



## FIRST NATIONAL BANK OF NAMIBIA LIMITED

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

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### INFORMATION STATEMENT IN RESPECT OF THE NAD5,000,000,000 DOMESTIC NOTE PROGRAMME

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First National Bank Namibia Limited (the **Issuer**) intends to issue notes from time to time (the **Notes**) under the NAD5,000,000,000 Domestic Note Programme (the **Programme**) on the basis set out in the Programme Memorandum dated 16 March 2022, as amended and restated from time to time (the **Programme Memorandum**). The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed “*Summary of the Programme*” and any additional Dealer(s) appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount (the **Nominal Amount**), the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to any Notes (the **Applicable Pricing Supplement** and this information statement dated 18 March 2025 (this **Information Statement**)).

#### Availability of Information

This Information Statement is available on FirstRand Namibia Limited’s (“**FirstRand Namibia**”) website <https://www.firstrandnamibia.com.na/investors/debt-investor-centre/debt-programmes/>.

Other than in this Information Statement and the Programme Memorandum, any other information on the Issuer’s website is not intended to be incorporated by reference into this Information Statement. Only those documents which are incorporated by reference in the section headed “**Documents Incorporated by Reference**” in the Programme Memorandum should be relied upon for information.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum, read together with the Applicable Pricing Supplement(s) in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and risk factors related to the Issuer, until a new information statement is issued. This Information Statement is not intended, and should not be construed as, the Programme Memorandum and/or the Applicable Pricing Supplement(s). It is not a standalone document and cannot be read without reference to the Programme Memorandum and/or the Applicable Pricing Supplement(s).

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## GENERAL

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*Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.*

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement contains all information required by law and the listing requirements of the NSX. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Statement.

In addition, the Issuer, having made all reasonable inquiries, confirms that this Information Statement contains or incorporates all information which is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arranger, the Dealers, the NSX Debt Sponsor and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Arranger, the Dealers, the NSX Debt Sponsor or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer. None of the Arranger, the Dealers, the NSX Debt Sponsor nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor, nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers, the NSX Debt Sponsor or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arranger or the Dealers has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

**The distribution of this Information Statement and the offer for the subscription or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Information Statement or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US Persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arranger, the Dealers, NSX Debt Sponsor or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arranger, the Dealers, NSX Debt Sponsor or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger or the Dealers, NSX Debt Sponsor (and their respective directors, employees, representatives and agents) or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Arranger or Dealers. It may not be considered as advice, a recommendation, or an offer to enter into or conclude any transactions.

**Copies of this Information Statement are available by request from the registered offices of the Issuer.**

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## INVESTOR CONSIDERATIONS/RISK FACTORS

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*Capitalised terms used in this section headed “Investor Considerations/Risk Factors” shall bear the same meanings as used in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.*

*The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it at the date of this Information Statement, or which it may not be able to anticipate at the date of this Information Statement. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in the Programme Memorandum to reach their own views prior to making any investment decision.*

References below to the “Terms and Conditions”, in relation to Notes, shall mean the “Terms and Conditions of the Notes” set out under the section of the Programme Memorandum headed “Terms and Conditions of the Notes”.

### **Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme**

#### **Risks Relating to the Notes**

##### ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

##### ***There may not be an active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa, Namibia or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all Outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

***Because uncertificated Notes are held in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme which are held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes, issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Relevant Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD or the Relevant Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Relevant Participants, as the case may be, shall look solely to the CSD or the Relevant Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

## **Credit Rating**

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme. Any amendment in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, after the date of this Information Statement, will be announced on the NSX Daily Report or NENS.

## **Risks related to the structure of the particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *Index-Linked and Dual Currency Notes*

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes where denominations involve integral multiples: Individual Certificates*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### **Modification and waivers and substitution**

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### **Change of law**

The Notes are governed by, and will be construed, in accordance with the laws of the Republic of Namibia in effect as at the date of this Information Statement.

#### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### **Risks relating to the Issuer's Business**

The major risks facing the Issuer, which applicants need to be aware of, are included below in no particular order.

FNB Namibia is exposed to a number of risks that are inherent in its operations. Identifying, assessing, pricing and managing these risks appropriately are core competencies of the respective business units of FNB Namibia. Set out below is a summary of the key risks FNB Namibia is exposed to.

##### **1.1. Credit risk**

Credit risk refers to the risk of potential financial losses arising from the inability or unwillingness of borrowers, counterparties, or debtors to fulfil their contractual obligations to the bank in terms of credit agreements with the bank. It encompasses the risk of non-repayment, default, or deterioration



in the creditworthiness of borrowers and counterparties, leading to a decrease in the loan quality.

Credit risk is a fundamental aspect of the bank's operations, representing the potential for financial loss arising from borrowers or counterparties failing to fulfil their contractual obligations. Given its significance, it is a key risk management focus area in the FirstRand Namibia Group ("Group"). Effective credit risk management is crucial for maintaining the bank's financial stability and ensuring the soundness of its operations, and a stable financial system.

## 1.2. Market risk

Market risk in the banking book mainly emanates from interest rate risk (IRRBB), that is the effect that changes in interest rate will have on the financial position and earnings of the Group. Market risk in the banking book also includes currency risk. The risk is expressed in the form of Net Open Foreign Exchange Position (NOFP). The latter is however insignificant for the Group.

Sources of Interest rate risk in the banking book (IRRBB):

- **Repricing risk** - Repricing risk arises when assets and liabilities reprices or resets at different dates.
- **Yield curve risk** - Yield curve risk is the unanticipated shifts in the yield curve.
- **Basis risk** - The risk arises when different yield curves sets are used for the pricing of assets and liabilities.
- **Optionality** - The risk emanates from the difference in the actual client behaviour from the contractual profile in terms of prepayments and withdrawals.

## 1.3. Liquidity risk

Liquidity risk is the risk that the bank, although solvent, will not be able to meet its contractual and contingent obligations as they arise or can only meet obligations under materially unfavourable terms. Liquidity risk is inherent in the operations of the bank and may also arise as a result of unforeseen disruptions in asset markets which affects their liquidity or due to unexpected withdrawals by the providers of short-term funding.

## 1.4. Compliance, Regulatory and Conduct risk

Compliance risk refers to the Group's adherence to applicable laws, regulations, regulatory requirements/expectations, rules, directives, guidelines and other applicable specifications such as codes of conduct relevant to specific businesses. Compliance risk therefore includes regulatory, conduct and financial crime risk. FirstRand Namibia seeks to manage the compliance risk resulting from potential or actual instances of non-compliance with all applicable legislation and manage regulatory supervisory expectations. FirstRand Namibia will:

- Ensure that conditions are met to retain its various licenses
- Limit significant financial losses, civil liability and the risk of imprisonment of directors, key persons and staff.
- Endeavor to treat its customers and third-parties fairly in all respects.
- Minimise reputational damage to the Group as a result of compliance risk.
- Limit abuse of platforms for financial crime or non-compliance.

## 1.5. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external factors. Operational Risk includes any direct or indirect event that disrupts the normal flow of business processes, and which generates financial loss or damage to the image of the Group.

This includes:

- Fraud and criminal activity (internal and external),
- Project risk,
- Legal risk,
- Business continuity risk,

- Information and IT risk, and
- Process and human resources risk.

Strategic, business, and reputational risks are excluded from Operational Risk Management.

Operational risk is governed in terms of the Operational Risk Management Framework (ORMF), which is aligned to the Basel Committee's Principles for the Sound Management of Operational Risk. The Framework outlines the key Principles and Practices fundamental to the effective management of Operational Risk. The key principles provided in this framework specifically focus on what must be implemented with respect to the risk management philosophy, methodology and strategic objectives of operational risk.

#### 1.6. Information Governance risk

Information (includes records, data, information and knowledge owned or processed by or on behalf of the Group), whether its own or that entrusted into its care by customers, staff or business partners, is a valuable and strategic product, essential to its business. As data and analytics become a core part of digital business and data is more and more recognised as an asset, new roles are required and executives and employees' ability to communicate and understand conversations about data, in short, the ability to "speak data", is becoming an integral aspect of most day-to-day jobs. The use of information as a strategic enabler by competitors and the increased focus on information from a regulatory perspective, necessitates the need to further formalise and embed the governance and management of information.

The Information Governance Framework makes provision for strategic enablers, agreed information management domains, key outcomes, scope and operational enablers.

#### 1.7. Information Technology (IT) and Cyber risk

In the financial year ending 30 June 2024, the Group has enhanced the IT and Cyber Risk Management Frameworks by defining the risk appetite statements and maturing risk practices. The Cyber Risk Management Framework is a sub risk type of the IT Risk Management Framework. These frameworks are managed by the Group IT risk function and the controls are implemented at business unit and segment level. The enhancements include the governance, management and reporting of IT and cyber risks which may exist because of new and emerging technologies. The IT and Cyber Risk Management function framework focuses on enhancing the five IT and Cyber risk management core principles and guidelines:

#### 1.8. Legal risk

Legal risk is defined as the risk of financial loss, or diminished opportunity for gain, indirect or reputational loss, which could have an adverse impact on the objectives or sustainability of a business unit, that may result from the non-compliance of, lack of awareness of, failure to understand, indifference to, or ambiguities to legal or statutory requirements. New laws, case law and changes to the interpretation of laws by appropriate authorities have a significant impact on legal risk.

Legal risk generally arises through:

- Agreements entered or to be entered into and the content of the resultant written documents embodying the arrangements captured in these agreements;
- Potential and actual disputes and/or litigation, enforcement actions, and the management of such disputes, enforcement actions and/or litigation;
- The breakdown in business operations, including a breakdown in legal operations;
- The protection of assets, including intellectual property, through registration as permitted by law and enforcement of any rights relating to such property; and
- Non-compliance with laws or failure to account for the impact of the law, regulations or changes in the law brought about by legislation or judgments.

## 1.9. Climate risk

The impact of climate change over time will compel significant changes in the global economy, which will undoubtedly influence institutional operations and balance sheets. It is therefore paramount that financial institutions should enable rather than undermine the necessary transition to a low carbon economy, while also building climate resilience through the funding of adaptation measures. The Group acknowledges that climate change is a rapidly evolving area that requires the intervention of both public and private sectors and society at large to address this global crisis successfully. In response thereto, the Group has adopted and implemented a climate-related risk management programme which focuses on governance, strategy, risk management, risk metrics, risk targets and disclosures.

As part of the development of a comprehensive Group climate risk management programme, the following principles are considered:

- **Initial vision setting:** Leadership supports an enhanced focus on climate-related risks and opportunities and supports the building and development of climate risk capacity in the Group.
- **Risk-based prioritisation:** Resource allocation to develop climate risk capabilities is prioritised for areas with the highest potential impacts.

The Group's climate risk assessment considers the following objectives:

- Protect the Group's balance sheet and capital;
- Include a climate filter in the credit risk management process;
- Report the Group's climate exposure, vulnerability and opportunities; and
- Actively seek green and climate financing opportunities to support clients' climate resilience.

## 1.10. Environmental and social risk

The Group is committed to effectively managing the environmental and social risk of its lending and investment decisions, its product and service offerings, its organisational impacts and the promotion of responsible practice through its supply and value chains. To achieve this, the Group has adopted and implemented an Environmental and Social Risk Assessment ('ESRA") on credit transactions; and introduced environmental and social performance standards that clients are expected to meet.

The assessment is designed to identify the risks associated with a transaction and the client's ability to manage environmental and social issues, as well as the risks associated with the transaction itself such as the nature and value of the loan, and the industry sector involved. If a client's operations and practices do not align with conducive environmental standards and practices, for example, how waste is disposed of, as well as standards set by the Group, both the transaction team and the ESRA specialists work with the client to adopt environmentally friendly practices and resolve any issues. Submission of an environmental and social action plan developed by the client may be required for compliance monitoring. The ESRA processes are integrated into the Group's risk governance process, which is monitored by the Group's social, conduct and ethics committee.

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## DESCRIPTION OF FIRST NATIONAL BANK OF NAMIBIA LIMITED

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*Capitalised terms used in this section headed “Description of First National Bank of Namibia Limited” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*


### 1. OVERVIEW


#### 1.1. FNB Namibia

First National Bank of Namibia Limited (“**FNB Namibia**”) is the issuer in terms of this programme. FNB Namibia is a wholly owned subsidiary of FirstRand Namibia Limited (“**FirstRand Namibia**”). FNB Namibia was duly incorporated on 24 April 2002, in accordance with the company laws of the Republic of Namibia.

FNB Namibia is a deposit taking institution as defined in the Namibian Banking Institutions Act and is regulated by the Bank of Namibia. FNB Namibia holds a full banking license granted by the Bank of Namibia and is an authorized dealer in foreign exchange in terms of the Namibian Exchange Control Regulations

FNB Namibia at the Program Date employs over 2,000 employees and its operations are summarised in the tables below:

	Retail and Commercial Banking
OUR CLIENTS	<ul style="list-style-type: none"> <li>• Consumer</li> <li>• Small business</li> <li>• Agricultural</li> <li>• Medium Corporate</li> <li>• Public Sector</li> </ul>
OUR PRODUCTS AND SERVICES	<p>FNB represents activities in retail and commercial banking. Offering a broad range of financial products:</p> <ul style="list-style-type: none"> <li>• Transactional</li> <li>• Deposit taking</li> <li>• Mortgage and personal loans</li> <li>• Credit and debit cards</li> <li>• Investment products</li> <li>• Card acquiring</li> <li>• Credit facilities</li> </ul>

	<p style="text-align: center;">Corporate and Investment Banking</p>
<p>OUR CLIENTS</p>	<ul style="list-style-type: none"> <li>• Financial Institutions</li> <li>• Large corporates</li> <li>• Public sector</li> </ul>
<p>OUR PRODUCTS AND SERVICES</p>	<p>RMB represents FNB Namibia’s corporate and investment banking offering a broad range of financial products to our corporate and institutional clients:</p> <ul style="list-style-type: none"> <li>• Advisory</li> <li>• Structured finance</li> <li>• Markets and structuring</li> <li>• Transactional banking</li> <li>• Deposit taking</li> <li>• Principle investing solutions and private equity</li> </ul>
<p>OUR AREAS OF DIFFERENTIATION</p>	<ul style="list-style-type: none"> <li>• <b>Strong balance sheet:</b> The strength of our balance sheet sets us apart as a market leader.</li> <li>• <b>Commitment to sustainability and impact:</b> Sustainable development goals and ESG principles are embedded in our strategy through our approach of shared prosperity.</li> <li>• <b>Experienced management:</b> Our diverse and experienced management team bring a unique strength to our organisation with people, and their development at the core of our strategy.</li> <li>• <b>Sound risk management:</b> Our coverage, liquid and capital ratios, differentiate us in the market, highlighting our strong governance and risk management processes.</li> <li>• <b>Client satisfaction:</b> Our client focus enables us to remain the leading digital innovator, developing products and platforms key to worldclass client experiences.</li> </ul>

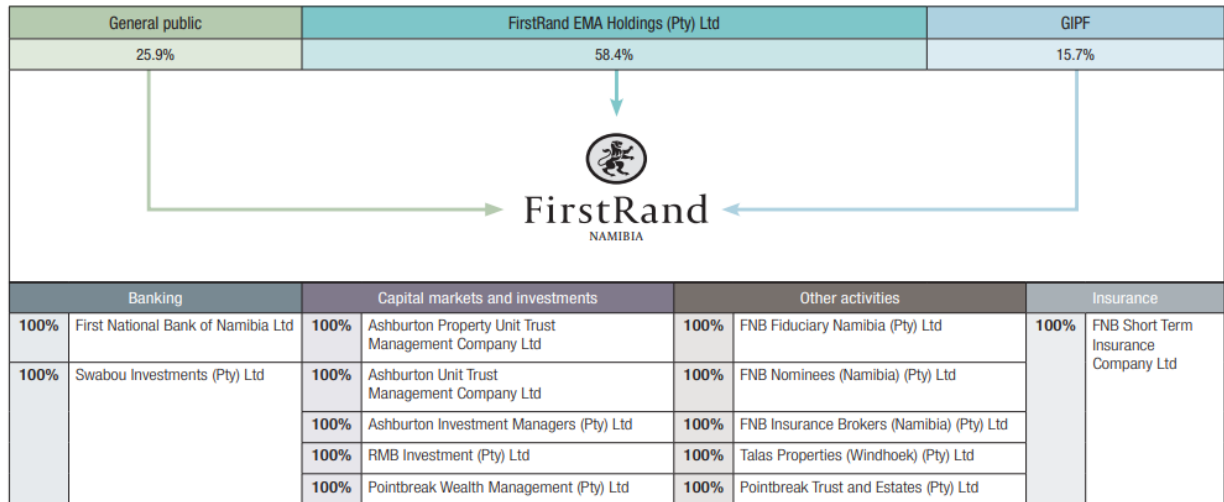
## 1.2. FirstRand Namibia Limited

FirstRand Namibia Limited is an investment holding company, which owns 100% of the shares in FNB Namibia and is listed on the NSX. FirstRand Namibia is an integrated financial services business offering transactional, lending, investment and insurance products and services.

FirstRand Namibia’s portfolio of financial services businesses includes FNB, RMB, WesBank, Ashburton Investments, Pointbreak Wealth Management and FNB Short-term Insurance (“**the Group**”). Our range of comprehensive products and services, combined with our deep understanding of our customers and communities served through a country-wide network of branches and agencies, sets us apart as a uniquely positioned business able to provide financial services to every sector of the Namibian economy.

As at the Program Date, the simplified Group structure of the FNB Namibia is shown in the diagram below:

## Simplified group structure



### 1.3. FirstRand group

FirstRand Namibia is 58% owned by South Africa-based FirstRand Limited (“**FirstRand**”), through its wholly-owned subsidiary, FirstRand EMA Holdings (Pty) Limited. FirstRand is a bank controlling company for the purposes of the South African Banks Act, 1990.

Listed on the JSE and the NSX, FirstRand is the largest financial institution in Africa by market capitalisation (at the programme date). FirstRand provides banking, insurance and investment products and services to retail, commercial, corporate and public sector customers.

Differentiated by its owner-manager culture, FirstRand executes its strategy through a portfolio of leading financial services franchises, namely First National Bank (FNB), the retail and commercial franchise; Rand Merchant Bank (RMB), the corporate and investment franchise; WesBank, an instalment finance provider, Ashburton Investments, the Group’s investment management business and Aldermore, a specialised bank in the United Kingdom.

## 2. FINANCIAL INFORMATION

The historic financial information of FNB Namibia is set out in the annual financial statements of FNB Namibia for the years ended 30 June 2024 as well those for the financial years prior to this and those for the financial years subsequent to this (“**Annual Reports**”). The Annual Reports are incorporated by reference into this Programme Memorandum (see section of this Programme Memorandum headed (“Documents Incorporated by reference”) and are available for inspection, upon request, during normal office hours, at the Specified Office of the FNB Namibia.

## 3. BOARD OF DIRECTORS

The board of directors of FNB Namibia as at the Programme Date comprises:

### **Independent Non-Executive**

ON Shikongo

Chairperson - Independent Non-Executive

MJ Lubbe\*

Independent Non-Executive

J Coetzee

Independent Non-Executive

LD Kapere

Independent Non-Executive

E van Zyl

Independent Non-Executive

### **Non-Executive**

SL Balsdon\*\*

Non-Executive

IN Nashandi

Non-Executive

**Executive**

C Dempsey`

Chief Executive Officer

LP Smit

Chief Financial Officer

*\*South African with Namibian Permanent Residence*

*\*\*South African and Irish*

Additional information in respect of FNB Namibia's board of directors (including but not limited to qualifications and directorship/shareholding/trusteeship in other entities) is available is set out in the annual financial statements of FNB Namibia for the years ended 30 June 2024.

The board of directors of FNB Namibia is the highest decision-making body, functions within the ambit of an annually reviewed charter and instructs and oversees a management and control structure that directs and executes all functions within FNB Namibia. The Board also drives the strategy of FNB Namibia.

The board of directors has delegated certain functions to structured and effective committees to assist the board of directors in the discharge of their duties and responsibilities. The following Board committees exist:

- Audit committee;
- Risk, Capital and Compliance committee;
- Talent and Remuneration committee; and
- Directors Governance committee.

All committees have formal terms of references and report to the board of directors. They are chaired by an independent non-executive director and have a majority of independent non-executive directors.

The **Audit Committee** is duly constituted in compliance with the Banking Institutions Act, 2023 and assists the Board in fulfilling its oversight responsibilities in areas such as financial reporting, internal control systems, internal and external audit functions for FirstRand Namibia Ltd and its subsidiaries, including First National Bank of Namibia Ltd. The Committee works closely with the Risk, Capital, and Compliance Committee to identify common risks, control themes and achieve synergy between combined assurance processes. This ensures that these functions can leverage off each other to the extent necessary. The Committee is constituted as a statutory committee of the Board in respect of its duties.

The **Risk, Capital and Compliance Committee** ("RCCC") provides independent oversight of the Group's risk, capital management and compliance activities. This includes ensuring that an effective policy and plan for risk management has been implemented to improve the Group's ability to achieve its desired outcomes, and that risk disclosures are timely, sufficiently detailed and relevant to the Group's stakeholders.

The primary objective of the **Talent and Remuneration Committee** is the development and implementation of the Group's Human Resources Policy inclusive of the Group's remuneration philosophy and policy framework. The committee provides oversight over all forms of remuneration and reward for non-executive directors, executive directors, senior management and all employees.

The purpose of the **Directors Governance Committee** is to evaluate the adequacy, efficiency and appropriateness of the corporate governance practices of FNB Namibia and assist the board of directors in discharging its duties in respect of the governance and the board of directors' effectiveness, the board of directors' continuity and the board of directors' succession planning. Ultimate oversight of corporate governance matters sits with the FirstRand Namibia Ltd and respective subsidiary boards. The boards have delegated authority to the Directors Governance Committee, who assists the board in discharging its duties in respect of governance.

#### 4. CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

FNB Namibia complies with all relevant legislation and frameworks, including the Namibian Companies Act, the NSX Listings Requirements, the Namibian Banking Institutions Act and other best practice regulations flowing from both local and international authorities. FNB Namibia complies with the NamCode on Corporate Governance. The NamCode for Corporate Governance applies to Namibian companies and is based on the King Report on Governance for South Africa and the King Report and Code of Governance Principles (collectively, the **King III of the Code**) which applies to entities incorporated and resident in South Africa.

FNB Namibia is not incorporated in South Africa. Accordingly, the King IV Code is not applicable to FNB Namibia and FNB Namibia does not comply with the King IV Code.

#### 5. RISK MANAGEMENT

##### 5.1. Introduction

Risk taking is an essential part of the Group's business and the Group explicitly recognises risk identification, assessment, monitoring and management as core competencies and important differentiators in the competitive environment in which it operates. Through its portfolio of leading operating brands namely FNB, RMB, Ashburton, FNB insurance and WesBank, the Group aims to be appropriately represented in significant financial services in its chosen markets.

The Group believes that effective risk, performance and financial resource management are of primary importance to its success and is a key component of the delivery of sustainable returns to shareholders. These disciplines are, therefore, deeply embedded in the Group's tactical and strategic decision making processes.

Responsibilities of the board of directors' risk committees are summarised in the table below.

Audit committee	<ul style="list-style-type: none"><li>• Overseeing the internal and external audits, including reviewing and approving of the internal and external audit plans, reviewing of significant audit findings, monitoring progress reports on corrective actions required to rectify any reported internal control shortcomings.</li><li>• Monitoring internal control frameworks and procedures, including accounting policies, legislative compliance, regulatory matters and governance.</li><li>• Reviewing the effectiveness of the systems of internal control, including IT internal controls and risk management, based on written reports from the Chief Audit Executive.</li><li>• Reviewing legal and compliance matters that could have a significant impact on the Interim Financial Statements and Annual Financial Statements.</li><li>• Confirming satisfaction with the efficacy and independence of the independent auditor, Ernst &amp; Young Namibia, and further confirming that the appointment of Ernst &amp; Young Namibia, together with that of the designated individual audit partner, was assessed in accordance with the NSX Listings requirements, the Banking Institutions Act, 2023, and the Companies Act, 2004.</li><li>• Providing independent oversight on the integrity of the Interim Financial Statements, Annual Financial Statements, Annual Integrated Report and other external reports issued.</li></ul>
Risk, capital and compliance committee	<ul style="list-style-type: none"><li>• Monitoring the Group's overall risk profile.</li><li>• Reviewing the Group's risk profile related to all principal risk types. Ensuring that the various risk types were adequately addressed through the risk management, monitoring and assurance processes.</li><li>• Monitoring that the Group takes appropriate action to manage the various types of risks and that it complies with applicable laws, rules, codes and standards.</li></ul>



	<ul style="list-style-type: none"> <li>• Reviewing and approving changes to board limits, trading limits, and operational risk appetite setting. Approving loss thresholds in terms of the Operational Risk Appetite Policy. The operational loss threshold is used as a continuous risk measure of actual losses against appetite and Group strategy to ensure that exposure is managed and kept at an acceptable level.</li> <li>• Considering the operational control environment, the appropriateness of management actions, and assurance provided by the second line of defence.</li> <li>• Testing key controls in the Process Based Risk and Control Identification and Assessment (PRCIA).</li> </ul> <p>Considering Group-wide monitoring coverage plans for compliance risk management. Implementation of the Financial Crime Policy, including approval of enhanced due diligence (EDD) reviews.</p> <ul style="list-style-type: none"> <li>• approves risk management frameworks;</li> <li>• monitors effectiveness of risk management and high priority corrective actions;</li> <li>• monitors risk profile;</li> <li>• initiates corrective action, if required;</li> <li>• monitors compliance with the regulations relating to banks; and</li> <li>• approves regulatory capital models, risk and capital targets, limits and thresholds.</li> </ul>
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## 5.2. Risk governance framework

Effective risk management require multiple points of control or safeguards that should be applied consistently at various levels throughout the organisation. There are three primary lines of control across the business of FNB Namibia:

In the first line of control, the respective business units carry primary responsibility for the risks in their business.

In the second line of control, ERC is responsible for consolidated risk reporting, policy ownership and facilitation and coordination of risk management and governance processes.

The internal audit function of FNB Namibia is the third line of control. This provides independent assurance of the adequacy and effectiveness of risk management processes and practices.

## 6. LEGAL STATUS

The FNB Namibia is a public company with limited liability, duly registered in terms of the Namibian Companies Act and is registered as a bank in terms of the Namibian Banking Institutions Act.

Company Secretary:	N Makemba
E-mail address of Company Secretary:	Nelago.Makemba@fnbnamibia.com.na
Registration number:	2002/0180
Registered place of business:	@Parkside 130 Independence Avenue Windhoek

## 7. LITIGATION STATEMENT

The Issuer is or has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a material effect on the financial position of the Issuer in the previous 12 months.

SIGNED at WINDHOEK on this 19<sup>th</sup> day of MARCH 2025.

For and on behalf of  
**FIRST NATIONAL BANK NAMIBIA LIMITED**



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Name: Lizette Smit  
Capacity: Director  
Who warrants his/her authority hereto



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Name: Selma Kapeng  
Capacity: Group Treasurer  
Who warrants his/her authority hereto

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**CORPORATE INFORMATION**

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Namibia

Contact: S Kapeng

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Namibia

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Windhoek

Namibia

Contact: M Basson

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South Africa

P O Box 786273

Sandton, 2146

South Africa

Contact: L Buckley

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(registration number 93/713)

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Tel: +264 (61) 227 647

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Windhoek

Namibia

Contact: [ts@nsx.com.na](mailto:ts@nsx.com.na)

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Contact: S Kapeng

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