations in respect of any Tranche of Tier 2 Notes.

#### 5. **The investment in, and disposal or write off of, Tier 2 Notes may have tax consequences in the hands of Tier 2 Noteholders, the Issuer or both**

The investment in, and disposal or write off upon the occurrence a Trigger Event of, Tier 2 Notes, may have considerable tax consequences in the hands of Tier 2 Noteholders, the Issuer or both. As any such potential consequences depend on various factors, prospective investors in Tier 2 Notes are strongly advised to consult their own professional advisers as to the tax consequence of investing in Tier 2 Notes, and particularly as to whether a disposal or write off of Tier 2 Notes will result in an income tax liability.

#### 6. **Change of law**

The conditions of the Tier 2 Notes, and any non-contractual obligations arising out of or in connection with the Tier 2 Notes, are governed by Namibian law in effect as at the date of this Applicable Pricing Supplement. No assurance can be given as to the impact of any possible judicial decision or change to Namibian law (specifically the Resolution Policy) or administrative practice in Namibia after the date of this Applicable Pricing Supplement. The requirements imposed by the Issuer's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with the Issuer. Such changes in Namibian law may include, but are not limited to, changes to a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Subordinated Capital Notes.

Whether in terms of the contractual Write-off provisions in the Conditions or the Write-off provisions in the legislation and/or regulations which implement(s) the Capital Regulations, the possibility of Write-

off means that holders of Tier 2 Notes may lose some or all of their investment. The exercise of any power by the Bank of Namibia to Write-off Tier 2 Notes or any suggestion of such exercise could materially adversely affect the price or value of a Noteholder's investment in Tier 2 Notes and/or the ability of the Issuer to satisfy its obligations under such Tier 2 Notes.

## Annexure D

**ADDITIONAL DEFINITIONS IN RESPECT OF THESE TRANCHES OF NOTES OF THE SERIES**

Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of the Tranches referred to in this Applicable Pricing Supplement:

1. **“Bank of Namibia”** means the Bank of Namibia referred to in section 2 of the Bank of Namibia Act, 2020 (Act No.1 of 2020);
2. **“Bank of Namibia’s Trigger Event Notice”** means the notification given to the Issuer by the Bank of Namibia upon the occurrence of a Trigger Event as contemplated in the Capital Regulations, which notification may or may not be in writing;
3. **“Government Gazette”** means government gazette no. 6686 issued on 24 August 2018 which sets out the capital requirements of the Regulatory Capital;
4. **“Maturity Period”** means, in relation to a Tranche of Notes (other than a Tranche of Tier 1 Notes), the period from (and including) the Issue Date to (but excluding) the Maturity Date, as specified in the Applicable Pricing Supplement;
5. **“Non-Viability Event”** shall occur when a Trigger Event specified in a notice in writing by the Bank of Namibia to the Issuer in accordance with the Capital Regulations has occurred; provided that, as a minimum, the aforesaid Trigger Event shall be the earlier of:
  - 5.1. a decision that a Write-off, without which the Issuer (on a consolidated basis or as required by the Capital Regulations) would become non-viable, is necessary as determined by the Bank of Namibia; or
  - 5.2. a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as required by the Capital Regulations) would have become non-viable as determined by the Bank of Namibia;
6. **“Non-Viability Loss Absorption Condition”** has the meaning given to it in Condition 6.6 (Statutory Loss Absorption of Tier 2 Notes) inserted at paragraph 4 of Annexure B;
7. **“Qualifying Tier 2 Securities”** means securities that have terms not materially less favorable to an investor than the terms of the Tier 2 Notes (as reasonably determined by the Issuer in consultation with an independent auditor of international standing), provided that they shall:
  - 7.1. contain terms which comply with then-current requirements of the Bank of Namibia in relation to Tier 2 Capital;

- 7.2. bear at least the same rate of interest from time to time applying to the Capital Notes and preserve the same Interest Payment Dates;
  - 7.3. preserve the obligations of the Issuer as to redemption of the Capital Notes, including as to the timing of, and amounts payable upon redemption of the Capital Notes;
  - 7.4. preserve any existing rights under the Conditions of the Capital Notes to any accrued interest, any arrears interest and any other amounts payable under the Capital Notes which, in each case, have accrued to Noteholders but have not been paid;
  - 7.5. do not include any provisions which require the immediate write off or write down of any principal amount payable on those securities or conversion of those securities into equity;
  - 7.6. be listed on the NSX; and
  - 7.7. bear at least the same Rating (if any).
- 8. **"Relevant Part"** means that portion of a Tier 2 Note, whether expressed as a value, a percentage or otherwise, to be written off upon the occurrence of a Trigger Event, as determined and notified by the Bank of Namibia;
  - 9. **"Regulatory Change"** means (i) a change in, or amendment to, the Capital Regulations or (ii) any change in the application of or official or generally published guidance or interpretation of the Capital Regulations, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;
  - 10. **"Regulatory Event"** means an event which is deemed to have occurred if, with respect to the Capital Notes of any Series which comprise Capital Notes on the Issue Date of the first Tranche of Notes of that Series, the whole or any part of the aggregate outstanding Nominal Value of the Capital Notes of that Series would, as a result of a Regulatory Change, no longer be eligible to qualify or no longer qualify (on a solo and/or consolidated basis) fully, or to the extent permitted by the Capital Regulations, partially, or will in the future, but in the case of Tier 2 Notes, prior to the Maturity Date, no longer qualify (on a solo or consolidated basis) fully, or to the extent permitted by the Capital Regulations, partially, as Regulatory Capital (save where such non-qualification arises only as a result of any applicable limitation on the amount of such capital or any amortisation or recognition of Tier 2 Capital under the Capital Regulations in the final 5 (five) years prior to maturity) of the Issuer on a solo and/or consolidated basis. For the avoidance of doubt, a Write Off would not constitute a Regulatory Event;
  - 11. **"Regulatory Redemption Date"** has the meaning ascribed thereto in Section E (1.2)(i);
  - 12. **"Resolution Policy"** means the Bank of Namibia Resolution Policy from time to time setting out the enhanced resolution powers of the Bank of Namibia under the Banking Institutions Act;

13. **"Senior Creditors"** means creditors of the Issuer who are either unsubordinated creditors of the Issuer or whose claims are, or are expressed to be, subordinated to the claims of other creditors, whether subordinated or unsubordinated, of the Issuer, other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, Tier 2 Noteholders;
14. **"Solvent Reconstruction"** means the event where an order is made or an effective resolution is passed for the winding-up of the Issuer (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or (b) where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented;
15. **"Statutory Loss Absorption Regime"** or **"SLAR"** means any legal, statutory or regulatory regime or requirement implemented in Namibia which provides the Bank of Namibia with (i) special resolution powers in respect of systemically-important- and other financial institutions and/or (ii) the power to implement principal loss absorption measures in respect of capital instruments (such as Tier 1 Capital and Tier 2 Capital) in accordance with Basel III (being the set of minimum global standards for banks issued by the Basel Committee on Banking Supervision in December 2010 and revised in July 2011, or its successor or replacement standard) and which legal, statutory or regulatory regime or requirement so implemented:
  - 15.1. requires the capital instrument to be written off upon the occurrence of a trigger event specified by the Bank of Namibia in writing; or
  - 15.2. otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss;
16. **"Tier 2 Capital"** has the meaning ascribed thereto in the Capital Regulations;
17. **"Tier 2 Noteholder"** means a Noteholder of Tier 2 Notes;
18. **"Tier 2 Notes"** means the Notes specified as such in this Applicable Pricing Supplement and the proceeds of which are capable of qualifying as Tier 2 Capital on the Issue Date;
19. **"Trigger Event"** means unless otherwise specified in the Applicable Pricing Supplement, in the case of Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital and Capital Notes the proceeds of which are intended to qualify as Tier 1 Capital which are accounted for as equity, the occurrence of a "trigger event" specified in the Bank of Namibia's Trigger Event Notice by the Bank of Namibia, provided that in each case, the aforesaid "trigger event" shall be the earlier of:
  - 19.1. a decision that a Write Off, without which the Issuer would become non-viable, is necessary as determined by the Bank of Namibia; or

19.2. a decision to make a public sector injection of capital without which the Issuer would become non-viable as determined by the Bank of Namibia.

20. **“Write Off”** means in respect of Tier 2 Notes:

20.1. the Tier 2 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a pro rata basis (in the case of write off in part), in accordance with the Capital Regulations and as determined by the Bank of Namibia; and

20.2. all rights of any Tier 2 Noteholders for payment of any amounts under or in respect of the Tier 2 Notes, or the Written Off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off pro rata among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Bank of Namibia's Trigger Event Notice and even if the Trigger Event has ceased.

**DEBT SPONSOR****Cirrus Securities (Proprietary) Limited**

(registration number 98/463)

35 Schanzen Road

Windhoek

Namibia

Contact: M Smith

Tel: +264 61 256 666

**LEGAL ADVISOR****Edward Nathan Sonnenbergs Inc.**

(Registration No.: 2006/081200/21)

3<sup>rd</sup> Floor, Unit 4 LA Chambers Ausspann Plaza

Dr Agostinho Neto Road Windhoek, Namibia

Contact: Mr Wolf Wohlers & C van Loggerenberg

Tel: +264 61 379700 & +27 (021) 410 2500