ANNUAL FINANCIAL STATEMENTS 2026

Building a globally competitive Namibia, providing access to opportunities.

FirstRand
NAMIBIA

THE 2026 REPORTING SUITE

The reporting suite caters to the needs of our diverse stakeholders. The suite provides a concise and holistic view of FirstRand Namibia's value creation process and outcomes. It covers the financial year from 1 July 2025 to 30 June 2026 (2026 or the year).

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

Integrated annual report

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

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

Key frameworks and standards applied:

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

Financial information

Annual financial statements

These are the audited annual financial statements of the FirstRand Namibia group and company.

Their primary purpose is to present reliable, transparent and comparable financial information that enables users to assess the group and company's financial performance, financial position and cash flows for the year.

Key frameworks and standards applied:

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

Interim financial results

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

Do What Matters report

The Do What Matters report to society supplements the integrated annual report.

It comprehensively addresses our societal, economic and environmental impacts.

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DIRECTORS' RESPONSIBILITIES STATEMENT

To the shareholders of FirstRand Namibia Limited

The directors of FirstRand Namibia Limited are responsible for the preparation of the consolidated and separate annual financial statements comprising the consolidated and separate statements of financial position, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows and the notes to the consolidated and separate annual financial statements, as at and for the year ended 30 June 2026. These annual financial statements have been prepared in accordance with IFRS accounting standards, including interpretations issued by the IFRS Interpretations Committee, the Namibia Securities Exchange (NSX) Listing Requirements, Banking Institutions Act and the requirements of the Companies Act of Namibia.

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

In preparing the consolidated and separate annual financial statements, suitable accounting policies have been applied and reasonable estimates have been made by management. The consolidated and separate annual financial statements incorporate full and responsible disclosure in line with the group philosophy on corporate governance and as required by the Namibian Securities Exchange. The group has complied in all material respects with the requirements set out in BID2 with regards to asset classification, suspension of interest and provisioning. The group's policies with this regard are stated in the notes on accounting policies, disclosed on pages 11 to 41.

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

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

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

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

The group's external auditors, Ernst & Young Namibia, have audited the consolidated and separate annual financial statements and their report appears on pages 3 to 8.

Approval of financial statements

The consolidated annual financial statements of the group, which appear on pages 9 to 109 and the separate annual financial statements of the company, which appear on pages 111 to 119 were approved by the board of directors on 20 August 2026 and signed on its behalf by:

ON Shikongo
Chairperson

C Dempsey
Chief Executive Officer

Windhoek
20 August 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of FirstRand Namibia Limited

Opinion

We have audited the consolidated and separate annual financial statements of FirstRand Namibia Limited ('the company') and its subsidiaries ('the group') set out on pages 9 to 109 and 111 to 119, which comprise the consolidated and separate statements of financial position as at 30 June 2026, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including material accounting policy information and the directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of Namibia.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Significant macroeconomic uncertainty persists in the environment in which the Group operates. Consequently, management has continued to exercise judgement to ensure that the final Expected Credit Loss (ECL) is aligned to the requirements of International Financial Reporting Standard 9 – Financial Instruments (IFRS 9) and industry developments. This judgement includes the setting of macroeconomic scenarios and associated probabilities, as well as the forecasting of macroeconomic variables under the set scenarios. Impairment of advances is a matter of most significance to our current year audit due to the following: • Advances are material to the consolidated financial statements. • The level of subjective judgement applied in determining the ECL on advances. • Event-driven uncertainty and its impact on the assessment of ECL. The Group's advances fall into three broad customer segments for which significant audit or attention was required: • Retail, Commercial and Corporate The credit impairment models, which outline the Group's macroeconomic forecasting principles are subject to formal model governance and approval.	Our audit of expected credit losses (ECL) of advances included the following procedures to address the key areas of significant judgement and estimation uncertainty in determining the ECL. We performed these procedures with the assistance of our economic, credit and actuarial specialists: • Across all significant portfolios, assessed the advances impairment policies and practices applied by inspecting the Group's policies and comparing it against the requirements of IFRS 9. • Assessed the Group's probability-weighted macroeconomic scenario estimates and evaluated the methodology, scenario views and associated probabilities against the principles of IFRS 9. • Assessed the forecasts for appropriateness against the Group's macroeconomic forecasting principles by reviewing the approval of these macroeconomic variables by the appropriate governance structures through discussions with management, inspecting documentation and comparing to our own and benchmarked economic forecasts and independent market data, as well as attendance at the governance forums.

Independent auditor's report *continued*

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Retail and commercial advances Retail and commercial advances are higher in volume and lower in value and, therefore, a significant portion of credit impairments are calculated on a portfolio basis. This requires the use of statistical models incorporating data and assumptions which are not always observable. The areas of significant judgement and estimation uncertainty relating to the retail and commercial advances customer segment include:	**Retail and commercial advances** We performed the following procedures on the ECL for all material retail and commercial advances portfolios with the assistance of our economic, credit and actuarial experts:
Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement • Inputs, assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).	**Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** • Obtained an understanding of the inputs, methodologies and assumptions used by management in the various ECL model components (PD, EAD, LGD) through inspection and inquiry, and assessed these against the requirements of IFRS 9. • Assessed the accurate implementation of the documented methodologies as well as the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, EADs, PDs, LGDs and valuation of collateral in the current economic climate against recent actual experience and the modelled outcomes per our own independent model. • Assessed the appropriateness of the component inputs used by management by independently recalculating the ECL applying our own independent assessment and comparing our independent results to management's results.
Evaluation of SICR Evaluating whether there has been a Significant Increase in Credit Risk (SICR) event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).	**Evaluation of SICR** Evaluated the appropriateness of the SICR triggers adopted by management and tested whether this was correctly and consistently applied in the models by performing an independent SICR efficacy assessment to confirm the appropriateness of the implemented PD thresholds and that the required SICR has been recognised.

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Incorporation of macro-economic inputs and FLI into the ECL measurement • The incorporation of probability-weighted forward-looking information (FLI) and consideration of the appropriate macroeconomic inputs into the ECL calculations.	**Incorporation of macro-economic inputs and FLI into the ECL measurement** • Assessed the application of forward-looking information (FLI) in the ECL calculation by building our own independent model which incorporated the probability-weighted FLI information and included a selection of relevant independently sourced macro-economic variables such as Gross Domestic Product (GDP), Consumer Price Index (CPI), and the central bank rates; and assessed whether these variables were appropriate indicators of future losses by benchmarking these against external evidence and stress testing the assumptions used. • Performed an independent FLI assessment at an industry level to evaluate whether the recent experience and economic outlook per industry were appropriately incorporated. • Assessed the Group's probability-weighted macroeconomic scenario reports and compared the outlined methodology, scenario views and associated probabilities against the principles of IFRS 9.
Assessment of post model adjustments • Assessing the appropriateness and impact of the macroeconomic uncertainty assumptions on the forward-looking econometric information not incorporated into the respective models but rather in post model adjustments. • Assessing the completeness of the post model adjustments.	**Assessment of post model adjustments** • Performed industry analysis and assessed individual counterparties using publicly available information to evaluate the appropriateness of the macroeconomic assumptions applied in the post-model adjustments raised and released. • Assessed the inherent limitations of the ECL models within the banking portfolios, including the limitation of past performance, emerging industry risks which are not yet present in the current data, macroeconomic forecast challenges and sectoral stresses, by benchmarking against our own economic forecasts and building our own independent model which incorporates our own point estimates and inputs. • Assessed the completeness of the post model adjustments against our own research and publicly available information including country, sector, Group and portfolio specific risk factors.

Independent auditor's report *continued*

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Assessment of ECL raised for Stage 3 exposures • Assumptions used to estimate the realisable values and timing of future cash flows of individual exposures, which have been classified as non-performing. The related disclosures in the consolidated financial statements are included in: • Critical accounting estimates, assumptions and judgements: Impairment of financial assets (Accounting policies section 9.4); • Note 15 – Advances; • Note 16 – Impairment on advances; • Note 36 – Risk management; and • Accounting policies: Financial Instruments (section 4).	**Assessment of ECL raised for Stage 3 exposures** • Assessed the Stage 3 LGD, EAD and PD assumptions used by management by inspecting the methodology used for providing for non-performing loans and comparing these against the requirements of IFRS 9.
Corporate advances Corporate advances are dealt with on a case-to-case basis unlike retail and commercial advances. This also requires the use of statistical models incorporating data and assumptions which are not always observable. The areas of significant judgement and estimation uncertainty relating to the corporate advances customer segment include:	**Corporate advances** We performed the following procedures on the ECL for all material corporate advances portfolio with the assistance of our economic, credit and actuarial experts:
Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement • Inputs, assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).	**Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** • Obtained an understanding of the inputs, methodologies and assumptions used by management in the various ECL model components (PD, EAD, LGD) through inspection and inquiry and assessed these against the requirements of IFRS 9. • Assessed the accurate implementation of the documented methodologies as well as the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, PDs, EADs, LGDs and valuation of collateral in the current economic climate against recent actual experience and the modelled outcomes per our own independent model. • Assessed the appropriateness of the component inputs used by management by independently recalculating the ECL applying our own independent assessment and comparing our independent results to management's results.

Key Audit Matter – Group	How the matter was addressed in the audit
Valuation of expected credit losses on advances	
Evaluation of SICR • Evaluating whether there has been a SICR event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).	**Evaluation of SICR** • Selected a sample of performing advances and assessed if the application of the SICR trigger was reasonable by forming an independent view based on publicly available information and management's periodic credit reviews.
Incorporation of macro-economic inputs and FLI into the ECL measurement • Assessing the appropriateness and impact of probability-weighted macroeconomic uncertainty on the forward-looking econometric information incorporated into the respective models.	**Incorporation of macro-economic inputs and FLI into the ECL measurement** • Assessed the application of forward-looking information (FLI) in the ECL calculation by building our own independent model which incorporated the probability-weighted FLI information and included a selection of relevant independently sourced macro-economic variables such as Gross Domestic Product (GDP), Consumer Price Index (CPI), and the central bank rates; and assessed whether these variables were appropriate indicators of future losses by benchmarking these against external evidence and stress testing the assumptions used. • Performed an independent FLI assessment at an industry level to evaluate whether the recent experience and economic outlook per industry were appropriately incorporated. • Assessed the Group's probability-weighted macroeconomic scenario reports and compared the outlined methodology, scenario views and associated probabilities against the principles of IFRS 9.

Other Information

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

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

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

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

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

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

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

Independent auditor's report *continued*

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

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

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

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

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

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

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

Ernst & Young

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Jaco Coetzee
Partner

Windhoek, Namibia
Date: 09 September 2026

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of FirstRand Namibia Limited for the year ended 30 June 2026.

1. Nature of business

FirstRand Namibia Limited is the holding company of the FirstRand Namibia group of companies. The group provides banking, insurance and investment products and services to retail, commercial, corporate and public sector customers through its portfolio of market leading franchises. FNB, the retail and commercial bank, RMB, the corporate and investment bank, FNB Short Term Insurance, a short term insurance provider and Ashburton Investments, an investment management business. The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of FirstRand Namibia Limited for the year ended 30 June 2026.

Refer to page 122 for a simplified Group Structure.

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

2. Financial results and activities

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

The company and consolidated annual financial statements on pages 9 to 109 and 111 to 119 set out fully the financial position, results of operations and cash flows of the company and the group. Your attention is also drawn to the chairman's report (page 21), the chief executive officer's report (page 41) and the chief financial officer's report (page 72) in the separate annual integrated report.

3. Share capital

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

The company's authorised share capital at year end consists of 990 000 000 (2025: 990 000 000) ordinary shares of 0.5 cents each and 10 000 000 (2025: 10 000 000) cumulative convertible redeemable preference shares of 0.5 cents each.

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

Details of FirstRand Namibia's authorised share capital as at 30 June 2026 are shown in note 30 in the group's financial statements.

Share analysis – ordinary shares

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

FirstRand EMA Holdings (Pty) Ltd	58.4% (2025: 58.4%)
Government Institutions Pension Fund	15.7% (2025: 15.7%)

A detailed analysis of shareholders is set out on page 123.

Share analysis – preference shares

RMB SI Investments (Pty) Ltd	100% (2025: 100%)

4. Dividends

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

Cents per share	2026	2025
Ordinary dividend		
Interim (declared February)	221.77	192.32
Final (declared August)	446.57	284.02
Total dividends	668.34	476.34

5. Directorate

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

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

* *South African with Namibian permanent residence.*
** *South African and Irish.*

Board changes

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

Directors	Nature of change	Effective date
IN Nashandi Non-executive	Resignation	17 October 2025
CR Britz Non-executive	Appointment	1 April 2026
J Coetzee Independent non-executive	Resignation	30 April 2026

Directors' emoluments

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

Directors' report *continued*

6. Directors' interests in share

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

Interest in shares

	Direct		Indirect	
Directors	**2026**	2025	**2026**	2025
ON Shikongo	640 098	223 873	–	416 225
E van Zyl	–	–	24 136	–
P Grüttemeyer	–	131 000	–	–
C Dempsey	89 031	51 031	–	–
LP Smit	7 000	7 000	–	–

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

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

7. Directors' interests in contracts

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

8. Property and equipment

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

9. Holding company

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

10. Subsidiaries

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

11. Events after the reporting period

Apart from the final dividend declared subsequent to 30 June 2026, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Company secretary and registered office

The company secretary is Mrs N Makemba.

Postal address:	P O Box 195 Windhoek Namibia
Registered address:	130 Independence Avenue Windhoek

ACCOUNTING POLICIES

1. Introduction and basis of preparation

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

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 30 June 2026; the income statements and statements of other comprehensive income; statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of significant accounting policies and other explanatory notes.

The consolidated and separate financial statements including accounting policies and other methods of computation applied in the preparation of the consolidated and separate financial statements are consistent with those applied for the year ended 30 June 2025.

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

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

The segmental analysis included in the segment report is based on the information reported to the chief operating decision maker for the respective segments under the current operating business management structures. The information is prepared in terms of IFRS accounting standards and certain adjustments are made to the segment results in order to eliminate the effect of non-taxable income and other segment-specific items that impact certain key ratios reviewed by the chief operating decision maker when assessing the operating segments' performance (chief operating decision maker is set out in note 37).

1.1 Application of the going concern principle

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

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

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

Accounting policies *continued*

1. Introduction and basis of preparation *continued*

1.2 Presentation of financial statements, functional and foreign currency

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

Presentation	The group presents its statement of financial position in order of liquidity. Where permitted or required under IFRS Accounting Standards, the group offsets assets and liabilities or income and expenses and presents the net amount in the statement of financial position, the income statement or the statement of other comprehensive income.
Materiality	IFRS Accounting Standards are only applicable to material items. Applying the concept of materiality requires judgement, in particular, in relation to matters of presentation and disclosure. Management assesses the relevance of the information to the user of the financial statement and considers both qualitative and quantitative factors in determining the materiality threshold for disclosure and presentation purposes.
Functional and presentation currency of the group	Namibia dollar (N$)
Level of rounding	The group has a policy of rounding to the nearest thousand. Amounts less than N$500 will therefore round down to N$nil and are presented as a dash.
Foreign currency transactions of the group	Translated into the functional currency using the exchange rates prevailing at the date of the transactions.
Translation and treatment of foreign denominated balances	Translated at the relevant exchange rates, depending on whether it is a monetary item (in which case the closing spot rate is applied) or non-monetary items. For non-monetary items measured at cost the rate applied is the rate on transaction date. For non-monetary items measured at fair value the rate at the date the fair value is determined (reporting date) is applied. Foreign exchange gains or losses are recognised in profit or loss in fair value gains or losses. To the extent that foreign exchange gains or losses relate to financial assets held at fair value through other comprehensive income (FVOCI) the following applies: • Equity instruments – recognised in other comprehensive income (OCI) as part of the fair value movement; and • Debt instruments – allocated between profit or loss (those that relate to changes in amortised cost) and OCI (those that relate to changes in the fair value).

1.3 Standards and interpretations issued but not yet effective

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

Standard	Impact assessment	Effective date
IFRS 9 and IFRS 7	**Amendments to the Classification and Measurement of Financial Instruments** The amendments clarify: • that a financial liability is derecognised on the settlement date. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met; • how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features; • the treatment of non-recourse assets and contractually linked instruments; and • additional disclosure requirements for financial assets and liabilities with contractual terms that reference a contingent event. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the group's results.	Annual periods commencing on or after 1 January 2026

1. Introduction and basis of preparation *continued*

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

Standard	Impact assessment	Effective date
IFRS 9 and IFRS 7	**Contracts referencing nature-dependent electricity – Amendments to IFRS 9 and IFRS 7** The amendments include: • Clarifying the application of the 'own-use' requirements. • Permitting hedge accounting if these contracts are used as hedging instruments. • Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The group does not expect this amendment to have a significant impact on the annual financial statements.	Annual periods commencing on or after 1 January 2026
IFRS 18	**Presentation and Disclosure in Financial Statements** IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 aims to improve financial reporting by: • Requiring additional defined subtotals in the statement of profit or loss; • Requiring disclosures about management-defined performance measures; and • Adding new principles for grouping (aggregation and disaggregation) of information. The new standard is expected to impact group presentation of its statement of profit or loss.	Annual periods commencing on or after 1 January 2027
IFRS 19	**Subsidiaries without Public Accountability: Disclosures** IFRS 19 enables eligible entities to provide reduced disclosures compared to the requirements in other IFRS accounting standards. Entities that elect IFRS 19 are still required to apply recognition, measurement and presentation requirements of other IFRS accounting standards. IFRS 19 would not be applicable to the group annual financial statements.	Annual periods commencing on or after 1 January 2027
IFRS for SMEs	**IFRS for SMEs third edition** The IASB has issued the third edition of the IFRS for SMEs Accounting Standard. The new IFRS for SMEs Accounting Standard reflects updates that now largely align it with IFRS Accounting Standards. Some areas of divergence remain – the International Accounting Standards Board (IASB) has notably opted to defer alignment with IFRS 16 Leases – but the updated SMEs Accounting Standard now broadly reflects: • IFRS 3 Business Combinations; • IFRS 10 Consolidated Financial Statements; • IFRS 15 Revenue from Contracts with Customers; and • other relevant changes made to IFRS Accounting Standards since 2015. IFRS for SMEs is not applicable to the group annual financial statements.	Annual periods commencing on or after 1 January 2027

New standards adopted in the current year

Amendments to IAS 21 Lack of Exchangeability disclosures became effective in the current year. This amendment to IFRS Accounting Standards did not impact the group's reported earnings, financial position or reserves, or the accounting policies.

Accounting policies *continued*

1. Introduction and basis of preparation *continued*

1.4 Summary of material accounting policies

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

Summary of material accounting policies

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

2. Subsidiaries and associates

2.1 Basis of consolidation and equity accounting

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

Accounting policies *continued*

2. Subsidiaries and associates *continued*

2.2 Related party transactions

Related parties of the group, as defined, include:

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

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

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

3. Income, expenses and taxation

3.1 Income and expenses

Net interest income recognised in profit or loss

Interest income includes:

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

Interest expense includes:

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

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

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

Non-interest revenue from contracts with customers

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

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

3. Income, expenses and taxation *continued*

3.1 Income and expenses *continued*

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

Non-interest revenue from contracts with customers *continued*

Fee and commission income	Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commissions from customers. Fee and commission income is earned by the group by providing customers with a range of services and products, and consists of the following main categories: • Banking fee and commission income; • Knowledge-based fee and commission income; • Management, trust and fiduciary fees; • Fee and commission income from service providers; and • Other non-banking fee and commission income. The bulk of fee and commission income is earned on the execution of a single performance obligation and, as such, it is not necessary to make significant judgements when allocating the transaction price to the performance obligation. As such, fee and commission income, which typically includes transactional banking fees such as bank charges, interchange fees, point-of-sale fees, exchange commissions, cash deposit fees and knowledge-based fee and commission income, is recognised at a point in time. Where the distinct performance obligation is satisfied over a period of time, the fees are recognised as follows: • Fees for services rendered are recognised on an accrual basis as the service is rendered and the group's performance obligation is satisfied, e.g. annual card fees and asset management and related fees. • Commission income on bills and promissory notes endorsed is credited to profit or loss over the life of the relevant instrument on a time apportionment basis. Commitment fees for unutilised funds made available to customers in the past are recognised as revenue at the end of the contract period. Commitment fees paid upfront for a future facility, where it is not probable that a specific lending arrangement will be entered into by the group, are recognised as revenue on a straight-line basis over the period for which the funds are promised to be kept available. Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking, insurance and asset management operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. The revenue is recognised at a point in time and includes commission earned from the sale of prepaid airtime, data vouchers and electricity, and traffic fines paid through FNB channels, as well as insurance commission.
Fee and commission expenses	Fee and commission expenses are those that are incremental and directly attributable to the generation of fee and commission income and are recognised as part of fee and commission income. These include transaction and service fees, which are expensed as the services are received. The group operates a customer loyalty programme, Rewards, in terms of which it undertakes to provide reward credits to customers when they transact. Expenses relating to the provision of the customer loyalty reward credits are recognised as fee and commission expenses as incurred.
Insurance income – non-risk-related	Where the group is acting as an agent, commissions and brokerage earned on the sale of insurance products to customers of the group on behalf of an insurer are recognised at the point that the significant obligation has been fulfilled. Commission is earned on the sale of insurance products to customers of the Group on behalf of an insurer. Brokerage fees are received for services rendered in the Group's capacity as an insurance broker. Participation agreements result in the group sharing in the profits of insurance products sold by third party insurers. Income arising from third-party insurance cell captives and profit share agreements, where there is not a significant transfer of insurance risk, are executory contracts. Revenue is recognised when both parties have fulfilled their obligations.

Accounting policies *continued*

3. Income, expenses and taxation *continued*

3.1 Income and expenses *continued*

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

Fair value gains or losses

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

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

Gains less losses from investing activities

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

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

Dividend income

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

Expenses

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

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

3. Income, expenses and taxation *continued*

3.2 Taxation

Income tax includes Namibian and foreign corporate tax payable.

Current income tax

The current income tax expense is calculated by adjusting the net profit for the year for items that are non-taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date, in each particular jurisdiction within which the group operates.

Deferred income tax	
Recognition	On temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.
Typical temporary differences for which deferred tax is provided	• Provision for loan impairment. • Instalment credit assets. • Revaluation (including ECL movements) of certain financial assets and liabilities, including derivative contracts. • Provisions for pensions and other post-retirement benefits.
Measurement	The liability method under IAS 12 is used, which means applying tax rates and laws applicable at the reporting date which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Presentation	Deferred income tax is presented in profit or loss unless it relates to items recognised directly in equity or OCI. Items recognised directly in equity or OCI relate to: • Fair value remeasurement of financial assets measured at FVOCI; and • Remeasurements of defined benefit post-employment plans. Tax in respect of share transactions is recognised directly in equity. Tax in respect of the other items is recognised directly in OCI and subsequently reclassified to profit or loss (where applicable) at the same time as the related gain or loss.
Deferred tax assets	The group recognises deferred income tax assets only if it is probable that future taxable income will be available, against which the unused tax losses can be utilised, based on management's review of the budget and forecast information. The group reviews the carrying amount of deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
Substantively enacted tax rates	Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting policies *continued*

4. Financial instruments

4.1 Classification and measurement

4.1.1 Initial measurement

The group recognises purchases and sale of financial instruments that require delivery within the time frame established by regulation or market convention (regular way purchases and sales) at settlement date, which is the date the asset is delivered or received.

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

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

4.1.2 Classification and subsequent measurement of financial assets and liabilities

Classification and subsequent measurement of financial assets

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

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

Business model

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

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

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

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

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

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

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

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

4. Financial instruments *continued*

4.1 Classification and measurement *continued*

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

Classification and subsequent measurement of financial assets *continued*

Cash flow characteristics

In order for a debt instrument to be measured at amortised cost or FVOCI, the cash flows on the asset have to be solely payments of principal and interest (SPPI), i.e. consistent with those of a basic lending agreement.

The SPPI test is applied on a portfolio basis for retail advances, as the cash flow characteristics of these assets are standardised. This includes the consideration of any prepayment penalties that are limited by consumer credit regulation. They can therefore be considered reasonable compensation, which would not cause these assets to fail the SPPI test.

For wholesale advances, the SPPI test is applied to individual advances at initial recognition, based on the cash flow characteristics of the asset. Wholesale advances that do not pass the SPPI test and that have to be measured at FVTPL include advances with equity participation features, convertible bonds and payments linked to commodity or other prices. If the contract contains prepayment penalties, the amount of the prepayment penalty is compared to the present value of the margin that will be earned if the loan is not prepaid. If the amount of the prepayment penalty is lower than or equal to the margin lost due to prepayment, this is considered reasonable compensation and the loan passes the SPPI test.

Amortised cost

Financial assets are measured at amortised cost using the effective interest rate method when they are held to collect contractual cash flows which are SPPI, and sales of such assets are not significant or frequent. These include the majority of the retail, corporate and commercial advances of the group, as well as certain investment securities utilised for liquidity risk management of the group.

Cash and cash equivalents

Cash and cash equivalents comprise coins and bank notes, money at call and short notice, and balances with central banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition. Money at call and short notice constitutes amounts withdrawable in 32 days or less. Cash and cash equivalents are measured at amortised cost.

Retail advances

	Business model	Cash flow characteristics
Retail advances	The FNB and WesBank businesses hold retail advances to collect contractual cash flows. Their business models focus on growing these advances within acceptable credit appetite limits and maintaining strong collection practices. The products included under this business model include: • Property mortgages; • Vehicle and asset finance; • Personal loans; • Credit cards; and • Other retail products such as overdrafts.	The cash flows on retail advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract.

Corporate and commercial advances

	Business model	Cash flow characteristics
Corporate and commercial advances	The business models of FNB, WesBank and RMB are also focused on collecting contractual cash flows on corporate and commercial advances and growing these advances within acceptable credit appetite limits. The products under in this business model include: • Trade and working capital finance; • Specialised finance; • Commercial property finance; and • Asset-backed finance. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return. Within RMB, debt for large corporates and institutions is structured. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return.	The cash flows on these advances are considered to be SPPI if the loan contract does not contain equity upside features, conversion options, payments linked to equity or commodity prices or prepayment penalties that exceed reasonable compensation for early termination of the contract. Any advances that do contain such features are mandatorily measured at FVTPL.

Accounting policies *continued*

4. Financial instruments *continued*

4.1 Classification and measurement *continued*

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

Corporate and commercial advances *continued*		
Investment securities		
Investment securities	Group Treasury holds investment securities with lower credit risk (typically government bonds and treasury bills). These investment securities are held in a business model with the objective of collecting contractual cash flows.	The cash flows on these investment securities are SPPI.
Cash and cash equivalents		
Cash and cash equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. These assets are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
Other assets		
Other assets	Other assets are short-term financial assets that are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
Mandatory at fair value through profit or loss		
Financial assets of the group are mandatorily measured at fair value through profit or loss when they are held for trading, managed on a fair value basis, held to sell/distribute, or are held to collect contractual cash flows which are not solely payments of principal and interest.		
Advances	RMB holds repurchase agreements advances which are mandatorily measured and classified at fair value through profit and loss due the business model of the business for managing these instruments and the cash flow characteristics of these instruments.	
Investment securities	RMB Global Markets holds portfolios of investment securities (including corporate and government bonds) to hedge risks or for short-term profit realisation. These securities are managed on a fair value basis. All equity investments of the group are managed on a fair value basis, either through FVTPL or designated at FVOCI.	
Derivative assets	Derivatives are either held for trading or to hedge risk. These instruments are managed on a fair value basis.	
Designated at FVTPL		
Advances	Certain advances with fixed interest rates in RMB have been designated at FVTPL in order to eliminate an accounting mismatch that would otherwise result from measuring these assets on a different basis. The cash flows on these advances are considered to be SPPI.	
Investment securities	Group Treasury holds investment securities (typically treasury bills) for liquidity purposes.	
Debt Instruments at FVOCI		
Investment securities	Group Treasury holds certain investment securities for liquidity management purposes. Local regulators require that the bank/branch prove liquidity of its assets by way of periodic outright sales. Therefore, the business model for these investment securities is both collecting contractual cash flows and selling these financial assets.	The cash flows on these investment securities are SPPI.
Equity Investments at FVOCI		
Investment securities	The group has elected to designate certain equity investments not held for trading to be measured at FVOCI.	
Financial liabilities and compound financial instruments		
The group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Tier 2 instruments which have write-down or conversion features are classified based on the nature of the instrument and the definitions. Tier 2 and other funding liabilities are presented in separate lines on the statement of financial position of the group.		
Financial liabilities measured at amortised cost		
The following liabilities are measured at amortised cost using the effective interest rate method, unless they have been designated as measured at FVTPL: • Deposits; • Creditors; • Tier 2; and • Other funding liabilities.		

4. Financial instruments *continued*

4.1 Classification and measurement *continued*

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

Corporate and commercial advances *continued*
Financial liabilities measured mandatory at FVTPL
The following held for trading liabilities are measured at FVTPL: • Derivative liabilities; and • Short trading positions. These liabilities are measured at fair value at reporting date as determined under IFRS 13, with fair value gains or losses recognised in profit or loss.

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

This policy applies to:

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

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

Expected credit losses		
Loss allowance on financial assets		
Credit risk has not increased significantly since initial recognition (stage 1)	Credit risk has increased significantly since initial recognition, but asset is not credit-impaired (stage 2)	Asset has become credit-impaired since initial recognition (stage 3)
12-month ECL	Lifetime expected credit losses (LECL)	LECL

Advances	
Significant increase in credit risk (SICR) since initial recognition	In order to determine whether an advance has experienced a SICR, the probability of default (PD) of the asset calculated at the origination date is compared to that calculated at the reporting date (incorporating forward-looking information (FLI)). The origination date is defined as the most recent date at which the group has repriced an advance/facility. Where a change in terms is significant and is deemed to be a substantial modification, it results in derecognition of the original advance/facility and recognition of a new advance/facility. SICR test thresholds are reassessed and, if necessary, updated, on at least an annual basis. Any facility that is more than 30 days past due, or in the case of instalment-based products one instalment past due, is automatically considered to have experienced a SICR. In addition to the quantitative assessment based on PDs, qualitative considerations are applied when determining whether individual exposures have experienced a SICR. One such qualitative consideration is the appearance of wholesale and commercial small and medium-sized enterprise (SME) facilities on a credit watch list. Any up-to-date facility that has undergone a distressed restructure (i.e. a modification of contractual cash flows to prevent a client from going into arrears) will be considered to have experienced a SICR, and will be disclosed within stage 2 at a minimum. The credit risk on an exposure is no longer considered to be significantly higher than at origination if no qualitative indicators of a SICR are triggered, and if comparison of the reporting date PD to the origination date PD no longer indicates that a SICR has occurred. No standard minimum period for transition from stage 2 back to stage 1 is applied across all advances, with the exception of cured distressed restructured exposures that are required to remain in stage 2 for a minimum period of six months before re-entering stage 1.
Low credit risk	The group does not use the low credit risk assumption.

Accounting policies *continued*

4. Financial instruments *continued*

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

Advances *continued*	
Credit impaired financial assets	Advances are considered credit-impaired if they meet the definition of default. The group's definition of default applied to calculating provisions under IFRS 9 has been aligned to the definition applied to regulatory capital calculations across all portfolios, as well as those applied in operational management of credit and for internal risk management purposes. Exposures are considered to be in default when they are more than 90 days past due or, in the case of amortising products, are more than three instalments in arrears. In addition, an exposure is considered to have defaulted when there are qualitative indicators that the borrower is unlikely to pay their credit obligations in full without any recourse by the group to actions such as the realisation of security. Any distressed restructures of accounts which have experienced a SICR since initial recognition are defined as default events. Retail accounts are considered to no longer be in default if they meet the stringent cure definition, which has been determined at portfolio level based on analysis of re-defaulted rates. Curing from default within wholesale is determined judgementally through a committee process.
Write-offs	Write-off must occur when it is not economical to pursue further recoveries, i.e. there is no reasonable expectation of recovering the carrying amount of the asset (gross amount less specific impairments raised): • By implication, in both retail and wholesale, for secured as well as unsecured exposures, write-offs cannot occur if there is evidence of recent payment behaviour. Each credit portfolio has articulated a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account. • Within retail portfolios, write-off definitions have been determined with reference to analysis of the materiality of post write-off recoveries. The result of this is that retail secured loans are written off on perfection of collateral. Retail unsecured loans are written off when observation of post-default payment behaviour indicates that further material recoveries are unlikely. Write-off points within retail unsecured portfolios are defined on a per-portfolio basis with reference to cumulative delinquency and/or payment recency. • Within wholesale portfolios, a judgemental approach to write-off is followed, based on case-by-case assessment by a credit committee. • Partial write-offs are not performed within credit portfolios, except in limited circumstances within the wholesale portfolio, where they are assessed on a case by case basis. Where required, additional provisions against irrecoverable assets will be raised until such a time as final write-off can occur.
Collection and enforcement activities post write-off	For unsecured advances, post write-off collection strategies include outsourcing of the account to external debt collections (EDCs). In addition, settlement campaigns are run to encourage clients to settle their outstanding debt. For secured advances, any residual balance post the realisation of collateral and post write-off is outsourced to EDCs.
Other financial assets	
Cash and cash equivalents	All physical cash is classified as stage 1. Other exposures are classified as stage 1 unless specific evidence of impairment exists, in which case, due to the nature of these assets, they are classified immediately as stage 3. ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach.
Other assets	ECL for other assets, i.e. financial accounts receivable and where applicable, contract assets, are calculated using the simplified approach. This results in a LECL being recognised.
Investment securities	Impairment parameters for investment securities (PD, LGD and EAD) are determined using appropriate models, with the models to be applied determined with reference to the issuer of the security and the nature of the debt instrument. The tests for a SICR and default definitions are then applied and the ECL calculated in the same way as for advances. The SICR thresholds applied for investment securities are the same as those applied within the wholesale credit portfolio, to ensure consistency in the way that a SICR is identified for a particular counterparty and for similar exposures. The group does not use the low credit risk exemption for investment securities, including government bonds.

4. Financial instruments *continued*

4.3 Transfers, modifications and derecognition

Financial instruments are derecognised when:

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

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

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

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

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

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

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

Accounting policies *continued*

4. Financial instruments *continued*

4.4 Offsetting of financial instruments and collateral

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

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

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

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

4.5 Derivative financial instruments

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

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

5. Other assets and liabilities

5.1 Classification and measurement

Classification	Measurement
Property and equipment (owned and right of use)	
Property and equipment of the group include: • Assets utilised by the group in the normal course of operations to provide services, including freehold property and leasehold premises and leasehold improvements (owner-occupied properties); • Assets which are owned by the group and leased to third parties under operating leases as part of the group's revenue-generating operations; • Capitalised leased assets; and • Other assets utilised by the group in the normal course of operations, including computer and office equipment, motor vehicles and furniture and fittings.	Historical cost less accumulated depreciation and impairment losses, except for land, which is not depreciated. Depreciation is recognised on the straight-line basis over the useful life of the asset, except for assets capitalised under leases where the group is the lessee, in which case it is depreciated per the leases accounting policy 5.2. Freehold property and property held under leasing agreements: – Buildings and structures: 50 years – Motor vehicle: 5 years – Sundries: 3 – 5 years – IT equipment: 3 – 5 years – Other equipment: various: 3 – 10 years – Furniture and fixtures: 5 – 10 years
Intangible assets	
Intangible assets of the group include: • Internally generated intangible assets (including computer software and other assets such as trademarks or patents) are capitalised when the requirements of IAS 38 relating to the recognition of internally generated assets have been met. • Computer software development costs are capitalised when they can be clearly associated with a strategic and unique system which will result in a benefit to the group exceeding the costs incurred for more than one financial period. • Material acquired trademarks, patents and similar rights are capitalised when the group will receive a benefit from these intangible assets for more than one financial period. All other costs related to intangible assets are expensed in the financial period incurred.	Cost less accumulated amortisation and any impairment losses. Amortisation is on a straight-line basis over the useful life of the asset. The useful life of each asset is assessed individually. The benchmarks used when assessing the useful life of the individual assets are: – Software development costs: 3 years – Trademarks: 10 – 20 years – Other: 3 – 10 years – Customer related intangibles: 10 years
Goodwill arising from business combinations is recognised as an intangible asset.	Tested for impairment annually.
Properties in possession	
Properties in possession are properties acquired, following the foreclosure on loans that are in default. The properties are initially recognised at cost and are subsequently measured at the lower of cost and its net realisable value.	

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

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

Non-current assets held for sale

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

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

Accounting policies *continued*

5. Other assets and liabilities *continued*

5.2 Leases

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

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

	Group company is the lessee	Group company is the lessor
At inception	The group recognises a ROUA and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. The ROUAs are measured at cost comprising of: • The amount of the initial measurement of the lease liability; • Any initial direct costs incurred; • Restoration costs where required by the lessee by the terms and conditions of the lease; and • Any lease payments made at or before the commencement date, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its own incremental borrowing rate, being the rate that it can borrow funds from the Group Treasury function.	The group recognises assets sold under a finance lease as finance lease receivables included in advances and impair the advances, as required, in line with the impairment of financial assets accounting policy in section 4.2. No practical expedients are applied, and the general model under IFRS 9 is used for impairment calculations on lease receivables.
Over the life of the lease	Each lease payment is allocated between the lease liability and interest expense. The interest expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROUA is subsequently measured at cost less accumulated depreciation and impairment losses. The asset is depreciated over the lease term on a straight-line basis, where ownership is not transferred at the end of the lease term. If ownership is transferred at the end of the lease term, the asset is depreciated over the shorter of the lease term or useful life. The group applies IAS 36 to determine whether a ROUA is impaired and accounts for any identified impairment loss.	Unearned finance income is recognised as interest income over the term of the lease using the effective interest rate method. Finance lease receivables are assessed for impairment in terms of IFRS 9, as set out in the impairment of financial assets policy section 4.2. Interest on finance lease receivables that are credit-impaired (stage 3) is recognised and calculated by applying the original effective interest rate to the net carrying amount.
Presentation	The lease liability is presented in other liabilities in the consolidated statement of financial position. The ROUAs are not presented as a separate line in the consolidated statement of financial position, but rather disclosed as ROUA in the property and equipment note.	Finance lease receivables are presented as part of advances in the consolidated statement of financial position.
Operating leases	For short-term and low-value leases, which the group has defined as all other leases except for property and vehicle leases, the lease payments are recognised as an operating expense, spread on a straight-line basis over the term of the lease.	Assets held under operating leases are included in property and equipment and depreciated – refer to accounting policy 5.1. Rental income is recognised as other NIR on a straight-line basis over the lease term.

5. Other assets and liabilities *continued*

5.3 Provisions

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

6. Capital and reserves

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

Accounting policies *continued*

7. Transactions with employees

7.1 Employee benefits

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

Defined contribution plans	
Determination of defined contribution plan	**Recognition** Contributions are recognised as an expense, included in staff costs, when the employees have rendered the service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
Defined benefit plans	
Defined benefit obligation liability	**Recognition** The liabilities and assets of these funds are reflected as a net asset or liability in the statement of financial position, i.e. the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.
	Measurement The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method. The discount rate used is the rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.
Profit or loss	Profit or loss Included as part of staff costs: • Current and past service costs calculated on the projected unit credit method. • Gains or losses on curtailments and settlements that took place in the current period. • Net interest income calculated by applying the discount rate at the beginning of the period to the net asset or liability. • Actuarial gains or losses on long-term employee benefits.
Other comprehensive income	All other remeasurements in respect of the obligation are included in other comprehensive income and never reclassified to profit or loss.
Termination benefits	
The group recognises termination benefits as a liability in the statement of financial position and as an expense, included in staff costs, in profit or loss when it has a present obligation relating to termination. The group has a present obligation at the earlier of the following two occurrences: when the group can no longer withdraw the offer of the termination benefit or when the group recognises any related restructuring costs.	
Liability for short-term employee benefits	
Leave pay	The group recognises a liability for employees' rights to annual leave in respect of past service. The amount recognised by the group is based on the current salary of employees and the contractual terms between employees and the group. The expense is included in staff costs.
Bonuses	The group recognises a liability and an expense for management and staff bonuses when it is probable that the economic benefits will be paid, and the amount can be reliably measured. The expense is included in staff costs.

7.2 Share-based payment transactions

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

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

8. Non-banking activities

8.1 Insurance activities

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

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

Insurance and reinsurance contracts	
Introduction	The group issues insurance contracts and holds reinsurance contracts both without direct participation features and with contract boundaries less than one year. The group applies the premium allocation approach (PAA) and has elected to not discount the liability for remaining coverage for insurance contracts issued using the PAA. Reference to insurance contracts applies to both insurance and reinsurance contracts, unless specified.
Level of aggregation	Insurance contracts that are managed together and have similar characteristics, such as being subject to a similar pricing framework or similar product management and are issued by the same legal entity, are grouped into portfolios (measurement portfolios). These measurement portfolios are further separated in time cohorts (whose issue date cannot be more than one year apart) and then allocated to three groups of insurance contracts based on profitability, namely contracts that are onerous at initial recognition (onerous), contracts that at initial recognition have no significant possibility of subsequently becoming onerous (profitable) and the remaining contracts (profit at risk).
Cash flows included in the measurement	Cash flows are considered to be within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the group can compel the policyholder to pay premiums, or where the group has a substantive obligation to provide the policyholder with insurance contract services, either by contract or by regulations and law. A substantive obligation ends when the group has the practical ability to reprice the risk of the particular policyholder or the overall portfolio, or change the level of benefits so that the price fully reflects the risk.
Premium allocation approach (including reinsurance contracts held)	The carrying amount of a group of contracts comprises the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). As permitted in IFRS 17, for contracts measured using the PAA, the company has assumed that no contracts are onerous at inception, unless specific facts and circumstances indicate otherwise. When contracts measured under the PAA are onerous, the company recognises a loss in profit or loss and establishes a loss component (LC) within the LRC for the difference between the carrying amount determined using the PAA and the fulfilment cash flows of the contracts (FCF). The FCF comprises: • The present value of future cash flows, which represents all current estimates of future cash flows within the contract boundary that relate to future services, discounted using a current discount rate; and • The risk adjustment for non-financial risk ("risk adjustment"), which represents a current estimate of the adjustment to the present value of future cash flows to reflect the uncertainty inherent in the estimated future cash flows due to non-financial risk. A corresponding income will be recognised on the reinsurance contract held that covers the onerous group by adjusting the carrying amount of the reinsurance contract held and establishing a loss recovery component (LREC) within the reinsurance LRC if the reinsurance contract is entered into before or at the same time as the onerous underlying insurance contracts are recognised. Subsequently, the release of the LREC follows the unwind of the loss component recognised in the LRC of the group of insurance contracts issued that are attached to the reinsurance contract. The release of the LREC cannot exceed the unwind of the LC times the proportion of claims recoverable from the reinsurance contract.

Accounting policies *continued*

8. Non-banking activities *continued*

8.1 Insurance activities *continued*

Insurance and reinsurance contracts *continued*	
Premium allocation approach (including reinsurance contracts held)	The LIC represents the group's obligation to investigate and pay valid claims for insured events that have occurred, including events that have occurred but for which claims have not been reported (IBNR), as well as other incurred insurance expenses. Additionally, it also relates to the group's obligation to pay amounts for insurance services already provided, and any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage. The LIC is calculated as: • The probability weighted estimate of expected cash flows discounted at the current discount rate; and • An explicit company specific adjustment for non-financial risk (risk adjustment). The LIC is subsequently updated for changes in estimates of cash flows and the effect of discounting. The changes in the fulfilment cash flows are reflected in insurance service expenses, along with directly attributable insurance service expenses. Current receivable and payable balances associated with expenses that are presented as part of insurance service expenses in profit or loss, other than claims and claims handing costs, are included in the measurement of the LIC. For presentation purposes, these current receivables and payables are reclassified out of the LIC and into other receivables and payables. The group elected as its accounting policy to not apply discounting to the LRC for contracts measured under the PAA. There is no allowance for time value of money and the effect of financial risk as the premiums are received within one year of the coverage period. The LRC for contracts measured using the PAA is based on actual premiums and insurance acquisition cash flows paid, adjusted for revenue recognised (or expenses recognised for reinsurance contracts issued) as coverage is provided. The group's accounting policy choice is to immediately expense insurance acquisition cash flows (IACF).
Revenue recognition (excluding reinsurance contracts held)	Insurance revenue under the PAA is recognised by allocating the premiums based on the passage of time, unless the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case the group allocates premiums based on the expected timing of incurred insurance service expenses.
Other income statement amounts (excluding reinsurance contracts held)	Insurance service expenses comprise incurred claims and other directly attributable expenses and changes thereto, the insurance acquisition cash flows actually incurred on PAA contracts, as well as losses and reversals of losses on onerous contracts.
Reinsurance income and expenses	The group presents income and expenses from reinsurance contracts held on a net basis in the income statement. Insurance income from reinsurance contracts comprises claims recoveries from the reinsurer, including changes in estimates of those claims, whereas reinsurance expenses comprise the amounts released from the reinsurance LRC to the income statement, similar to insurance revenue recognised for insurance contracts issued.
Presentation	As the group prepares interim financial information for the purposes of applying IAS 34, the group elected as its accounting policy choice to not lock in changes in estimates made at the interim reporting stage when performing the full year's reporting.

8.2 Investment management activities

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

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

9. Significant accounting estimates, assumptions and judgements

9.1 Introduction

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

9.2 Subsidiaries and associates

Subsidiaries	
Only one party can have control over a subsidiary. In determining whether the group has control over an entity, consideration is given to any rights the group has that result in the ability to direct the relevant activities of the investee, and the group's exposure to variable returns. In operating entities, shareholding is most often the clearest indication of control. However, for structured entities and investment management funds, judgement is often needed to determine which investors have control of the entity or fund. Generally, where the group's shareholding is greater than 50%, the investment is accounted for as a subsidiary.	
Decision-making power	Some of the major factors considered by the group in making this determination include the following: • The purpose and design of the entity; • What the relevant activities of the entity are; and • Who controls the relevant activities and whether control is based on voting rights or contractual agreements. This includes considering: – What percentage of voting rights is held by the group and the dispersion and behaviour of other investors; – Potential voting rights and whether these increase/decrease the group's voting powers; – Who makes the operating and capital decisions; – Who appoints and determines the remuneration of the KMP of the entity; – Whether any investor has any veto rights on decisions; – Whether there are any management contracts in place that confer decision-making rights; – Whether the group provides significant funding or guarantees to the entity; and – Whether the group's exposure is disproportionate to its voting rights. • Whether the group is exposed to any downside risk or upside potential that the entity was designed to create; • To what extent the group is involved in the setup of the entity; and • To what extent the group is responsible to ensure that the entity operates as intended.
Exposure to variable returns	Factors considered include: • The group's rights in respect of profit or residual distributions; • The group's rights in respect of repayments and return of debt funding; • Whether the group receives any remuneration from servicing assets or liabilities of the entity; • Whether the group provides any credit or liquidity support to the entity; • Whether the group receives any management fees and whether these are market-related; and • Whether the group can obtain any synergies through the shareholding that are not available to other shareholders. Benefits could be non-financial in nature, such as employee services, etc.
Ability to use power to affect returns	Factors considered include: • Whether the group is acting as an agent or principal; • Whether the group has any de facto decision-making rights; • Whether the decision-making rights the group has are protective or substantive; and • Whether the group has the practical ability to direct the relevant activities.

Accounting policies *continued*

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

9.2 Subsidiaries and associates *continued*

Associate

Determining whether the group has significant influence over an entity:

- Significant influence may arise from rights other than voting rights, for example management agreements.
- The group considers both the rights that it has as well as currently exercisable rights that other investors have when assessing whether it has the practical ability to significantly influence the relevant activities of the investee.

Structured entities

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

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

Investment funds

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

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

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

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

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

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

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

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

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

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

9.3 Taxation

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

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

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

9.4 Impairment of financial assets

Impairment of advances

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

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

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

Forward-looking information

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

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

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

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

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

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

Accounting policies *continued*

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

9.4 Impairment of financial assets *continued*

Forward-looking information *continued*

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

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

Scenario	Probability	Description
Baseline	62.4% (2025: 64.5%)	Global growth slows amid US protectionism, but stimulus supports recovery as trade wars are avoided. Domestically, near-term momentum is weak as an oil-price shock weighs on growth, before a mining-led recovery takes hold. Diamond prices stay soft and Southern African Customs Union (SACU) receipts ease. Inflation stays anchored below 5%, with policy broadly flat.
Upside	20.3% (2025: 18.8%)	Namibia's growth accelerates amid strong mining exports, tourism, and infrastructure investment, supported by confirmed energy-project Final Investment Decision's (FID) and restored investor confidence as indigenisation policy reverses. Inflation rises with higher spending, deposit and Private Sector Credit Extension (PSCE) growth, and currency appreciation. Improved capital inflows and stronger public finances support broader resilience and credit sentiment.
Downside	17.3% (2025: 16.7%)	Namibia enters a mild recession as exports weaken and a key energy FID is deferred. A prolonged oil-price shock drives Consumer Price Index (CPI) higher, while rapid currency depreciation, drought conditions, and rising energy costs further intensify inflation. Private sector credit extension and deposits contract, dampening consumption. Interest rates are raised to defend the currency peg amid regional shocks. Both the currency and inflation only stabilise after 2028.

Namibia

Namibia's economic outlook remains positive but moderate, with GDP growth projected to stay below 3.5% over the medium term as structural constraints re-emerge. Near-term growth has been revised downward: an imported oil-price shock is weighing on activity, lowering the 2026 real GDP forecast to 0.8% (from 1.2%). A mining-led recovery, supported by new uranium, gold, oil, and gas capacity, is expected to lift growth to 3.3% in 2027 and 3.5% in 2028.

The medium-term outlook is increasingly shaped by rising fiscal pressures. Weak SACU inflows, softer diamond revenues, and higher borrowing costs are expected to constrain government spending from 2026 onward. The fiscal deficit is projected to exceed 6% of GDP, while public debt is likely to breach 70% of GDP. Fiscal consolidation will weigh on public sector-driven activity, particularly in construction, education, and public services.

Inflation is expected to rise gradually, averaging 4.7% in 2026 (up from 4.2%) and reaching year-end levels near 6.0%, before moderating in 2027 as fuel-price impulses fade. Risks remain tilted to the upside, including global trade disruptions, volatile food prices, and persistent rent inflation.

Following recent rate cuts, the Bank of Namibia is expected to raise the repo rate once, by 25 basis points to 6.75%, and then hold it steady over the forecast horizon to preserve the interest-rate differential with South Africa and safeguard the currency peg.

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

9.4 Impairment of financial assets *continued*

Significant macroeconomic factors

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

June 2026	Upside scenario			Baseline expectation			Downside scenario		
%	2027	2028	2029	2027	2028	2029	2027	2028	2029
Real GDP growth	6.60	4.70	4.50	3.30	3.20	3.70	(0.80)	1.60	3.60
CPI inflation	5.30	4.80	3.30	4.70	3.60	3.50	8.80	5.50	4.40
Repo rate	7.00	6.50	5.50	6.75	6.75	6.75	8.50	7.75	7.00

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

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

IFRS 9 impairment provision at 30 June 2026	N$'000	% change on total IFRS 9 provision
Baseline	1 340 065	0.37%
Upside	1 269 173	(4.94%)
Downside*	1 402 397	5.04%

IFRS 9 impairment provision at 30 June 2025	N$'000	% change on total IFRS 9 provision
Baseline	1 590 337	(0.42%)
Upside	1 558 549	(2.41%)
Downside*	1 649 613	3.29%

* *Applicable to the secured portfolio.*

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

Accounting policies *continued*

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

9.4 Impairment of financial assets *continued*

<table>
<tr><th>Judgement</th><th>Retail and retail SME</th><th>Wholesale and commercial SME</th></tr>
<tr><td rowspan="2">Measurement of the 12-month and LECL</td><td>Parameters are determined on a basis whereby exposures are pooled at a portfolio level (at a minimum). Where appropriate, more granular pooling is applied. The inputs used to determine parameter values include historically observed behaviour, as well as behavioural and demographic information related to individual exposures currently on book.

PD parameters are determined through assessment of the influence that various risk drivers have had on historical default rates. EAD parameter estimates are based on product characteristics in addition to historical drawdown and payment behaviour. LGDs are determined by estimating expected future cash flows, adjusted for FLI such as the house price index, prime lending rate and GDP. These cash flows include direct costs and proceeds from the sale of collateral. Collateral recovery rates are based on historically observed outcomes.

The statistical models applied implicitly assume that risk drivers that influence default risk, payment behaviour and recovery expectations within historical data will continue to be relevant in the future.</td><td>Parameters are determined based on the application of statistical models that produce estimates based on counterparty-specific financial information and transaction characteristics. These characteristics include the nature of available collateral.

Due to the specialised nature of these exposures, parameters produced by models are taken through a robust review and challenge process before being applied to calculate ECL, and are required to be signed off by a committee of wholesale and commercial credit experts who can motivate adjustments to modelled parameters.</td></tr>
<tr><td colspan="2">Parameters are calibrated for the calculation of 12-month and LECL using term structures that consider borrower risk, account age, historical behaviour, transaction characteristics and correlations between parameters.

Term structures have been developed over the remaining lifetime of an instrument. The remaining lifetime is limited to the contractual term of instruments in the portfolio, except for instruments with an undrawn commitment such as credit cards, where there is no contractual expiry date. In such instances the remaining lifetime is determined with reference to the change in client requirements that would trigger a review of the contractual terms, for example an increase in limit.

ECL on open accounts is discounted from the expected date of default to the reporting date, using the asset's original effective interest rate or a reasonable approximation thereof.</td></tr>
<tr><td>Determination of whether the credit risk of financial instruments have increased significantly since initial recognition (SICR)</td><td>SICR triggers continue to be based on client behaviour, client-based behaviour scores and judgemental factors.</td><td>SICR triggers continue to be determined based on client behaviour and the internal FirstRand client rating or risk score, as well as judgemental factors, which include triggers for industries in distress, potentially resulting in the client being added to the watch-list through the group's ongoing risk management process. These triggers are determined at a deal and client level and are calibrated over time to determine what level of deterioration is reflective of a SICR.</td></tr>
</table>

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

9.4 Impairment of financial assets *continued*

<table>
<tr><th>Judgement</th><th>Retail and retail SME</th><th>Wholesale and commercial SME</th></tr>
<tr><td>Sensitivity staging</td><td colspan="2">The move from 12-month ECL (stage 1) to LECL (stage 2) can result in a substantial increase in ECL. The sensitivity information provided in the table below details the estimated additional ECL charge to the income statement that the group would need to recognise if 5% of the stage 1 gross carrying amount (GCA) of advances suffered a SICR and were moved from stage 1 to stage 2 as at 30 June 2026. A movement of 5% of the stage 1 balance to stage 2 can be viewed as a reasonably possible alternative based on the current economic conditions.</td></tr>
</table>

N$'000	30 June 2026 5% increase in gross carrying amount of exposure	30 June 2026 Increase in the loss allowance	30 June 2025 5% increase in gross carrying amount of exposure	30 June 2025 Increase in the loss allowance
Retail	1 079 685	77 894	1 019 164	95 898
FNB commercial	360 442	28 248	366 584	42 874
RMB corporate and investment banking	520 178	31 088	390 889	41 967
Total increase in stage 2 advances and ECL	1 960 305	137 230	1 776 636	180 739

Judgement	
Credit risk reserve	The Group recognised a credit risk reserve as a regulatory overlay in accordance with the Bank of Namibia Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2). The reserve is created where IFRS 9 expected credit loss provisions are lower than the regulatory provisioning requirements. The credit risk reserve is recognised as a non-distributable reserve through a transfer from retained earnings, with no impact on profit or loss or the carrying value of financial assets. Any subsequent movements in the reserve are recorded directly in retained earnings.

9.5 Provisions

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

9.6 Transactions with employees

<table>
<tr><th colspan="2">Employee benefits – post employment plans</th></tr>
<tr><td>Determination of present value of defined benefit plan obligations</td><td>The cost of the benefits and the present value of the defined benefit pension funds and post-employment medical obligations depend on a number of factors that are determined annually on an actuarial basis, by independent actuaries, using the projected unit credit method which incorporates a number of assumptions.

The key assumptions used in determining the charge to profit or loss arising from these obligations include the expected long-term rate of return on the relevant plan assets, discount rate and expected salary and pension increase rates. Any changes in these assumptions will impact the charge to profit or loss and may affect planned funding of the pension plans.</td></tr>
<tr><th colspan="2">Cash settled share-based payment plans</th></tr>
<tr><td>Determination of fair value of the award</td><td>The award is determined using the volume-weighted average price of the underlying share price at grant date, adjusted for:
• the time value between grant date and vesting date through discounting using the risk-free interest rate;
• the expected future dividends over the vesting period, based on independently observable market expectations (including Bloomberg consensus data) and adjusted using the risk-free interest rate; and
• expected staff turnover referenced to historical behaviour as indicators of future conditions and reviewed annually against actual experience.</td></tr>
</table>

Accounting policies *continued*

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

9.7 Insurance activities

All insurance and reinsurance contracts

Material judgement is required in determining liabilities and in the choice of assumptions. Assumptions in use are based on experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation. Assumptions are further evaluated on a continual basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Risk adjustment for non-financial risk

The group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the entity to the reinsurer.

The risk adjustment was calculated at each insurance entity level and then allocated down to each group of contracts in accordance with their risk profiles.

The scenario value at risk approach was used to determine the overall adjustment for non-financial risk regarding the LRC for onerous contracts measured under the PAA which includes a specified upfront confidence level (probability of sufficiency) of 80% over a one-year period. The group allows for diversification benefits across products at an overall insurance entity level.

With respect to the risk adjustment included in the fulfilment cash flows attributable to the LIC, the company has applied appropriate actuarial valuation techniques which are comparable to methods used by other industry participants which includes a specified upfront confidence level (probability of sufficiency) of 80% over a one-year period.

Discount rate

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. A bottom-up approach is used to determine the discount rate for the cash flows that do not vary based on the return on underlying items in all other contracts within the scope of IFRS 17 and is derived as the sum of the risk-free yield and an illiquidity premium (where necessary).

Discount rates are based on the Bank of Namibia Daily Benchmark Yield Curve which is derived from the Namibian Government Bond Curve with a flat extrapolation beyond 2053. Beyond 2053, the yield curve is unobservable and choosing a flat extrapolation methodology for the non-observable part of the curve was chosen as it supports sound investment and risk management strategies. Using a flat rate from the last observable point is in the view of the Company more accessible and behaves in a way most consistent with near observable markets.

The LIC is more sensitive to longer tailed OCR, in particular legal risks and hence quite sensitive to the discounting assumption.

The table below sets out the yield curves used to discount the cash flows of insurance contracts.

	2026	2025
2 months	11%	7%
6 months	9%	8%
12 months	8%	8%
18 months	8%	8%
30 months	9%	8%

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

9.7 Insurance activities *continued*

Key assumptions to which the estimation of liabilities is particularly sensitive

Estimates of future cash flows to fulfil insurance contracts – Liabilities for incurred claims

In estimating the future fulfilment cash flows relating to already incurred claims, the company considers the following:

- Reported claims that have not yet been paid (OCR) – Each notified claim relating to one of the company's policies is assessed on a case-by-case basis with due regard to the specific circumstances, information available from the insured and/or loss adjuster and experience with similar claims. Standardised policies and procedures are applied to claims assessments.
- The ultimate cost of incurred claims may vary as a result of future developments or better information becoming available about the current circumstances. Adjustments to the quantum of the OCR established in prior years are reflected in the financial statements.
- Claims incurred but not yet reported (IBNR) – The liability is estimated by assuming that future trends in reporting of claims will be similar to the past. The profile of claims run-off (over time) is modelled by using historic data of the company and best practice actuarial techniques.

Consistent assumptions are used when measuring estimates of the present value of future cash flows for a group of reinsurance contracts held and estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. As a result, the cash flows used to measure the reinsurance contracts held reflect the extent to which those cash flows depend on the cash flows of the underlying contracts that the reinsurance contract attaches to.

9.8 Fair value

Fair value measurement

The details of the processes, procedures and assumptions used in the determination of fair value are disclosed in note 34. In particular, the areas that involve the greatest amount of judgement and complexity include the following:

- assessing whether instruments are trading with sufficient frequency and volume that can be considered liquid;
- the inclusion of a measure of the risk of counterparty non-performance in the fair value measurement of loans and advances; and
- the inclusion of credit valuation adjustments and funding valuation adjustments in the fair value measurement of derivative instruments.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2026

N$'000	Note(s)	2026	2025
Interest and similar income	1	5 692 575	5 856 001
Interest expense and similar charges	1	(2 021 761)	(2 500 842)
Net interest income before impairment of advances		3 670 814	3 355 159
Impairment and fair value of credit on advances	16	(248 840)	(527 432)
Net interest income after impairment of advances		3 421 974	2 827 727
Non-interest revenue	2	2 777 872	2 702 035
– Net fee and commission income		2 381 631	2 266 201
– Commissions received		2 822 344	2 623 797
– Fees charged		(440 713)	(357 596)
– Fair value gains		284 327	310 061
– Gains less losses from investing activities		69 903	61 201
– Other non-interest revenue		42 011	64 572
Insurance service result		(15 723)	(16 096)
– Insurance service result before reinsurance contracts held		(19 609)	(12 770)
– Insurance revenue	3	198 219	177 569
– Insurance service expense	4	(217 828)	(190 339)
– Net income/(expense) from reinsurance contracts held	5	3 886	(3 326)
– Allocation of reinsurance premiums		(25 057)	(22 028)
– Amounts recoverable from reinsurers for incurred claims		28 943	18 702
Income from operations		6 184 123	5 513 666
Operating expenses	6	(3 121 247)	(2 799 324)
Net income from operations		3 062 876	2 714 342
Share of profit of associates after tax	19	8 410	18 409
Income before indirect tax		3 071 286	2 732 751
Indirect tax	8	(61 413)	(61 942)
Profit before income tax		3 009 873	2 670 809
Income tax expense	8	(863 758)	(758 843)
Profit for the year		2 146 115	1 911 966
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
FVOCI debt reserve		72	–
Gain arising during the year		103	–
Deferred income tax	22	(31)	–
Items that may not be subsequently reclassified to profit or loss:			
FVOCI equity reserve			
Loss arising during the year	14	(9 576)	–
Defined benefit post-employment plan			
Remeasurements on net defined benefit post-employment plan	26	(6 392)	(2 446)
Deferred income tax	22	1 918	758
Total items that may not be subsequently reclassified to profit or loss		(14 050)	(1 688)
Other comprehensive loss for the year net of taxation		(13 978)	(1 688)
Total comprehensive income for the year		2 132 137	1 910 278
Earnings per share (cents)			
Basic earnings and diluted earnings per share (cents)	9	803.5	715.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

N$'000	Note(s)	**2026**	2025
Assets			
Cash and cash equivalents	11	2 384 418	3 080 121
Due from banks and other financial institutions	12	3 033 374	2 194 326
Derivative financial instruments	13	50 227	943 324
Investment securities	14	13 252 738	9 479 281
Advances	15	42 814 021	39 222 377
Other assets	17	481 853	331 417
Non-current assets held for sale	18	–	55 040
Reinsurance assets	28	13 851	7 891
Investment in associate	19	26 819	18 409
Property and equipment	20	1 008 991	883 058
Intangible assets	21	19 537	32 427
Deferred tax asset	22	28 679	26 816
Total assets		63 114 508	56 274 487
Equity and liabilities			
Liabilities			
Short trading position	23	32 199	16 682
Derivative financial instruments	13	59 558	984 517
Creditors and accruals	24	1 368 442	962 299
Current tax liability		93 172	82 198
Deposits and current accounts	25	52 130 611	45 604 098
Due to banks and other financial institutions	25	281 844	254 954
Employee liabilities	26	344 057	312 153
Other liabilities	27	81 215	105 812
Insurance liabilities	28	76 799	66 954
Tier 2 liabilities	29	503 426	503 558
Deferred tax	22	214 685	233 968
Total liabilities		55 186 008	49 127 193
Equity			
Share capital	30	1 335	1 335
Share premium	30	278 023	278 023
Reserves		46 880	2 915
Retained earnings		7 602 262	6 865 021
Total equity		7 928 500	7 147 294
Total equity and liabilities		63 114 508	56 274 487

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2026

N$'000	**Share capital**	**Share premium**	**Total share capital**	**Credit risk reserve***	**Defined benefit post-employment reserve**	**Debt instrument reserve**	**Equity instrument reserve**	**Total reserves**	**Retained earnings**	**Total equity**
Balance at 1 July 2024	1 335	278 023	279 358	–	4 603	–	–	4 603	5 947 924	6 231 885
Profit for the year	–	–	–	–	–	–	–	–	1 911 966	1 911 966
Other comprehensive loss	–	–	–	–	(1 688)	–	–	–	–	(1 688)
Total comprehensive (loss)/income for the year	–	–	–	–	(1 688)	–	–	(1 688)	1 911 966	1 910 278
Dividends	–	–	–	–	–	–	–	–	(994 869)	(994 869)
Balance at 1 July 2025	1 335	278 023	279 358	–	2 915	–	–	2 915	6 865 021	7 147 294
Profit for the year	–	–	–	–	–	–	–	–	2 146 115	2 146 115
Other comprehensive (loss)/income	–	–	–	–	(4 474)	72	(9 576)	(13 978)	–	(13 978)
Total comprehensive (loss)/income for the year	–	–	–	–	(4 474)	72	(9 576)	(13 978)	2 146 115	2 132 137
Dividends	–	–	–	–	–	–	–	–	(1 350 931)	(1 350 931)
Transfer between reserves	–	–	–	57 943	–	–	–	57 943	(57 943)	–
Balance at 30 June 2026	1 335	278 023	279 358	57 943	(1 559)	72	(9 576)	46 880	7 602 262	7 928 500
Note(s)	30	30	30							

* *Credit risk reserve details are disclosed in accounting policy 9.4.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

N$'000	Note(s)	2026	2025
Cash flows from operating activities			
Profit before tax		3 009 873	2 670 809
Adjusted for:			
– Share of profit from associates after tax	19	(8 410)	(18 409)
– Amortisation of intangibles	21	19 297	21 903
– Depreciation of property and equipment	20	131 309	123 708
– Bonus provision		178 600	162 564
– Impairment of other assets	6	9 771	1 283
– Share based payment expenses	6	33 021	26 927
– Impairment loss on advances excluding post write-off recoveries		353 936	576 152
– Provision post-employment benefit obligation		4 771	3 979
– Gains & losses from banking & trading activities		(287 254)	(315 691)
– Profit on sale of property and equipment	2	(1 238)	(2 423)
– Reversal of impairment of non-current asset held for sale	2	(1 780)	(2 040)
– Indirect tax	8	61 413	61 942
– Interest and similar income	1	(5 692 575)	(5 856 001)
– Interest and similar expenses	1	2 021 761	2 500 842
– Dividend income	2	(66 974)	(55 572)
Interest received		5 740 339	5 905 262
Interest paid		(1 969 640)	(2 384 356)
Dividend received		65 238	49 881
Taxation paid		(915 143)	(1 215 365)
Cash generated from operating activities		2 686 315	2 255 395
Movement in operating assets and liabilities		(1 801 455)	(1 679 246)
Due from banks and other financial institutions	12	(624 710)	7 527 057
Investment securities	14	(3 707 165)	(678 199)
Advances	15	(3 991 463)	(1 985 957)
Deposits	25	6 474 028	912 590
Other assets	17	(193 228)	(55 412)
Reinsurance assets	28	(5 960)	(1 979)
Employee liabilities	26	(151 467)	(140 011)
Short-term trading	23	15 517	(17 403)
Insurance liabilities	28	9 845	22 604
Other liabilities	27	(24 688)	(22 753)
Creditors and other payables	24	396 329	171 486
Due to bank and other financial institutions	25	26 890	(7 388 074)
Derivative financial instruments	13	(25 383)	(23 195)
Net cash from operating activities		884 860	576 149
Cash flows from investing activities			
Acquisition of property and equipment	20	(170 321)	(114 997)
Proceeds on disposal of property and equipment		2 088	7 479
Acquisition of intangible assets	21	(6 407)	(3 721)
Net cash from investing activities		(174 640)	(111 239)
Cash flows from financing activities			
Dividend paid		(1 350 931)	(994 869)
Payments on other liabilities	27	(31 286)	(31 286)
Payments on lease liabilities	27	(23 706)	(22 150)
Proceeds from the issue of tier 2 liabilities	29	–	500 000
Net cash from financing activities		(1 405 923)	(548 305)
Total cash movement for the year		(695 703)	(83 395)
Cash and cash equivalents at the beginning of the year		3 080 121	3 163 516
Cash and cash equivalents at the end of the year	11	2 384 418	3 080 121

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. Analysis of interest income and interest expense

N$'000	2026	2025
1.1 Analysis of interest and similar income		
Instruments at amortised cost using effective interest rate	5 692 575	5 856 001
Interest and similar income	5 692 575	5 856 001
Revenue other than from contracts with customers		
Overdrafts and cash managed accounts	432 741	464 442
Term loans	765 424	536 598
Card loans	74 968	79 199
Instalment sales	521 775	508 801
Lease payments receivable	14 998	14 331
Home loans	1 758 458	1 847 783
Commercial property finance	379 708	450 337
Personal loans	524 667	528 439
Preference share agreements	98 643	97 588
Other advances	18 408	29 798
Invoice financing	2 732	4 407
Advances	4 592 522	4 561 723
Due from banks, other financial institutions and cash and cash equivalents	238 003	517 440
Investment securities	862 050	776 838
Interest and similar income	5 692 575	5 856 001
1.2 Analysis of interest expense and similar charges		
Instruments at amortised cost	2 021 761	2 500 842
Interest expenses and similar charges	2 021 761	2 500 842
Deposits from customers		
Current accounts	188 292	240 871
Savings deposits	35 206	34 854
Call deposits	724 551	706 483
Fixed and notice deposits	675 029	691 904
	1 623 078	1 674 112
Debt securities		
Negotiable certificates of deposit	289 442	470 351
Fixed and floating rate notes	47 638	29 745
Deposits from banks and other financial institutions	9 175	288 293
	346 255	788 389
Other liabilities	4 619	7 836
Lease liabilities	3 489	3 084
Tier 2 liabilities	44 320	27 421
	52 428	38 341
Interest expense and similar charges	2 021 761	2 500 842

Notes to the consolidated annual financial statements *continued*

2. Non-interest revenue

N$'000	Note(s)	2026	2025
Analysis of non-interest revenue			
Fee and commission income	2.1	2 822 344	2 623 797
Instruments at amortised cost		2 644 042	2 471 252
Non-financial instruments		178 302	152 545
Fee and commission expense	2.2	(440 713)	(357 596)
Net fee and commission income		2 381 631	2 266 201
Fair value income			
Fair value gains	2.3	284 327	310 061
Gains less losses from investing activities	2.4	69 903	61 201
Other non-interest revenue	2.5	42 011	64 572
Total non-interest revenue		2 777 872	2 702 035

The term investing activities used in this note does not have the same meaning as investing activities in the cash flow statement.

2.1 Fee and commission income

N$'000	2026	2025
Card commissions	544 492	435 379
Cash deposit fee	132 612	117 954
Commissions: bills and drafts	62 722	55 811
Bank charges	1 904 216	1 862 108
– Transaction and service fees	1 797 898	1 751 423
– Documentation and administration fees	75 188	75 494
– Cash handling fees	31 130	35 191
Banking fee and commission income	2 644 042	2 471 252
Non-banking fee and commission income		
Brokerage Income	59 624	54 170
Management, trust and fiduciary service fees	118 678	98 375
Non-banking fee and commission income	178 302	152 545
Fee and commission income	2 822 344	2 623 797

2.2 Fee and commission expenses

N$'000	2026	2025
ATM commission paid	(11 297)	(10 750)
Cash sorting, handling and transportation charges	(47 889)	(29 577)
Customer loyalty programmes	(44 771)	(37 923)
Transaction processing fees	(321 355)	(267 865)
Other	(15 401)	(11 481)
Total fee and commission expenses	(440 713)	(357 596)

2.3 Fair value gains

N$'000	2026	2025
Foreign exchange	230 829	199 954
Designated at fair value through profit or loss	53 498	110 107
Total fair value income	284 327	310 061

2. Non-interest revenue *continued*

2.4 Gains less losses from investing activities

N$'000	2026	2025
Gains on investment securities designated at fair value through profit or loss	3 747	6 171
Recoveries/(loss allowance) on investment securities	(818)	(542)
Dividend received	66 974	55 572
Total gains less losses from investing activities	69 903	61 201

2.5 Other non-interest revenue

N$'000	2026	2025
Profit on disposal of property and equipment	1 238	2 423
Reversal of impairment of building	1 780	2 040
Rental Income	5 866	5 357
Other income	33 127	54 752
Total other non-interest revenue	42 011	64 572

Other income mainly reflects profit share earned on structured transactions, advisory fees and agency fees.

3. Insurance revenue

N$'000	2026	2025
Insurance revenue from contracts measured under the PAA	198 219	177 569

4. Insurance service expenses

N$'000	2026	2025
Incurred claims	(161 013)	(137 276)
Other directly attributable expenses	(38 841)	(32 111)
Changes that relate to past service – change in the FCF relating to the LIC	1 210	(2 870)
Reversal of losses/(losses on onerous contracts)	29	176
Insurance acquisition cash flows immediately expensed for contracts measured under PAA	(19 213)	(18 258)
Insurance service expenses	(217 828)	(190 339)

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

N$'000	2026	2025
Allocation of reinsurance premiums	(25 057)	(22 028)
Amount recovered from reinsurance for incurred claims	28 943	18 702
Net income/(expenses) from reinsurance contracts held	3 886	(3 326)

Notes to the consolidated annual financial statements *continued*

6. Operating expenses

N$'000	2026	2025
Auditors' remuneration – external		
Audit fees	18 392	20 160
Fees for other services	1 388	2 534
Total auditors' remuneration	19 780	22 694
Non-capitalised lease charges		
Short term leases	6 793	9 044
Leases of low value assets	3 501	3 274
Total non-capitalised charges	10 294	12 318
Staff costs		
Salaries, wages and allowances	1 412 579	1 273 865
Defined contribution schemes: pension	173 833	158 465
Defined contribution schemes: medical	121 930	113 611
Post retirement medical expense	4 019	4 235
Severance pay: death in service	752	386
Social security levies	2 644	2 261
Share-based payments	33 021	26 927
Skills development levies	16 408	12 430
Other staff costs	11 368	11 623
Total staff costs	1 776 554	1 603 803
Other operating costs		
Amortisation of intangible assets	19 297	21 903
Depreciation of property and equipment	131 309	123 708
Impairment loss	9 771	1 283
Insurance	18 741	16 335
Advertising and marketing	91 250	90 567
Property and maintenance related expenses	105 109	89 702
Computer	658 269	553 214
Stationery	10 367	10 161
Telecommunications	25 327	24 337
Professional fees	31 184	27 344
Donations	20 051	18 478
Business travel	27 145	26 798
Legal and other related expenses	6 061	5 323
Postage	1 506	1 692
Total directors' remuneration	20 346	21 795
Other operating expenditure	196 940	178 239
Other operating costs	1 372 673	1 210 879
Less: IFRS 17 costing framework	(58 054)	(50 370)
Insurance acquisition cash flows	(19 213)	(18 258)
Insurance service cash flows	(38 841)	(32 112)
Total operating expenses	3 121 247	2 799 324

7. Directors' remuneration

	C Dempsey (CEO)		L.P Smit (CFO)	
N$'000	**2026**	2025	**2026**	2025
Executive				
Cash package paid during the year	3 028	2 796	2 221	1 841
Retirement contributions paid during the year	579	551	364	302
Other allowances	820	820	161	161
Guaranteed package	4 427	4 167	2 746	2 304
Cash:*				
– Within 6 months	1 445	1 640	348	245
– Within 1 year	1 693	1 782	1 167	1 117
LTI award**	5 158	5 847	457	410
Variable pay	8 296	9 269	1 972	1 772
Total guaranteed and variable pay	12 723	13 436	4 718	4 076

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

** *LTI awards are made annually under the CIP, and vesting is dependent on certain corporate performance targets being met on a cumulative basis over three years.*

Executive Directors share options and detail incentive awards are set out in the Remuneration report in the separate integrated annual report (refer to page 90 of the separate integrated annual report).

N$'000	2026	2025
Non-executive directors		
P Grüttemeyer	–	223
IN Nashandi	110	348
J Coetzee	422	573
E van Zyl	350	823
LD Kapere	491	527
MJ Lubbe	521	716
ON Shikongo	516	691
SL Balsdon	335	382
CR Britz	160	–
Total non-executive director's fees	2 905	4 283

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

As part of ongoing governance improvements, the group refined the structure and composition of its board committees, resulting in the changes in the non-executive director's fees in the current year. Refer to page 24 of the separate integrated annual report for the changes.

Notes to the consolidated annual financial statements *continued*

8. Taxation

N$'000	2026	2025
Indirect tax		
Stamp duties	5 952	10 387
Value-added tax (net)	55 461	51 555
Total indirect tax	61 413	61 942
Direct tax		
Current		
Local income tax current period	882 782	824 002
Deferred		
Originating and reversing temporary differences	(19 024)	(65 159)
Total income tax expense	863 758	758 843
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	30.00%	31.00%
Dividend income	(1.19)%	(2.04)%
Other non-taxable income*	(0.49)%	(0.19)%
Disallowed expenditure**	0.08%	0.39%
Tax rate change	–	(0.29)%
Other	0.30%	(0.46)%
Effective rate of tax	28.70%	28.41%

* *Includes fair value gains which are non-taxable.*

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

9. Headline earnings, dividends and earnings per share

9.1 Headline earnings per share

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

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

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

	2026	2025
Headline earnings per share (cents)	802.5	714.5
Reconciliation between earnings and headline earnings (N$'000)		
Basic earnings (N$'000)	2 146 115	1 911 966
Adjusted for:		
Profit on disposal of property and equipment (N$'000)	(1 238)	(2 422)
Reversal of impairment of building (N$'000)	(1 780)	(2 040)
Tax effect (N$'000)	371	751
Headline earnings	2 143 468	1 908 255

9.2 Dividends

Interim (19 February 2026: 221.77 cents per share); (20 February 2025: 192.32 cents per share)	592 333	513 674
Final (21 August 2025: 284.02 cents per share); (22 August 2024: 180.16 cents per share)	758 598	481 195
Dividends	1 350 931	994 869

The final dividend of 446.57 cents per share (2025: 284.02 cents per share) was declared and authorised after the reporting period. The dividend has therefore not been recognised as a liability in the reporting period. It has been disclosed for information purposes only (refer to directors' report).

9.3 Earnings per share

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

Earnings attributable to ordinary shareholders (N$'000)	2 146 115	1 911 966
Weighted average number of shares in issue	267 093 250	267 093 250
Weighted average number of shares before shares held by trust	267 593 250	267 593 250
Less: Shares held by share trust	(500 000)	(500 000)
Earnings per share	803.5	715.8

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

Notes to the consolidated annual financial statements *continued*

10. Analysis of assets and liabilities

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

Other assets include non-contractual balances such as prepayments and properties in possession, which do not have contractual maturity dates or contractual cash flow profiles. Creditors, accruals and provisions also include non-contractual balances relating to unclaimed balances. Accordingly, these balances are disclosed within the non-contractual category and are not allocated to specific maturity buckets.

2026

N$'000	Amortised cost	At fair value through profit or loss manda-tory	At fair value through profit or loss desig-nated	At fair value through other compre-hensive income (equity)	At fair value through other compre-hensive income (debt)	Non-financial assets and liabilities	Total carrying value	Current	Non-current and non-contractual
Assets									
Cash and cash equivalents	2 384 418	–	–	–	–	–	2 384 418	2 384 418	–
Due from banks and other financial institutions	3 033 374	–	–	–	–	–	3 033 374	3 033 374	–
Derivative financial instruments	–	50 227	–	–	–	–	50 227	23 993	26 234
Investment securities	12 342 446	729 674	174 414	789	5 415	–	13 252 738	7 445 258	5 807 480
Advances	42 814 021	–	–	–	–	–	42 814 021	9 720 053	33 093 968
Other assets	344 731	–	–	–	–	137 122	481 853	226 984	254 869
Reinsurance assets	–	–	–	–	–	13 851	13 851	11 831	2 020
Non-financial assets	–	–	–	–	–	1 084 026	1 084 026	–	1 084 026
Total assets	60 918 990	779 901	174 414	789	5 415	1 234 999	63 114 508	22 845 911	40 268 597
Equity and Liabilities									
Total equity	–	–	–	–	–	7 928 500	7 928 500	–	7 928 500
Short trading position	–	32 199	–	–	–	–	32 199	32 199	–
Derivative financial instruments	–	59 558	–	–	–	–	59 558	22 998	36 560
Creditors and accruals	1 255 325	–	–	–	–	113 117	1 368 442	1 102 791	265 651
Deposits and current accounts	52 130 611	–	–	–	–	–	52 130 611	50 217 988	1 912 623
Due to banks and other financial institutions	281 844	–	–	–	–	–	281 844	193 619	88 225
Other liabilities	81 215	–	–	–	–	–	81 215	35 255	45 960
Insurance liabilities	–	–	–	–	–	76 799	76 799	74 637	2 162
Tier 2 liabilities	503 426	–	–	–	–	–	503 426	42 543	460 883
Non-financial liabilities	–	–	–	–	–	651 914	651 914	295 525	356 389
Total liabilities	54 252 421	91 757	–	–	–	841 830	55 186 008	52 017 555	3 168 453
Total equity and liabilities	54 252 421	91 757	–	–	–	8 770 330	63 114 508	52 017 555	11 096 953

10. Analysis of assets and liabilities *continued*

2025

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

Notes to the consolidated annual financial statements *continued*

11. Cash and cash equivalents

N$'000	2026	2025
Coins and bank notes	627 073	583 430
Balances with other banks	7 215	10 576
Balances with central bank	1 750 130	2 486 115
	2 384 418	3 080 121
Mandatory reserve balances included above:	568 887	506 908

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

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

ECL for cash and cash equivalent are immaterial.

No cash or cash equivalents have been pledged.

12. Due from banks and other financial institutions

Due from banks and other financial institutions	3 033 374	2 194 326

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

13. Derivative financial instruments

Use of derivatives

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

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

Hedging instruments

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

For further details on the group's approach to managing interest rate risk and market risk, refer to note 36.

By using derivative financial instruments to hedge exposures to changes in interest rates and commodity prices, the group also exposes itself to the credit risk of the derivative counterparty, which is not offset by the hedged item. For information on how the group minimises counterparty credit risk in derivative instruments, refer to note 36.

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

13. Derivative financial instruments *continued*

Hedging instruments *continued*

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

2026

N$'000	Asset notional	Fair value assets	Liabilities notional	Fair value liabilities
Held for trading				
Currency derivatives	1 383 108	22 956	1 900 910	33 788
Interest rate derivatives	3 486 383	27 271	3 311 383	25 770
	4 869 491	50 227	5 212 292	59 558

2025

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

14. Investment securities

N$'000	2026	2025
Treasury bills	6 423 893	3 109 859
Other government and government guaranteed stock	6 658 689	6 211 145
Unlisted equity	990	10 365
Other undated securities	174 413	152 340
	13 257 985	9 483 709
Loss allowance on investment securities	(5 247)	(4 428)
	13 252 738	9 479 281
Analysis of investment securities		
Equities – Fair value through other comprehensive income*	789	10 365
Other securities – Fair value through profit or loss	729 674	1 067 156
Amortised cost	12 342 446	8 249 420
Fair value through profit or loss	174 414	152 340
Debt instrument – Fair value through other comprehensive income	5 415	–
Total investment securities	13 252 738	9 479 281

* *During the year ended 30 June 2026, the Group fully impaired its investment in Avril Payroll Deduction Management (Pty) Ltd following the cessation of operations. The investment was written down to nil, resulting in an impairment loss of N$9.5 million recognised in other comprehensive income.*

N$12 342 million (2025: N$8 249 million) of the financial instruments form part of the group's liquid asset portfolio in terms of the new Banking Institutions Act (No 13 of 2023) and other foreign banking regulators' requirements.

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

The loss allowance on investment securities measured at amortised cost is N$5.2 million (2025: N$4.4 million).

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

The directors' valuation of unlisted investments is considered to approximate fair value.

Notes to the consolidated annual financial statements *continued*

14. Investment securities *continued*

N$'000	2026	2025
Reconciliation of the loss allowance		
Balance at the beginning of the year	4 428	3 887
Impairment for the periods: Impairment charge/(reversal) in the income statement		
– Stage 1	819	541
	5 247	4 428

15. Advances

	2026	2025
Notional value of advances	44 149 098	40 819 407
Gross value of advances	44 149 098	40 819 407
Geographical analysis (based on credit risk)		
Namibia	42 814 021	39 222 379
Category analysis		
Overdraft and cash management accounts	4 219 351	4 134 159
Card loans	582 872	562 363
Instalment sales	5 012 751	4 474 282
Lease payment receivables	180 243	154 002
Term loans	15 890 295	13 403 195
Property finance	16 840 706	16 618 830
Preference share agreements	1 220 280	1 192 198
Invoice finance	–	84 979
Other	202 600	195 399
Gross value of advance	44 149 098	40 819 407
Impairment of advances	(1 335 077)	(1 597 030)
Net advances	42 814 021	39 222 377
Gross advances – amortised cost	44 149 098	40 819 407
Impairment of advances – amortised cost	(1 335 077)	(1 597 030)
Net advances – amortised cost	42 814 021	39 222 377
Maturity analysis of lease payment receivables		
Within 1 year	126 888	100 839
Between 1 and 2 years	47 023	57 902
Between 2 and 3 years	31 161	12 867
Between 3 and 4 years	3 316	6 561
Between 4 and 5 years	1 485	2 146
More than 5 years	3	100
Total Gross Amount	209 876	180 415
Unearned finance charges	(29 633)	(26 413)
Net amount of lease payment receivables	180 243	154 002

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

15. Advances *continued*

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

2026

N$'000	Amortised cost	Loss allowance	Total
Advances per class			
Property finance	16 853 083	(283 505)	16 569 578
Vehicle asset finance	2 535 168	(44 404)	2 490 764
Total retail secured	19 388 251	(327 909)	19 060 342
Credit card	520 399	(71 350)	449 049
Personal loans	3 682 346	(305 798)	3 376 548
Other retail	672 290	(121 345)	550 945
Total retail unsecured	4 875 035	(498 493)	4 376 542
Total retail	24 263 286	(826 402)	23 436 884
FNB commercial	5 995 111	(314 271)	5 680 840
Commercial vehicle asset finance	2 860 426	(121 860)	2 738 566
Total FNB commercial	8 855 537	(436 131)	8 419 406
RMB corporate and investment banking	11 030 275	(72 544)	10 957 731
Total Corporate and Commercial	19 885 812	(508 675)	19 377 137
Total advances	44 149 098	(1 335 077)	42 814 021

2025

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

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

Notes to the consolidated annual financial statements *continued*

15. Advances *continued*

Reconciliation of the gross carrying amount of advances:

2026	Gross advances				Loss allowance			
N$'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Amortised cost	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030
Amount as at 1 July 2025	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030
Current year movement in the back book								
Transfer from stage 1 to stage 2	(971 830)	971 830	–	–	(11 538)	11 538	–	–
Transfer from stage 1 to stage 3	(179 582)	–	179 582	–	(3 379)	–	3 379	–
Transfer from stage 2 to stage 3	–	(201 673)	201 673	–	–	(27 045)	27 045	–
Transfer from stage 2 to stage 1	1 235 881	(1 235 881)	–	–	55 562	(55 562)	–	–
Transfer from stage 3 to stage 2	–	11 848	(11 848)	–	–	7 827	(7 827)	–
Transfer from stage 3 to stage 1	58 090	–	(58 090)	–	19 835	–	(19 835)	–
Opening balance of back book after transfer*	35 675 286	2 708 578	2 435 543	40 819 407	278 902	283 854	1 034 274	1 597 030
Current period provision created/(released)	3 530 804	542 226	(60 027)	4 013 003	(41 802)	(28 885)	492 046	421 359
Change in exposure of back book in the current period								
– Exposures with a change in measurement basis from 12 months to LECL	–	177 157	–	177 157	–	22 505	–	22 505
– Other current year impairment charge/(release)	(5 778 296)	(32 680)	(145 806)	(5 956 782)	(96 533)	(71 341)	418 494	250 600
Change in exposure due to new business in the current year	9 309 100	397 749	85 779	9 792 628	54 751	19 951	73 552	148 254
Bad debts written off**	–	–	(683 312)	(683 312)	–	–	(683 312)	(683 312)
Amount as at 30 June 2026	39 206 090	3 250 804	1 692 204	44 149 098	237 100	254 969	843 008	1 335 077
Amortised cost	39 206 090	3 250 804	1 692 204	44 149 098	237 100	254 969	843 008	1 335 077

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

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

** *Decrease in the advance as a result of write-off is equal to the decrease in ECL as exposures are 100% provided for before being written off. The total contractual amount outstanding on financial assets that were written off during the period and are still subject to enforcement activity is N$683.3 million (2025: N$761.7 million).*

15. Advances *continued*

2025	Gross advances				Loss allowance			
N$'000	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost	33 328 935	3 312 344	2 393 725	39 035 004	256 589	350 682	1 063 482	1 670 753
Fair value	381 713	–	–	381 713	963	–	–	963
Amount as at 1 July 2024	33 710 648	3 312 344	2 393 725	39 416 717	257 552	350 682	1 063 482	1 671 716
Movement in the back book								
Transfer from stage 1 to stage 2	(1 025 415)	1 025 415	–	–	(20 769)	20 769	–	–
Transfer from stage 1 to stage 3	(169 993)	–	169 993	–	(3 052)	–	3 052	–
Transfer from stage 2 to stage 3	–	(144 944)	144 944	–	–	(24 467)	24 467	–
Transfer from stage 2 to stage 1	1 220 793	(1 220 793)	–	–	44 114	(44 114)	–	–
Transfer from stage 3 to stage 1	–	–	–	–	–	–	–	–
Opening balance after transfer*	33 736 033	2 972 022	2 708 662	39 416 717	277 845	302 870	1 091 001	1 671 716
Current period provision created/(released)	1 796 694	190 432	177 244	2 164 370	(59 423)	44 226	702 191	686 994
Change in exposure of back book in the current year								
– Exposures with a change in measurement basis from 12 months to LECL	–	133 096	–	133 096	–	27 964	–	27 964
– Other current year charge/(release)	(1 999 689)	(152 566)	111 753	(2 040 502)	(97 572)	13 543	641 963	557 934
– Change in exposure due to new business in the current year	3 796 383	209 902	64 491	4 070 776	38 149	23 439	60 228	121 816
Bad debts written off**	–	–	(761 680)	(761 680)	–	–	(761 680)	(761 680)
Amount as at 30 June 2025	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030
Amortised cost	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030

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

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

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

Notes to the consolidated annual financial statements *continued*

15. Advances *continued*

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

2026	Gross advances				Loss allowance			
N$'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Retail	21 593 702	1 468 927	1 200 657	24 263 286	148 306	116 064	562 032	826 402
FNB commercial	7 208 837	1 155 153	491 547	8 855 537	55 699	99 456	280 976	436 131
RMB corporate and investment banking	10 403 551	626 724	–	11 030 275	33 095	39 449	–	72 544
Total	39 206 090	3 250 804	1 692 204	44 149 098	237 100	254 969	843 008	1 335 077
2025								
Retail	20 383 277	1 773 201	1 445 288	23 601 766	147 432	179 674	663 100	990 206
FNB commercial	7 331 680	1 036 710	678 938	9 047 328	53 178	128 769	368 412	550 359
RMB corporate and investment banking	7 817 770	352 543	–	8 170 313	17 812	38 653	–	56 465
Total	35 532 727	3 162 454	2 124 226	40 819 407	218 422	347 096	1 031 512	1 597 030

16. Impairment on advances

Analysis of the loss allowance closing balance

	2026				2025			
N$'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Amount as at 30 June								
Included in the total loss allowance	237 100	254 969	843 008	1 335 077	218 422	347 096	1 031 512	1 597 030
On and off balance sheet exposure*	233 460	254 969	843 008	1 331 437	215 118	347 096	1 031 512	1 593 726
Letters of credit and guarantees**	3 640	–	–	3 640	3 304	–	–	3 304
Components of total loss allowance								
– Forward looking information***	21 475	33 842	–	55 317	21 649	29 783	630	52 062
– Model update****	–	(4 430)	–	(4 430)	–	–	–	–
– Interest on stage 3 advances*****	–	–	276 611	276 611	–	–	356 245	356 245

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

** *These represent the total ECL closing balance related to letters of credit and guarantees granted to customers but undrawn at 30 June.*

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

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

***** *Cumulative balance as at 30 June.*

Breakdown of impairment charge recognised during the year

	2026		2025	
N$'000	**Amortised cost**	**Total**	Amortised cost	Total
Increase/(decrease) in loss allowance	421 359	421 359	686 994	686 994
Interest in suspense	(67 423)	(67 423)	(110 842)	(110 842)
Recoveries/release of bad debts	(105 096)	(105 096)	(48 720)	(48 720)
Impairment of advances recognised during the period	248 840	248 840	527 432	527 432

16. Impairment on advances *continued*

Reconciliation of the loss allowance on total advances per class

	Retail secured		Retail unsecured			Corporate and commercial			
N$'000	**Residential mortgages**	**Vehicle asset finance**	**Credit card**	**Personal loans**	**Other retail**	**FNB Commercial**	**Commercial vehicle asset finance**	**RMB Corporate and Investment banking**	**Total**
Amount as at 1 July 2025	420 157	53 108	54 265	351 451	111 225	416 970	133 389	56 465	1 597 030
– Stage 1	46 826	21 114	14 710	47 215	17 566	42 064	11 114	17 813	218 422
– Stage 2	83 649	5 575	9 392	32 024	49 035	91 090	37 679	38 652	347 096
– Stage 3	289 682	26 419	30 163	272 212	44 624	283 816	84 596	–	1 031 512
Bad debts written off	(218 360)	(13 293)	(6 711)	(169 583)	(40 214)	(197 688)	(37 463)	–	(683 312)
Current period provision created/(released)	81 708	4 589	23 796	123 930	50 334	94 989	25 934	16 079	421 359
– Stage 1	(1 232)	(5 617)	2 659	5 324	(259)	(5 622)	8 143	15 282	18 678
– Stage 2	(50 151)	(1 301)	(1 448)	(10 823)	112	(26 992)	(2 321)	797	(92 127)
– Stage 3	133 091	11 507	22 585	129 429	50 481	127 603	20 112	–	494 808
Amount as at 30 June 2026	283 505	44 404	71 350	305 798	121 345	314 271	121 860	72 544	1 335 077
– Stage 1	45 594	15 497	17 369	52 539	17 307	36 442	19 257	33 095	237 100
– Stage 2	33 498	4 274	7 944	21 201	49 147	64 098	35 358	39 449	254 969
– Stage 3	204 413	24 633	46 037	232 058	54 891	213 731	67 245	–	843 008

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

Notes to the consolidated annual financial statements *continued*

17. Other assets

N$'000	2026	2025
Items in transit	305 600	178 647
Prepayments	122 888	77 869
Property in possession	14 234	31 866
Other receivables	42 492	48 623
Loss allowance	(3 361)	(5 588)
	481 853	331 417

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

N$'000	2026	2025
Financial assets	344 731	221 682
Non-financial assets	137 122	109 735
	481 853	331 417

The group has not pledged any of its property in possession. An impairment loss of N$9.8 million (2025: N$1.3 million) was recognised on property in possession.

Information about the credit quality of the above balances is set out in the risk management note 36.

The carrying value of other assets approximates the fair value.

ECL for other receivables is N$3.4 million (2025: N$5.6 million).

18. Non-current asset held for sale

	2026	2025
Opening balance	55 040	53 000
Reversal of impairment	1 780	2 040
Transfer to property and equipment	(56 820)	–
Closing balance	–	55 040

During the year, management decided to discontinue the plan to sell the building previously classified as a non-current asset held for sale in terms of IFRS 5, to reintroduce the property for internal use. Accordingly, the asset no longer met the criteria for classification as held for sale and was reclassified to property and equipment. Upon reclassification, the building was measured at the lower of the carrying amount that would have been recognised had the asset not been classified as held for sale, adjusted for depreciation, and its recoverable amount at the date of the decision not to sell. The building is now presented under property and equipment, and depreciation resumed from the date of reclassification.

19. Investments in associates

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

			% Ownership interest	
	Country of incorporation	Method	2026	2025
Stimulus Investment Limited	Investment company (Windhoek)	Equity	37%	37%

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

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

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

19. Investments in associates *continued*

Summarised financial information of significant associates

2026

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss) from continuing operations	Total compre-hensive income
Stimulus Investment Limited	36 372	22 727	22 727

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Stimulus Investment Limited	819 622	72 508	796 991	22 649	72 490

Reconciliation of movement in investments in associates	Investment at beginning of 2026	Share of profit	Investment at end of 2026
Stimulus Investment Limited	18 409	8 410	26 819

2025

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

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

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

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

Notes to the consolidated annual financial statements *continued*

20. Property and equipment

N$'000	2026 Cost or revaluation	2026 Accumulated depreciation	2026 Carrying value	2025 Cost or revaluation	2025 Accumulated depreciation	2025 Carrying value
Buildings	778 694	(105 711)	672 983	657 131	(74 459)	582 672
Leasehold improvements	85 415	(49 811)	35 604	81 399	(45 585)	35 814
Furniture and fixtures	236 330	(191 988)	44 342	219 729	(177 706)	42 023
Motor vehicles	8 805	(4 821)	3 984	9 831	(4 481)	5 350
Office equipment	109 253	(95 022)	14 231	102 043	(93 615)	8 428
IT equipment	560 197	(368 622)	191 575	494 833	(325 551)	169 282
Right-of-use asset property	92 076	(45 804)	46 272	84 154	(44 665)	39 489
Total	1 870 770	(861 779)	1 008 991	1 649 120	(766 062)	883 058

Reconciliation of property and equipment – 2026

N$'000	Opening balance	Additions	Disposals	Transfers*	Depreciation	Total
Buildings	582 672	48 657	(34)	55 275	(13 587)	672 983
Leasehold improvements	35 814	2 509	–	1 509	(4 228)	35 604
Furniture and fixtures	42 023	17 422	(10)	–	(15 093)	44 342
Motor vehicles	5 350	578	(543)	–	(1 401)	3 984
Office equipment	8 428	9 059	(1)	(26)	(3 229)	14 231
IT equipment	169 282	92 096	(261)	62	(69 604)	191 575
Right of use asset property	39 489	30 950	–	–	(24 167)	46 272
	883 058	201 271	(849)	56 820	(131 309)	1 008 991

Reconciliation of property and equipment – 2025

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

* *During the year, management decided to discontinue the plan to sell the building previously classified as a non-current asset held for sale in terms of IFRS 5, to reintroduce the property for internal use. Accordingly, the asset no longer met the criteria for classification as held for sale and was reclassified to property and equipment. Upon reclassification, the building was measured at the lower of the carrying amount that would have been recognised had the asset not been classified as held for sale, adjusted for depreciation, and its recoverable amount at the date of the decision not to sell. The building is now presented under property and equipment, and depreciation resumed from the date of reclassification. The transfers column includes minor reclassifications between property and equipment categories during the year.*

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

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

21. Intangible assets

N$'000	2026 Cost/ Valuation	2026 Accumulated amortisation	2026 Carrying value	2025 Cost/ Valuation	2025 Accumulated amortisation	2025 Carrying value
Trademarks	181 375	(174 024)	7 351	181 375	(164 225)	17 150
Software	90 701	(82 530)	8 171	84 294	(77 046)	7 248
Customer related intangibles	40 145	(36 130)	4 015	40 145	(32 116)	8 029
Total	312 221	(292 684)	19 537	305 814	(273 387)	32 427

Reconciliation of intangible assets – 2026

N$'000	Opening balance	Additions	Amortisation	Total
Trademarks	17 150	–	(9 799)	7 351
Software	7 248	6 407	(5 484)	8 171
Customer related intangibles	8 029	–	(4 014)	4 015
	32 427	6 407	(19 297)	19 537

Reconciliation of intangible assets – 2025

Trademarks	26 950	–	(9 800)	17 150
Software	11 615	3 721	(8 088)	7 248
Customer related intangibles	12 044	–	(4 015)	8 029
	50 609	3 721	(21 903)	32 427

22. Deferred tax

N$'000	2026	2025
Deferred tax liability		
Opening balance	(233 968)	(304 143)
– Recognised in profit or loss	17 396	69 684
– Deferred tax on amounts charged directly to other comprehensive income	1 887	758
– Other	–	6 733
Total deferred tax liability	(214 685)	(233 968)
Deferred tax asset		
Opening balance	26 816	22 864
– Recognised in profit or loss	1 863	2 475
– Other	–	1 477
Total deferred tax asset	28 679	26 816
Total net deferred tax liability	(186 006)	(207 152)

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

The group has not recognised a deferred tax asset amounting to N$53.8 million (2025: N$36 million) relating to tax losses. Entities within the group would not be able to utilise the limited carried forward tax losses due to winding down of the loan book.

The carrying amount of deferred tax assets is reviewed at each reporting date and is supported by future cash flow forecasts.

Assessed losses accumulated before 1 January 2024 may be set-off only until 31 December 2028 (5 consecutive years). The assessed loss rules comprise both a carrying-forward limitation of five years and an annual utilisation limitation (greater of N$1 million or 80% of taxable income).

Notes to the consolidated annual financial statements *continued*

22. Deferred tax *continued*

N$'000	2026	2025
Reconciliation of deferred tax asset/(liability)		
Accruals	(138 134)	(189 426)
Deferred staff costs	54 901	45 876
Instalment credit agreements	(112 924)	(114 823)
Post-employment benefit liabilities	16 040	14 226
Property and equipment	(114 182)	(102 327)
Provision for loan impairment	110 604	131 273
Other	(30 990)	(18 767)
	(214 685)	(233 968)
Deferred income tax assets		
Property and equipment	(20)	(20)
Other	28 699	26 836
Total net deferred income tax assets	28 679	26 816
Charge through profit and loss	(19 024)	(65 159)
Deferred income tax on other comprehensive income	(1 887)	(758)
	(20 911)	(65 917)

Other deferred income tax assets includes amortisation of the trademark.

23. Short trading position

Government and government guaranteed stock	32 199	16 682

24. Creditors and accruals

Items in transit	826 576	485 601
Audit fees	17 643	16 503
Accrued expenses	30 892	37 773
Accounts payable and accrued liabilities	493 331	422 422
	1 368 442	962 299

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

All amounts are expected to be settled within and beyond twelve months.

The carrying value of creditors and accruals approximates fair value.

25. Deposits and current account

N$'000	2026	2025
25.1 Deposits from customers		
Current accounts	19 138 075	17 778 739
Call deposits	13 697 622	11 807 455
Savings accounts	1 212 310	1 010 871
Fixed and notice deposits	13 321 605	10 348 001
Debt securities		
Negotiable certificates of deposit	4 148 040	4 046 032
Fixed and floating rate notes	612 959	613 000
Total deposits	52 130 611	45 604 098
25.2 Due to banks and other financial institutions		
To banks and other financial institutions	281 844	254 954

26. Employee liabilities

Post-employment benefit liabilities	54 108	46 421
Liability for short-term employee liabilities	289 949	265 732
	344 057	312 153

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

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

A severance pay provision is carried in terms of the Labour Act of 2007 and relates to when employment services are terminated by dismissal under certain circumstances or if employees die while employed.

The medical plan is regulated by Namfisa. The medical fund is governed by a board of trustees independent of the group. An external auditor performs an audit of the fund on an annual basis.

The employer contributed N$3.6 million (2025: N$3.6 million) to the post-retirement medical benefit.

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

The independent actuarial valuations are done on an annual basis.

	2026			2025		
N$'000	Medical	Severance	Total	Medical	Severance	Total
Present value of unfunded liabilities	43 243	10 865	54 108	37 269	9 152	46 421

Notes to the consolidated annual financial statements *continued*

26. Employee liabilities *continued*

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

	2026			2025		
N$'000	**Medical**	**Severance**	**Total**	Medical	Severance	Total
Current service cost	205	706	911	189	643	832
Interest cost	3 814	923	4 737	4 046	925	4 971
Included in staff cost	4 019	1 629	5 648	4 235	1 568	5 803
Remeasurements recognised in other comprehensive income						
Actuarial loss recognised	5 531	861	6 392	1 295	1 151	2 446
– Actuarial gains from changes in demographic	1 976	77	2 053	2 015	(75)	1 940
– Actuarial (gains)/loss from financial assumptions	3 555	784	4 339	(457)	599	142
– Other remeasurements	–	–	–	(263)	627	364
Total included in staff costs	9 550	2 490	12 040	5 530	2 719	8 249

Movement in post-employment liabilities

	2026			2025		
N$'000	**Medical**	**Severance**	**Total**	Medical	Severance	Total
Present value at beginning of the year	37 269	9 152	46 421	35 026	8 273	43 299
Current service cost	205	706	911	189	643	832
Interest cost	3 814	923	4 737	4 046	925	4 971
Benefits paid	(3 576)	(777)	(4 353)	(3 287)	(1 840)	(5 127)
Actuarial (gains)/loss recognised	5 531	861	6 392	1 295	1 151	2 446
Present value at end of the year	43 243	10 865	54 108	37 269	9 152	46 421

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

N$'000	**2026**	2025
Effect of 1% change in the medical aid inflation assumption is as follows:		
1% increase – effect in current service and interest cost	4 293	4 399
1% decrease – effect in current service and interest cost	3 597	3 689
Effect of 1% change in the normal salary inflation assumptions is as follows:		
1% increase – effect in current service and interest cost	1 976	1 776
1% decrease – effect in current service and interest cost	1 656	1 499
Effect of 1% change in the discount rate assumptions is as follows:*		
1% increase – effect in current service and interest cost	5 749	5 620
1% decrease – effect in current service and interest cost	5 691	5 672

* *In the current year, additional disclosure has been included for discount rate sensitivity to enhance the presentation of the sensitivity analysis. The comparative figures have been included above.*

	2026		2025	
The principal actuarial assumptions used for accounting purposes were:	**Medical**	**Severance**	Medical	Severance
Discount rate (%)	9.02%	8.94%	10.71%	10.39%
Medical aid inflation (%)	5.63%	–	6.15%	–
Salary inflation (%)	–	5.55%	–	5.95%
Employees covered	85	2 342	88	2 216

27. Other liabilities

N$'000	**2026**	2025
Lease liabilities	49 720	42 799
Other funding liabilities	31 495	63 013
Total other liabilities	81 215	105 812
Other liabilities reconciliation		
Opening balance	105 812	128 565
Cash flow movements	(62 722)	(63 806)
– Principal payments towards other liabilities	(31 286)	(31 286)
– Principal payments towards lease liabilities	(23 706)	(22 150)
– Interest paid on other liabilities	(4 241)	(7 286)
– Interest paid on lease liabilities	(3 489)	(3 084)
Non-cash flow movements	38 124	41 053
– New leases issued during the year	29 116	17 419
– Modification of lease/Early termination of lease	1 510	13 552
– Interest accrued	7 499	10 082
Total other liabilities	81 215	105 812

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

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

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

28. Insurance liabilities and reinsurance assets

N$'000	Note(s)	**2026**	2025
Insurance liabilities	28.1	(76 799)	(66 954)
Reinsurance assets	28.2	13 851	7 891

All contracts issued are personal lines.

Notes to the consolidated annual financial statements *continued*

28. Insurance liabilities and reinsurance assets *continued*

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

2026

N$'000	Total	LRC excluding loss component	LRC loss component	LIC for contracts under PAA present value of future cash flows	LIC for contracts under PAA risk adjustment
Net opening balance					
– Insurance contract liabilities	66 954	24 505	105	39 964	2 380
Insurance revenue	(198 219)	(198 219)	–	–	–
Insurance service expenses	198 616	–	110	197 683	823
– Incurred claims and other directly attributable expenses	199 855	–	–	199 070	785
– Changes that relate to past service – changes in the FCF relating to the LIC	(1 210)	–	–	(1 248)	38
– Losses on onerous contracts and reversal of those losses	(29)	–	110	(139)	–
Insurance service result	397	(198 219)	110	197 683	823
Insurance finance income (expense) from insurance contracts issued	1 124	–	–	1 053	71
Cash flows	47 165	194 870	–	(147 705)	–
– Premiums received	194 870	194 870	–	–	–
– Claims paid	(147 705)	–	–	(147 705)	–
Transfer to working capital/other balance sheet accounts	(38 841)	–	–	(38 841)	–
Net closing balance as at 30 June	76 799	21 156	215	52 154	3 274
– Insurance contract liabilities	76 799	21 156	215	52 154	3 274
Insurance contract liabilities under unmatured policies comprise the following:					
Motor	31 340	4 551	81	25 702	1 006
Property	45 459	16 605	134	26 452	2 267
Insurance contract liabilities	76 799	21 156	215	52 154	3 274

28. Insurance liabilities and reinsurance assets *continued*

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

2025

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

All contracts issued are personal lines.

Notes to the consolidated annual financial statements *continued*

28. Insurance liabilities and reinsurance assets *continued*

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

2026

N$'000	Total	Remaining coverage for contracts under PAA excluding loss recovery component	Remaining coverage – loss component	Incurred claims for contracts under PAA present value of future cash flows	Incurred claims for contracts under PAA risk adjustment
Opening balance	7 891	(12 714)	13	20 119	473
– Reinsurance contract assets	7 891	(12 714)	13	20 119	473
Net income (expenses) from reinsurance contracts held	3 886	(25 056)	118	29 009	(185)
– Reinsurance expenses	(25 056)	(25 056)	–	–	–
– Incurred claims recovery	26 636	–	(355)	26 884	107
– Changes that relate to past service – changes in the FCF relating to incurred claims recovery	1 833	–	–	2 125	(292)
– Income on initial recognition of onerous underlying contracts	473	–	473	–	–
Finance income (expenses) from reinsurance contracts held	287	–	–	280	7
– Total changes in the statement of profit or loss	4 173	(25 056)	118	29 289	(178)
Cash flows	1 787	32 845	–	(31 058)	–
– Premiums paid net of ceding commissions	32 845	32 845	–	–	–
– Recoveries from reinsurance	(31 058)	–	–	(31 058)	–
Closing balance as at 30 June	13 851	(4 925)	131	18 350	295
– Reinsurance contract assets	13 851	(4 925)	131	18 350	295

2025

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

29. Tier 2 liabilities

Subordinated debt instruments	Interest rate	Final maturity date	2026	2025
FNB34 (T2) floating rate notes (N$'000)	Three-month JIBAR + 1.95%	3 December 2034	500 000	500 000
Accrued interest (N$'000)			3 426	3 558

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

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

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

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

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

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

N$'000	2026	2025
Tier 2 liabilities reconciliation		
Opening balance	503 558	–
Non-cash flow movements		
– Interest accrued	44 320	27 421
Cash flow movements		
– Interest paid	(44 452)	(23 863)
– Proceeds from the issue of Tier 2 liabilities	–	500 000
Closing balance	503 426	503 558

30. Share capital

	2026	2025
Authorised		
990 000 000 (2025: 990 000 000) ordinary shares of par value of N$0.005 per share	4 950	4 950
10 000 000 (2025: 10 000 000) cumulative convertible redeemable preference shares with a par value of N$0.005 per share	50	50
	5 000	5 000
Issued		
267 593 250 (2025: 267 593 250) ordinary shares with a par value of N$0.005 per share	1 335	1 335
Share premium	278 023	278 023
	279 358	279 358

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

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

Notes to the consolidated annual financial statements *continued*

31. Remuneration schemes

N$'000	2026	2025
The charge to profit or loss for share-based payments is as follows:		
Conditional and deferred incentive plan	33 021	26 927
Amount included in profit or loss	33 021	26 927

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

No liability is recognised for the CIP scheme, as the liability is prepaid. Included in prepayments in note 17 is an amount of N$59.7 million (2025: N$53.3 million) relating to the group's share-based payment scheme. The prepayment fund is managed by RMB Morgan Stanley. Share based payments allocated to employees are accumulated in advance through the fund. The vesting of these scheme are subject to the vesting condition set out below.

Description of the scheme and vesting conditions:

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

Corporate performance targets:

All CIP awards are subject to performance conditions. The FirstRand remuneration committee sets the CPTs for each award based on expected macroeconomic conditions, group earnings and returns forecasts over the performance period. These criteria vary from year to year, depending on the expectations for each of the aforementioned variables. For vesting to occur, the criteria must be met or exceeded. If the performance conditions are not met, the award fails. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a maximum (super stretch) target, with linear grading correlated to normalised earnings per share growth between target levels. The vesting outcome is based on the delivery of the performance conditions and this level is finally determined and calculated by the group remuneration committee. The remuneration committee is permitted to adjust the final outcome of the graded vesting level downwards for pre-determined issues.

31. Remuneration schemes *continued*

Currently open

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

	Conditional and deferred incentive plans (FirstRand shares)	
	2026	2025
Award life (years)	2 – 3	2 – 3
Risk-free rate (%)	7.05 – 7.84	7.35 – 7.68

	Conditional and deferred incentive plans (FirstRand shares)	
	2026	2025
Share awards outstanding		
Number of awards in force at the beginning of the year (millions)	1.203	1.695
Number of awards granted during the year (millions)	0.207	0.144
Number of awards purchased with respect to the share ownership award plans (millions)	0.263	–
Number of awards transferred (within the group) during the year (millions)	0.056	–
Number of awards exercised/released during the year (millions)	(0.579)	(0.520)
– Market value range at date of exercise/release (cents)*	8 106 – 8 106	8 415 – 8 415
– Weighted average (cents)	8 106	8 415
Number of awards forfeited during the year (millions)	(0.090)	(0.116)
Number of awards in force at the end of the year (millions)	1.060	1.203

	Conditional and deferred incentive plans (FirstRand shares)*			
	2026		2025	
Awards outstanding**	Weighted average Remaining life (years)	Outstanding awards (millions)	Weighted average Remaining life (years)	Outstanding awards (millions)
Vesting during 2025	–	–	0.32	0.531
Vesting during 2026	0.32	0.561	1.32	0.564
Vesting during 2027	1.32	0.338	2.32	0.108
Vesting during 2028	2.32	0.161	–	–
Total conditional awards	–	1.060	–	1.203
Number of participants	–	109		98

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

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

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

Page 90 of the separate integrated annual report.

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

	Share Award Plan	
N$ million	2026	2025
Award value outstanding		
Value of awards in force at the beginning of the year	35.619	–
Value of awards granted during the year	42.015	37.844
Value of awards transferred (within the group) during the year	0.038	–
Value of awards forfeited during the year	(7.028)	(2.225)
Value of awards that were transferred to awards outstanding	(21.238)	–
Value of award in force at the end of the year	49.406	35.619

Notes to the consolidated annual financial statements *continued*

32. Structured entities

Consolidated structured entities

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

Interest in unconsolidated structured entities

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

Fund management

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

N$'000	2026	2025
Investments and other securities		
Unit trust investments	641 242	447 513
Maximum exposure to loss	641 242	447 513
Assets under management		
– Traditional products	18 551 639	16 845 351
– Alternative products	3 008 580	2 842 126
	21 560 219	19 687 477

Traditional products comprise investments in conventional asset classes, including listed equities, bonds, cash, collective investment schemes and discretionary portfolios. Alternative products comprise investments in alternative asset classes and investment structures, including private equity, credit funds, alternative investment funds, structured products and linked notes.

33. Related parties

Details of subsidiaries	Nature of business	Date of acquisition	Country of incorporation	Number of shares	Effective holding % 2026	Effective holding % 2025
Banking operations:						
First National Bank of Namibia Limited	Commercial bank	7 May 2003	Namibia	1 200 of N$1 each	100	100
Swabou Investments (Proprietary) Limited	Home loan investment company	30 April 2004	Namibia	2 of N$0.05 each	100	100
Insurance operations:						
FNB Short Term Insurance Company Limited	Short-term insurance	31 August 2007	Namibia	4 005 001 of N$1 each	100	100
Capital markets:						
Ashburton Investment Managers (Proprietary) Limited	Unit trust management company	31 March 2017	Namibia	100 of N$1 each	100	100
Ashburton Property Unit Trust Management Company Limited	Unit trust management company	31 March 2017	Namibia	2 000 000 of N$1 each	100	100
Ashburton Unit Trust Management Company Limited	Unit trust management company	1 July 2006	Namibia	4 000 000 of N$1 each	100	100
Pointbreak Unit Trust Management Company (Proprietary) Limited	Unit trust management company	31 March 2017	Namibia	2 000 000 of N$1 each	100	100
Other:						
Talas Properties (Windhoek) (Proprietary) Limited	Property company	7 May 2003	Namibia	100 of N$1 each	100	100
FNB Insurance Brokers (Namibia) (Proprietary) Limited	Insurance broker	30 April 2009	Namibia	100 of N$1 each	100	100
RMB Investments (Proprietary) Ltd	Investment advisory services	14 November 2012	Namibia	100 of N$1 each	100	100
FNB Fiduciary (Namibia) (Proprietary) Limited	Estate and trust services	28 January 1997	Namibia	200 of N$1 each	100	100
FNB Nominees (Namibia) (Proprietary) Limited	To hold script and security items on behalf of clients	1 March 2006	Namibia	100 of N$1 each	100	100
FNB Life Agency Operations and Management Company (Proprietary) Limited (Formerly: Ashburton Investments Namibia Holdings (Proprietary) Limited)	Life insurance agency, operations and management company	28 September 2016	Namibia	100 of N$1 each	100	100
Pointbreak Trusts and Estates	Administration of deceased estates	31 March 2017	Namibia	8 500 of N$2 each	100	100
Pointbreak Wealth Management (Proprietary) Limited	Wealth management, Investment advisory activities	31 March 2017	Namibia	4 200 of N$0.25 each	100	100
FNB Easy Loans Limited	Financial services	31 March 2017	Namibia	1 624 183 of N$1 each	100	100
Keller & Neuhaus Estate Agents (Pty) Ltd	Estate agent	31 March 2017	Namibia	1 000 of N$1 each	100	100
Namibia Executors and Trustees (Pty) Ltd	Administration of deceased estates	31 March 2017	Namibia	1 000 of N$1 each	100	100
Akalako Investments (Pty) Ltd (Formerly: Ashburton Fund Managers Namibia (Proprietary) Limited)	Fund management	31 March 2017	Namibia	100 of N$1 each 2 499 of N$100 each	100	100

Notes to the consolidated annual financial statements *continued*

33. Related parties *continued*

FirstRand Namibia Limited is listed on the Namibian Securities Exchange and is 58.4% (2025: 58.4%) owned by FirstRand EMA Holdings (Proprietary) Limited, with its ultimate holding company FirstRand Limited, which is incorporated in South Africa, listed on the JSE Limited and on the NSX. Refer to section 2.2 of the accounting policies.

N$'000	2026	2025
Related party balances		
Deposits		
FirstRand SA group companies	118 415	55 954
Key management personnel	8 175	7 681
Derivative liabilities		
FirstRand SA group companies	19 600	833 942
Other liabilities		
FirstRand SA group companies	5 355	865
Advances		
FirstRand group companies*	38 497	1 033 274
Key management personnel	27 737	30 705
Balance due from banks and other financial institutions		
FirstRand SA group companies	2 251 053	–
Derivative Assets		
FirstRand SA group companies	30 116	108 259
Other assets		
FirstRand SA group companies	4 361	13 041
Related party transactions		
Interest received from related parties		
FirstRand SA group companies	(112 791)	(374 518)
Interest paid to related parties		
FirstRand SA group companies	392	268 586
Non-interest expenditure (Information technology, platform and other support services)		
FirstRand SA group companies	645 149	580 439
Compensation to directors		
Directors fees	20 346	21 795
Key management compensation (group exco)		
Cash package	33 785	32 946
Retirement contributions	5 050	5 060
Performance related benefits	33 425	35 999

* *The description 'FirstRand SA group companies' has been updated to 'FirstRand group companies' to provide a more accurate representation of the underlying balance.*

Transactions with related parties occur in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those for comparable transactions with other external parties. These transactions do not involve more than the normal risk of collectability or present other unfavourable features.

The advances granted to key management personnel consist of mortgages, instalment finance agreements, credit cards and other loans. The amounts deposited by key management personnel are held in cheque and current accounts, savings accounts and other term accounts. Market-related rates and terms and conditions apply to transactions with related parties, including key management personnel.

34. Fair value measurements

34.1 Valuation methodology

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

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

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

Non-recurring fair value measurements

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

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

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

34.2 Fair value hierarchy and measurements

Measurement of assets and liabilities at level 2 and level 3

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

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs Level 2	Unobservable inputs of Level 3
Investment banking book	Discounted cash flows	Certain of the group's investment banking advances do not meet the requirements to be carried at amortised cost and are measured at fair value through profit or loss. Credit risk is not observable and could have a significant impact on the fair value measurement of these advances. As such, these advances are classified as level 3 on the fair value hierarchy. Future cash flows are discounted using a market related interest rate, adjusted for credit inputs.	Market interest rates and curves	Credit inputs

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

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

* *In the prior year, the valuation technique for certain unlisted equity investments was described as a P/E-based approach. The disclosure has been updated in the current year to reflect the net asset value methodology applied. This change has no impact on the valuation or amounts previously reported.*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

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

Fair value hierarchy and measurements

The group has elected to designate certain investment banking book advances at fair value through profit or loss. The designation is on a deal basis. Credit risk is not observable and has significant impact on the fair value measurement of these advances and as such these advances are classified as Level 3 on the fair value hierarchy. There were no advances designated at fair value through profit or loss during the current or prior year.

Non-recurring fair value measurements

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

Refer to page 87 for the effect of changes in significant unobservable assumptions of level 3 financial instruments to reasonably possible alternatives.

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

2026

N$'000	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Recurring fair value measurements				
Investment securities	–	882 150	28 141	910 291
Derivative financial instruments	–	50 227	–	50 227
Total fair value assets	–	932 377	28 141	960 518
Liabilities				
Recurring fair value measurement				
Short Trading position*	–	32 199	–	32 199
Derivative financial instruments	–	59 558	–	59 558
Total fair value liabilities	–	91 757	–	91 757

2025

Assets				
Recurring fair value measurements				
Investment securities	–	1 196 068	33 794	1 229 862
Derivative financial instruments	–	943 324	–	943 324
Non-recurring fair value measurements				
Non-current asset held for sale	–	55 040	–	55 040
Total fair value assets	–	2 194 432	33 794	2 228 226
Liabilities				
Recurring fair value measurement				
Short Trading position*	–	16 682	–	16 682
Derivative financial instruments	–	984 517	–	984 517
Total fair value liabilities	–	1 001 199	–	1 001 199

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

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

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

(i) the value given by application of a valuation model, based upon the group's best estimate of the most appropriate model inputs;

(ii) any fair value adjustments to account for market features not included within the valuation model (for example, bid mid spreads, counterparty credit spreads and/or market data uncertainty); and

(iii) day one profit or loss, or an unamortised element thereof, not recognised immediately in the income statement in accordance with the group's accounting policy, and separately detailed within the derivative note above.

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

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

Changes in level 3 instruments with recurring fair value measurements

2026

N$'000	Fair value at June 2025	Gains/(losses) recognised in profit or loss	Gains/(losses) recognised in other comprehensive income	Purchases/ (sales)/issues/ (settlements)	Fair value at June 2026
Investment securities	33 794	2 189	(9 576)	1 734	28 141
Total financial assets at fair value	33 794	2 189	(9 576)	1 734	28 141

2025

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

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

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

Notes to the consolidated annual financial statements *continued*

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

N$'000	2026 Gains/(losses) recognised in profit or loss	2026 Gains/(losses) recognised in other comprehensive income	2025 Gains/(losses) recognised in profit or loss	2025 Gains/(losses) recognised in other comprehensive income
Advances	–	–	190	–
Investment securities	2 189	(9 576)	827	–
Total financial asset	2 189	(9 576)	1 017	–

Financial instruments not measured at fair value

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

N$'000	2026 Carrying value	2026 Fair value hierarchy level 2	2026 Fair value hierarchy level 3	2025 Carrying value	2025 Fair value hierarchy level 2	2025 Fair value hierarchy level 3
Advances	42 814 021	–	43 184 989	39 222 377	–	39 942 438
Total investment securities at amortised cost	12 342 446	12 511 506	–	8 249 420	8 405 882	–
	55 156 467	12 511 506	43 184 989	47 471 797	8 405 882	39 942 438
Total deposits at amortised cost	52 130 611	52 078 870	–	45 604 098	45 693 381	–
Tier 2 liabilities	503 426	501 665	–	503 558	501 889	–
Other liabilities	81 215	81 064	–	105 812	105 729	–
	52 715 252	52 661 599	–	46 213 468	46 300 999	–

Financial assets designated at fair value through profit or loss

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

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

N$'000	2026 Change in fair value due to credit risk: Fair value	Current period	Cumulative	2025 Change in fair value due to credit risk: Fair value	Current period	Cumulative
Investment securities	910 291	–	–	1 229 861	–	–
Total	910 291	–	–	1 229 861	–	–

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

34. Fair value measurements *continued*

34.2 Fair value hierarchy and measurements *continued*

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

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

Asset/liability	Significant unobservable inputs	Unobservable input to which reasonably possible changes are applied	Quantitative information for significant unobservable input
Investment securities*	Growth rates or net asset value	Growth rates or net asset value	The reported net asset value and net asset value adjusted for the contractual return sharing arrangements represents fair value at the end of the reporting period. For the preference share subscription, growth in the net profit attributable to the embedded business directly affect the dividends determined for distribution.

* *In the prior year, the valuation technique for certain unlisted equity investments was described as a P/E-based approach. The disclosure has been updated in the current year to reflect the net asset value methodology applied. This change has no impact on the valuation or amounts previously reported.*

Fair value measurements

N$'000	2026 Reasonably possible alternative fair value: Fair value	Using more positive assumptions	Using more negative assumptions	2025 Reasonably possible alternative fair value: Fair value	Using more positive assumptions	Using more negative assumptions
Investment securities	28 141	30 955	25 327	33 793	37 172	30 414
Total financial assets measured at fair value in level 3	28 141	30 955	25 327	33 793	37 172	30 414

35. Contingent liabilities and capital commitments

N$'000	2026	2025
Contingencies		
Guarantees	1 568 622	1 604 163
Letters of credit	24 510	57 094
Total contingencies	1 593 132	1 661 257
Irrevocable unutilised facilities	3 273 282	2 506 109
Committed capital expenditure	32 052	60 977
Total contingencies and commitments	4 898 466	4 228 343

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

Legal proceedings

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

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

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

Notes to the consolidated annual financial statements *continued*

36. Risk management

Overview of financial and insurance risks

The risk report of the group appears on page 50 of the separate annual integrated report. The report describes the various risks the group is exposed to, as well as the methodology and instruments to mitigate these risks. The report includes the disclosures required by IFRS 7 related to the management of credit markets, liquidity and interest rate risks. Capital management is dealt with in the Capital Management report. Risk control policies and exposures limits for key risk areas of the group are approved by the board, while operational policies and control procedures are approved by the relevant risk committees. For all on balance sheet exposures, the carrying amount recognised in the statement of financial position represents the maximum exposure to credit risk, before taking into account collateral and other credit.

Categories of financial instruments

Credit risk

Objective

Credit risk management objectives are two-fold:

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

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

Assessment and management

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

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

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

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

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

Mapping of FR grades to rating agency scales

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

36. Risk management *continued*

Categories of financial instruments *continued*

Credit assets

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

N$'000	2026	2025
Total exposure (items where credit risk exposure exist)		
Cash and cash equivalents		
Balances with other banks	7 215	10 576
Balances with central bank	1 750 130	2 486 115
Cash and cash equivalents	1 757 345	2 496 691
Due from banks and other financial institutions	3 033 374	2 194 326
Advances		
Residential mortgages	16 569 578	16 213 548
Vehicle asset finance	2 490 764	2 115 298
Credit card	449 049	486 568
Personal loans	3 376 548	3 284 048
Other retail	550 945	512 098
FNB Commercial	5 680 840	5 975 079
FNB Commercial vehicle finance	2 738 566	2 521 890
RMB Corporate and Investment banking	10 957 731	8 113 848
Total advances	42 814 021	39 222 377
Derivative financial instruments	50 227	943 324
Listed investment securities	8 610 081	6 211 145
Unlisted investment securities	4 642 657	3 268 136
Total debt investment securities	13 252 738	9 479 281
Accounts receivable	344 731	221 683
Guarantees	1 568 622	1 604 163
Letters of credit	24 510	57 094
Irrevocable commitments	3 273 282	2 506 109
Total	66 118 842	58 725 048

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Categories of financial instruments *continued*

Credit assets *continued*

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

2026

N$'000	Carrying amount	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral	Net exposure to credit risk	Unsecured	Secured
Total exposure (items where credit exposure exists)							
Cash and cash equivalents							
Balances with other banks	7 215	–	7 215	–	7 215	7 215	–
Balances with central bank	1 750 130	–	1 750 130	–	1 750 130	1 750 130	–
Total cash and cash equivalents	1 757 345	–	1 757 345	–	1 757 345	1 757 345	–
Due from banks and other financial institutions	3 033 374	–	3 033 374	–	3 033 374	3 033 374	–
Advances							
Residential mortgages	16 853 083	(283 505)	16 569 578	–	16 569 578	–	16 569 578
Vehicle and asset finance	2 535 168	(44 404)	2 490 764	–	2 490 764	–	2 490 764
Credit card	520 399	(71 350)	449 049	–	449 049	449 049	–
Personal loans	3 682 346	(305 798)	3 376 548	–	3 376 548	3 376 548	–
Other retail	672 290	(121 345)	550 945	696	550 249	550 249	–
FNB Commercial	5 995 111	(314 271)	5 680 840	47 340	5 633 500	3 946 688	1 686 812
Commercial vehicle finance	2 860 426	(121 860)	2 738 566	–	2 738 566	–	2 738 566
RMB Corporate and Investment banking	11 030 275	(72 544)	10 957 731	459 807	10 497 924	3 392 378	7 105 546
Total advances	44 149 098	(1 335 077)	42 814 021	507 843	42 306 178	11 714 912	30 591 266
Investment securities	13 257 985	(5 247)	13 252 738	–	13 252 738	13 252 738	–
Derivatives	50 227	–	50 227	–	50 227	50 227	–
Guarantees	1 568 622	–	1 568 622	138 437	1 430 185	1 039 441	390 744
Letters of credit	24 510	–	24 510	–	24 510	24 510	–
Irrevocable commitments	3 273 282	–	3 273 282	–	3 273 282	3 273 282	–

36. Risk management *continued*

Categories of financial instruments *continued*

Credit assets *continued*

2025

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

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Quality of credit assets

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

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

2026

	FR 1 – 25		FR 26 – 90		FR 91 – 100	
N$'000	**On balance sheet**	**Off balance sheet**	**On balance sheet**	**Off balance sheet**	**On balance sheet**	**Off balance sheet**
FNB Retail						
Stage 1	–	–	21 593 702	1 894 685	–	–
Stage 2	–	–	518 623	–	950 304	–
Stage 3	–	–	5 385	–	1 195 272	–
Total retail	–	–	22 117 710	1 894 685	2 145 576	–
FNB commercial						
Stage 1	–	–	7 208 837	1 422 700	–	–
Stage 2	–	–	953 222	–	201 931	–
Stage 3	–	–	–	–	491 547	–
Total commercial	–	–	8 162 059	1 422 700	693 478	–
RMB Corporate banking						
Stage 1	617 505	87 559	572 235	520 775	55	7 016
Stage 2	48	–	401 615	12 887	21	–
Stage 3	–	–	–	–	–	–
Total RMB Corporate banking	617 553	87 559	973 850	533 662	76	7 016
RMB investment banking						
Stage 1	111 119	74 775	9 102 637	840 863	–	–
Stage 2	–	–	225 040	5 154	–	–
Total RMB investment banking	111 119	74 775	9 327 677	846 017	–	–

36. Risk management *continued*

Quality of credit assets *continued*

2025

	FR 1 – 25		FR 26 – 90		FR 91 – 100	
N$'000	On balance sheet	Off balance sheet	On balance sheet*	Off balance sheet	On balance sheet*	Off balance sheet
FNB Retail						
Stage 1*	–	–	20 383 278	1 892 622	–	–
Stage 2	–	–	873 575	–	899 625	–
Stage 3	–	–	11 679	–	1 433 610	–
Total retail	–	–	21 268 532	1 892 622	2 333 235	–
FNB commercial						
Stage 1*	–	–	7 331 680	1 152 658	–	–
Stage 2	–	–	452 292	–	584 418	–
Stage 3	–	–	–	–	678 938	–
Total FNB commercial	–	–	7 783 972	1 152 658	1 263 356	–
RMB Corporate banking						
Stage 1	387 799	152 251	945 122	589 854	59	15 941
Stage 2	26	1 269	249 297	12 687	35	4 318
Stage 3	–	–	–	–	–	–
Total RMB Corporate banking	387 825	153 520	1 194 419	602 541	94	20 259
RMB investment banking						
Stage 1	269 092	84 623	6 215 698	255 990	–	–
Stage 2	–	–	103 185	5 154	–	–
Stage 3	–	–	–	–	–	–
Total RMB investment banking	269 092	84 623	6 318 883	261 144	–	–

* *During the year, refinements were made to the allocation of exposures across certain credit risk rating bands within the Retail and Commercial portfolios. As a result, a portion of Stage 1 exposures previously classified within the FR 91-100 rating band was reallocated to the FR 26-90 rating band. Consequently, total retail exposures in the FR 26-90 rating band increased from N$19.2 billion to N$21.3 billion, while total retail exposures in the FR 91-100 rating band decreased from N$4.4 billion to N$2.3 billion. Total commercial exposures in the FR 26-90 rating band increased from N$5.6 billion to N$7.8 billion, while total commercial exposures in the FR 91-100 rating band decreased from N$3.4 billion to N$1.3 billion. The refinement represents a reclassification between credit risk rating bands only and had no impact on total gross advances, staging classifications or impairment allowances.*

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Analysis of impaired advances (stage 3)

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

	2026			2025		
N$'000	**Gross carrying amount**	**Expected recoveries from collateral**	**Loss allowance**	Gross carrying amount	Expected recoveries from collateral	Loss allowance
– Residential mortgages	760 982	556 569	204 413	980 354	690 670	289 684
– Vehicle asset finance	30 032	5 399	24 633	33 373	6 954	26 419
Total retail secured	791 014	561 968	229 046	1 013 727	697 624	316 103
– Credit card	49 018	2 981	46 037	38 475	8 312	30 163
– Personal loans	305 734	73 676	232 058	348 464	76 252	272 212
– Other retail	54 891	–	54 891	44 623	–	44 623
Total retail unsecured	409 643	76 657	332 986	431 562	84 564	346 998
– FNB commercial	401 084	187 353	213 731	562 961	279 145	283 816
– Commercial vehicle finance	90 463	23 218	67 245	115 976	31 381	84 595
– RMB Corporate and investment banking	–	–	–	–	–	–
Total corporate and commercial	491 547	210 571	280 976	678 937	310 526	368 411
Total stage 3	1 692 204	849 196	843 008	2 124 226	1 092 714	1 031 512
Stage 3 by category						
Overdraft	247 958	88 435	159 523	284 073	73 079	210 994
Term loans	155 570	63 849	91 721	214 177	122 698	91 479
Card loans	52 174	4 111	48 063	38 475	6 686	31 789
Instalment sales and hire purchase agreements	120 351	28 473	91 878	148 941	38 335	110 606
Lease payments receivable	144	144	–	408	–	408
Property finance	810 273	594 462	215 811	1 087 576	768 536	319 040
Personal loans	305 734	69 722	236 012	350 576	83 380	267 196
Total stage 3	1 692 204	849 196	843 008	2 124 226	1 092 714	1 031 512

36. Risk management *continued*

Quality of credit assets – non-advances

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

	2026	2025
N$'000	**BB+ to B-**	BB+ to B-
Investment securities at amortised cost		
Stage 1	12 342 446	8 249 420
Investment securities at fair value through other comprehensive income		
Stage 1	6 204	10 365
Investment securities at fair value through profit or loss		
Stage 1	904 088	1 219 496
Total investment securities	13 252 738	9 479 281
Other assets		
Stage 1	344 731	221 683
Other financial assets	344 731	221 683
Cash and cash equivalents		
Stage 1	2 384 418	3 080 121
Due from banks and other financial institution		
Stage 1	3 033 374	2 194 326
Derivative assets		
Stage 1	50 227	943 324

Sector analysis concentration of advances

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

2026

N$'000	**Total advances**	**Off-balance sheet**	**Credit impaired advances**	**Security held and expected recoveries**	**Specific impairment**
Agriculture	1 607 533	72 823	39 378	23 091	16 287
Banks and financial institutions	1 808 317	358 021	17 006	4 812	12 194
Building and property development	5 133 162	457 398	175 324	86 152	89 172
Government and public authorities	3 395 635	74 152	–	–	–
Individuals	24 289 306	1 892 687	1 200 657	643 921	556 735
Manufacturing and commerce	3 753 657	652 305	98 379	39 248	59 130
Mining	273 787	167 826	6 493	2 330	4 163
Transport and communication	982 008	399 856	66 766	17 458	49 308
Other services	2 905 693	791 346	88 203	32 184	56 019
	44 149 098	4 866 414	1 692 204	849 196	843 008

2025

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

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Concentration analysis of deposits

N$'000	2026	2025
Deposit current accounts and other loans		
Sovereigns, including central banks	1 457 252	1 875 438
Public sector entities	5 035 217	3 923 215
Local authorities	1 447 690	1 256 140
Banks	15 477	12 486
Corporate customers	26 388 527	21 764 103
Retail customers	17 786 448	16 772 716
Total deposits	52 130 611	45 604 098
Geographical analysis		
Namibia	52 130 611	45 604 098

Concentration risk

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

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

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

Geographical risk is all is Namibian counter parties.

Credit risk mitigation and collateral held

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

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

Credit risk mitigation instruments:

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

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

36. Risk management *continued*

Credit risk mitigation and collateral held *continued*

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

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

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

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

Offsetting of financial assets and financial liabilities

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

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

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

Liquidity risk

Objective

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

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

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

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

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

Assessment and management

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

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

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Liquidity risk *continued*

Assessment and management *continued*

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

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

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

Undiscounted cash flows

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

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

Non-contractual balances included within creditors, accruals and provisions relate to unclaimed balances that have no contractual maturity date or contractual cash flow profile. Accordingly, these balances are disclosed within the non-contractual category and are not allocated to a specific maturity bucket.

	2026				2025			
	Term to maturity				Term to maturity			
N$'000	**Call – 3 months**	**4 – 12 months**	**> 12 months and non-contractual**	**Total**	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total
Deposits and current accounts	45 234 433	5 074 127	2 296 642	52 605 202	38 826 418	3 741 663	3 625 285	46 193 366
Due to bank and other financial institutions	159 993	39 181	90 837	290 011	94 432	265 971	529 908	890 311
Short trading position	32 199	–	–	32 199	16 682	–	–	16 682
Derivative financial instruments	18 594	4 404	36 560	59 558	57 203	366 821	560 493	984 517
Creditors, accruals and provisions	1 097 678	5 812	265 651	1 369 141	845 396	5 491	114 907	965 794
Other liabilities	640	32 551	–	33 191	1 352	34 629	33 299	69 280
Lease liability	502	3 379	50 823	54 704	566	5 274	41 644	47 484
Tier 2 liabilities	11 258	33 407	611 724	656 389	11 689	34 686	662 249	708 624
Financial liabilities	46 555 297	5 192 861	3 352 237	55 100 395	39 853 738	4 454 535	5 567 785	49 876 058
Off-balance sheet exposures								
Financial and other guarantees	1 593 132	–	–	1 593 132	1 661 257	–	–	1 661 257
Other contingencies and commitments	3 273 282	–	–	3 273 282	2 506 109	–	–	2 506 109

36. Risk management *continued*

Discounted cash flows

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

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

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

	2026				2025			
	Term to maturity				Term to maturity			
N$'000	**Call – 3 months**	**4 – 12 months**	**> 12 months and non-contractual**	**Total**	Call – 3 months	4 – 12 months	> 12 months and non-contractual	Total
Total financial assets	16 264 946	6 569 134	39 045 429	61 879 509	13 816 607	6 752 829	34 571 675	55 141 111
Total financial liabilities	46 410 282	5 123 994	2 809 902	54 344 178	39 696 617	4 693 887	3 806 375	48 196 880
Net liquidity gap	(30 145 336)	1 445 140	36 235 527		(25 880 010)	2 058 941	30 765 300	
Cumulative liquidity gap	(30 145 336)	(28 700 196)	7 535 331		(25 880 010)	(23 821 068)	6 944 232	

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

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

Non-traded market risk

Interest rate risk in the banking book

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

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

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

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

Sensitivity analysis

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

Earnings sensitivity

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

Most of the NII sensitivity relates to the inability to cut interest rates on certain funding and capital components to the same extent as the cut of the MPC rate. The size of this portfolio is approximately N$14.5 billion (2025 N$12.1 billion).

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Earnings sensitivity *continued*

Assuming no change in the balance sheet and no management action in response to interest rate movements, an instantaneous, sustained parallel 200 bps decrease in interest rates would result in a reduction in projected 12-month NII of N$361 million (2025: N$323 million). A similar increase in interest rates would result in an increase in projected 12-month NII of N$298 million (2025: N$263 million).

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

%	2026 Change in period 12-month NII	2025 Change in period 12-month NII
Downward 200 bps	(18.28%)	(18.49%)
Upward 200 bps	15.41%	15.06%

Effect of reference rate reform

The SARB formally announced on 3 December 2025 that the last date for the publication of Johannesburg Interbank Average Rate (JIBAR) is 31 December 2026, following which JIBAR will be replaced by the South African Rand Overnight Index Average Rate (ZARONIA). The SARB's industry timeline outlines key milestones leading to the transition. These milestones are expected to enable the industry to appropriately prepare and phase in the changes required leading up to the cessation date.

A steering committee, comprising representatives from Finance, Risk, IT, Treasury, Legal and Compliance, together with external advisors, oversees the group's interbank offered rate reform transition. The committee has established a comprehensive transition process for existing contracts and any potential future exposures. This process aims to minimise business disruption, reduce operational and conduct risks, and prevent financial losses during the transition.

The group has certain hedging instruments that reference JIBAR as the interest rate benchmark. It is expected that the impacted instruments will transition to ZARONIA continuously during the remainder of the calendar year, with a large quantum transitioning via activation of the fallback clauses (ZARONIA plus CAS) on 31 December 2026.

Financial assets and liabilities subject to reference rate reform yet to transition:

N$'000	2026	2025
Assets recognised on the balance sheet		
Derivative financial instruments (assets)*	3 340 383	2 202 609
Advances	2 895 477	1 353 156
Total asset exposure subject to reference rate reform	6 235 860	3 555 765
Liabilities recognised on the balance sheet		
Derivative financial instruments (liabilities)*	3 240 383	2 127 609
Deposits	2 117 000	4 659 032
Other liabilities	31 286	63 012
Tier 2 liabilities	500 000	503 558
Total liabilities recognised subject to reference rate reform	5 888 669	7 353 211

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

Insurance risk

The short-term insurance operations are conducted within a regulated environment and are subject to supervision by the Namibia Financial Institutions Supervisory Authority (NAMFISA) in terms of the Short-term Insurance Act, 1998, and appliable prudential standards. The regulatory framework prescribes minimum solvency and capital adequacy requirements, governance standards, and the valuation of insurance liabilities, including claims provisioning and the admissibility of assets backing these liabilities.

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

36. Risk management *continued*

Insurance risk *continued*

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

- **Motor –** provides indemnity cover relating to the possession, use or ownership of a motor vehicle. The cover includes comprehensive cover, third party, fire and theft, and third-party liabilities.
- **Property –** provides indemnity relating to movable and immovable property caused by perils such as fire, explosion, earthquakes, acts of nature, burst geyser and pipes, malicious damage, impact, alterations and additions. It also provides protection against legal liabilities incurred by the insured for third-party claims, except where such liabilities are covered more specifically under another insurance contract.

Risk	Exposure arising from	Measurement	Management
Market risk interest rate and inflation	Uncertainty changes in market conditions affecting both the returns on invested assets and the measurement of insurance contract liabilities and reinsurance assets	Sensitivity analysis	Management of risk levels and hedging where appropriate
Credit risk	Default risk relating to cash and cash equivalents, debt instruments and reinsurance assets	Credit ratings	Portfolio diversification
		Credit management team	Investment mandates and credit limit policy for investing in credit
Liquidity risk	Inability to meet all required outflows in a timely fashion	Approved liquidity metrics limits	Monitoring of liquidity metrics on a regular basis
	Inability to realise assets to meet cash flow obligations in a stress scenario	Rolling cashflow forecasts	Sale and reinvestment of coupons and maturities

Gross of reinsurance

2026

N$'000	2021 and earlier	2022	2023	2024	2025	2026	Total
Estimate of ultimate claim costs (Gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)							
In the same year	–	71 559	80 999	93 076	150 336	160 441	–
One year later	162 441	72 857	76 253	98 482	148 153	–	–
Two years later	161 577	72 286	75 340	91 031	–	–	–
Three years later	161 314	72 091	75 390	–	–	–	–
Four years later	161 185	72 091	–	–	–	–	–
Five years later	161 185	–	–	–	–	–	–
Cumulative gross claims and other directly attributable expenses paid	(161 185)	(72 091)	(75 383)	(94 214)	(147 060)	(108 171)	(658 103)
Gross cumulative claims liabilities	–	–	7	18	1 093	52 270	53 388
Effect of discounting and other items	–	–	–	–	–	–	(1 234)
Effect of the risk adjustment margin for non-financial risk	–	–	–	–	–	–	3 274
Gross LIC for the contracts originated	–	–	–	–	–	–	55 427

2025

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

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Insurance risk *continued*

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

Net of reinsurance

2026

N$'000	2021 and earlier	2022	2023	2024	2025	2026	Total
Estimate of ultimate claim costs (Net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)							
In the same year		62 633	70 904	73 288	125 355	129 066	–
One year later	143 628	63 753	66 740	77 237	128 988	–	–
Two years later	142 878	63 254	65 923	82 853	–	–	–
Three years later	142 652	63 080	65 966	–	–	–	–
Four years later	141 735	63 080					
Five years later	128 214						
Cumulative gross claims and other directly attributable expenses paid	(128 214)	(63 080)	(65 960)	(82 837)	(128 678)	(94 649)	(563 417)
Net cumulative claims liabilities	–	–	6	16	311	34 417	34 749
Effect of discounting and other items		–	–	–	–	–	(946)
Effect of the risk adjustment margin for non-financial risk		–	–	–	–	–	2 978
Net LIC for the contracts originated		–	–	–	–	–	36 781

2025

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

36. Risk management *continued*

Credit risk of reinsurers

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

N$'000	2026	2025
Rating		
AAA to A-	–	1 211
BBB to B-	13 851	6 680
Total reinsurance assets	13 851	7 891

There is no material credit risk associated with insurance contracts.

Maturity analysis of insurance liabilities

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

N$'000	Within 1 year	Between 1 and 5 years	Total
2026			
Insurance contract liabilities	50 000	2 154	52 154
2025			
Insurance contract liabilities	33 560	6 403	39 963

Concentration risk

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

The Company is exposed to a concentration of insurance risk in the Windhoek district where 51% (2025: 55%) of the total sum insured is domiciled. In order to manage the concentration of insurance risk, the Company entered into a catastrophe excess of loss reinsurance treaty that would limit the loss of the Company to pre-determined levels following the occurrence of a localised catastrophe in this area.

Exposure at sum assured

	Before reinsurance					After reinsurance				
	Motor Risk		Property Risk		Total	Motor Risk		Property Risk		Total
2026	N$'000	%	N$'000	%	N$'000	N$'000	%	N$'000	%	N$'000
1 – 499 999	1 556 569	71%	2 069 675	8%	3 626 244	1 361 998	71%	1 810 966	8%	3 172 963
500 000 – 999 999	519 147	24%	3 597 685	13%	4 116 832	454 253	24%	3 147 974	13%	3 602 227
1 000 000 – 1 999 999	109 125	5%	7 984 998	29%	8 094 123	95 484	5%	6 986 874	29%	7 082 358
2 000 000 and above	7 609	–	13 781 299	50%	13 788 908	6 658	–	12 058 636	50%	12 065 294
Total	2 192 450	100%	27 433 657	100%	29 626 107	1 918 393	100%	24 004 450	100%	25 922 843
2025										
1 – 499 999	1 641 547	69%	2 207 397	8%	3 848 944	1 436 354	69%	1 931 473	8%	3 367 826
500 000 – 999 999	581 187	25%	3 803 817	14%	4 385 005	508 539	25%	3 328 340	14%	3 836 879
1 000 000 – 1 999 999	132 902	6%	7 868 004	29%	8 000 906	116 289	6%	6 884 504	29%	7 000 793
2 000 000 and above	9 088	–	13 223 843	49%	13 232 931	7 952	–	11 570 863	49%	11 578 815
Total	2 364 724	–	27 103 062	–	29 467 786	2 069 133	–	23 715 179	–	25 784 313

Notes to the consolidated annual financial statements *continued*

36. Risk management *continued*

Credit risk of reinsurers *continued*

Insurance sensitivities

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

The company is exposed to market risk, as the estimates of future cash flows are adjusted to reflect the time value of money. The stress on interest rates was applied as a 100bps increase in the spot rates used for discounting. The stresses were applied across all lines of business, with run-off patterns remaining consistent with the base scenario. The inverse scenario, of a 100bps decrease, will reasonably approximate the inverse outcome of this stress scenario. This was done to better understand the sensitivity of the IFRS 17 reserves to these future assumptions.

2026

N$'000	FCF	Total	Impact on FCF	Total change in insurance contract balances	Impact on profit before tax	Impact on equity
Net insurance contract balances						
– Insurance contract liabilities	76 799	76 799	–	–	–	–
– Reinsurance contract assets	(13 851)	(13 851)	–	–	–	–
Net insurance contract balances	62 948	62 948	–	–	–	–
Loss ratio – 10% increase*						
– Insurance contract liabilities	78 837	78 837	2 038	2 038	(2 038)	(2 038)
– Reinsurance contract assets	(14 091)	(14 091)	(240)	(240)	240	240
Net insurance contract balances	64 746	64 746	1 798	1 798	(1 798)	(1 798)
Loss ratio – 10% decrease*						
– Insurance contract liabilities	75 401	75 401	(1 398)	(1 398)	1 398	1 398
– Reinsurance contract assets	(13 682)	(13 682)	169	169	(169)	(169)
Net insurance contract balances	61 719	61 719	(1 229)	(1 229)	1 229	1 229
Interest rate – 1% increase						
– Insurance contract liabilities	76 625	76 625	(174)	(174)	174	174
– Reinsurance contract assets	(13 839)	(13 839)	12	12	(12)	(12)
Net insurance contract balances	62 786	62 786	(162)	(162)	162	162
Interest rate – 1% decrease						
– Insurance contract liabilities	76 976	76 976	177	177	(177)	(177)
– Reinsurance contract assets	(13 864)	(13 864)	(12)	(12)	12	12
Net insurance contract balances	63 112	63 112	165	165	(165)	(165)

2025

N$'000	FCF	Total	Impact on FCF	Total change in insurance contract balances	Impact on profit before tax	Impact on equity
Net insurance contract balances						
– Insurance contract liabilities	66 954	66 954	–	–	–	–
– Reinsurance contract assets	(7 891)	(7 891)	–	–	–	–
Net insurance contract balances	59 063	59 063	–	–	–	–
Loss ratio – 10% increase*						
– Insurance contract liabilities	67 607	67 607	653	653	(653)	(653)
– Reinsurance contract assets	(7 968)	(7 968)	(77)	(77)	77	77
Net insurance contract balances	59 639	59 639	576	576	(576)	(576)
Loss ratio – 10% decrease*						
– Insurance contract liabilities	66 302	66 302	(653)	(653)	653	653
– Reinsurance contract assets	(7 815)	(7 815)	77	77	(77)	(77)
Net insurance contract balances	58 497	58 497	(576)	(576)	576	576
Interest/discount – 1% increase						
– Insurance contract liabilities	66 804	66 804	(150)	(150)	150	150
– Reinsurance contract assets	(7 873)	(7 873)	18	18	(18)	(18)
Net insurance contract balances	58 931	58 931	(133)	(133)	133	133
Interest/discount – 1% decrease						
– Insurance contract liabilities	67 105	67 105	150	150	(150)	(150)
– Reinsurance contract assets	(7 909)	(7 909)	(18)	(18)	18	18
Net insurance contract balances	59 196	59 196	133	133	(133)	(133)

* *In the current year, a 10% loss ratio sensitivity analysis has been included to enhance disclosure. Comparative figures have been updated accordingly.*

37. Segment information

37.1 Reportable segments

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

Notes to the consolidated annual financial statements *continued*

37. Segment information *continued*

37.1 Reportable segments *continued*

	Group		FNB		RMB		FCC and other	
N$'000	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Net interest income before impairment of advances	3 670 814	3 355 159	2 664 923	2 592 013	656 260	503 441	349 631	259 705
Impairment and fair value of credit advances	(248 840)	(527 432)	(232 761)	(524 527)	(16 079)	(2 905)	–	–
Net interest income after impairment of advances	3 421 974	2 827 727	2 432 162	2 067 486	640 181	500 536	349 631	259 705
Non-interest income	2 777 872	2 702 035	2 417 418	2 291 838	399 128	437 987	(38 674)	(27 790)
Insurance service result	(15 723)	(16 096)	(15 723)	(16 096)	–	–	–	–
Income from operations	6 184 123	5 513 666	4 833 857	4 343 228	1 039 309	938 523	310 957	231 915
Operating expenses	(3 121 247)	(2 799 324)	(2 711 398)	(2 459 737)	(382 294)	(313 372)	(27 555)	(26 215)
Net income from operations	3 062 876	2 714 342	2 122 459	1 883 491	657 015	625 151	283 402	205 700
Share of profit from associates	8 410	18 409	–	–	8 410	18 409	–	–
Indirect tax	(61 413)	(61 942)	(49 952)	(47 924)	(8 455)	(7 372)	(3 006)	(6 646)
Profit before tax	3 009 873	2 670 809	2 072 507	1 835 567	656 970	636 188	280 396	199 054
Income tax expense	(863 758)	(758 843)	(594 757)	(521 530)	(188 534)	(180 757)	(80 467)	(56 556)
Profit for the year	2 146 115	1 911 966	1 477 750	1 314 037	468 436	455 431	199 929	142 498
Income statement includes:								
Depreciation	131 309	123 709	129 498	121 763	1 550	1 782	261	164
Amortisation	19 297	21 902	5 482	8 038	–	49	13 815	13 815
The statement of financial position includes:								
Advances	42 814 021	39 222 377	31 856 290	31 108 568	10 957 731	8 113 809	–	–
Investment securities	13 252 738	9 479 281	132 642	128 898	771 446	1 100 174	12 348 650	8 250 209
Non-current assets held for sale	–	55 040	–	55 040	–	–	–	–
Total assets	63 114 508	56 274 487	41 957 005	38 987 032	10 402 412	7 167 738	10 755 091	11 941 683
Deposits	52 130 611	45 604 098	34 164 299	31 508 463	12 240 548	8 689 458	5 725 764	5 406 177
Total liabilities	55 186 008	49 127 193	39 586 232	36 837 998	9 678 589	7 078 927	5 921 187	5 210 268

CAPITAL MANAGEMENT

Risk definition

This is the risk that the group fails to maintain sufficient capital to meet regulatory capital requirements, support its strategic objectives and absorb losses under stressed conditions.

How the risk is managed

The board-approved capital management framework sets out the objectives, policies and principles relating to capital management, and the assets, liabilities and capital committee ensures compliance with the framework. Group Treasury is responsible for ensuring the group is adequately capitalised to generate returns while managing risk within the approved risk appetite. The primary objective of the group's capital management strategy is to maintain sufficient capital to build and invest in its businesses through normal economic cycles and under stressed economic conditions.

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

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

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

Effective capital management ensures the group's resilience, protects depositors and sustains stakeholder confidence.

The group maintains a capital buffer above the regulatory minimum requirement. Capital stress testing is done annually for the bank as part of the ICAAP to assess the adequacy of the capital buffer. The stress test measures the impact on the balance sheet of macroeconomic and idiosyncratic stress scenarios and the consequent impact on earnings and capital adequacy levels. The group addresses its capital objectives on a forward-looking basis, considering regulatory and economic capital requirements in both normal and stressed conditions.

Internal capital adequacy assessment process

The bank is a material element of the group's capital management programme, which is governed by the ICAAP. This process requires banks to identify and assess risks, maintain sufficient capital to face these risks, and apply appropriate risk management techniques to maintain adequate capitalisation. Risk assessment for the ICAAP includes credit, market, operational and interest rate risk. The group's ICAAP is submitted annually to the Bank of Namibia, with independent assurance provided through reviews performed by the Internal Audit function. The audit and risk committee is responsible for the group's ICAAP. The ICAAP informs the level of capital buffers the group is required to maintain. Capital planning is done as part of regular forecasting and scenario testing and aligns with dividend decisions and growth projections. In the event of a breach of capital buffers, the group's Recovery Plan would be implemented.

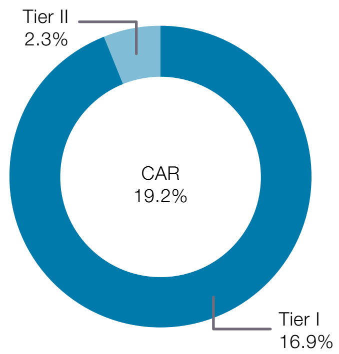
The group remained well capitalised with a common equity tier 1 (CET 1) ratio of 19.7%. The CAR for both the bank and the group exceeds the board's set targets.

	Regulatory limits	FNB Namibia	FirstRand Namibia group	Board target
Core equity (minimum)	6.0%	15.9%	19.7%	–
Capital conservation buffer (minimum)	2.5%	2.5%	0.0%	–
CET 1 (minimum)	8.5%	18.4%	19.7%	>11.5%
Additional tier 1 (maximum)	1.5%	0.0%	0.0%	–
Tier 1 (minimum)	10.0%	18.4%	19.7%	–
Tier 2 (maximum)	2.5%	2.2%	2.0%	–
Total CAR (minimum)	12.5%	20.6%	21.7%	>14.0%

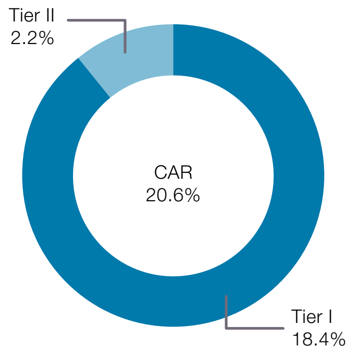
Capital management *continued*

Banking

June 2025



June 2026

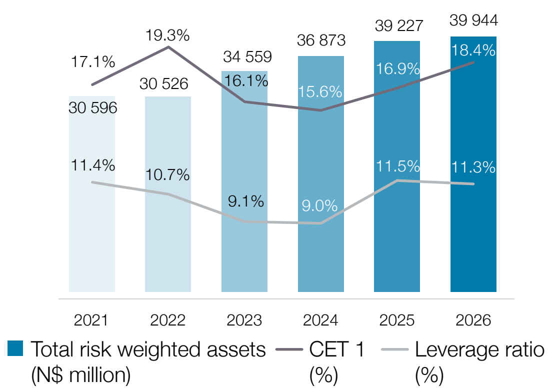


Regulatory developments

The Bank of Namibia provided an update on the development of the Determination on the Countercyclical Capital Buffer (CCyB) BID-40 to industry. CCyB is a macroprudential policy tool used by central banks to enhance the banking sector's resilience during periods of excessive credit growth, which is often associated with accumulation of systemic risk. The CCyB is designed to counter procyclicality, promote financial stability and safeguard against financial crises. The CCyB rate will be set at zero per cent and reviewed periodically by the central bank. This review will be based on prevailing macro-financial conditions and relevant indicators of systemic risk. The industry will be informed if the CCyB rate is amended, including the applicable date and implementation requirements.

The Bank of Namibia is progressing the implementation of a revised BID-18 determination, which will introduce enhanced Pillar III disclosure requirements for banking institutions. The group is monitoring these developments and undertaking the necessary enhancements to its reporting, governance and disclosure processes to ensure readiness for the new requirements.

Key performance measures



	Banking operations Year end 30 June		Regulated consolidated group Year end 30 June	
N$'000	**2026**	2025	**2026**	2025
Risk weighted assets				
Credit risk	31 792 813	31 856 606	31 877 405	31 949 583
Operational risk	8 037 010	7 292 241	8 247 537	7 501 680
Market risk	114 217	78 182	114 217	78 182
Total risk weighted assets	39 944 040	39 227 029	40 239 159	39 529 445
Regulatory capital				
Share capital and share premium	1 142 792	1 142 792	282 148	282 148
Retained profits	6 252 578	5 548 802	7 724 662	6 993 699
Other disclosure reserves	(1 488)	2 915		
Capital impairments*	(56 139)	(55 215)	(92 026)	(81 697)
Total tier 1	7 337 743	6 639 294	7 914 784	7 194 150
Eligible subordinated debt	500 000	500 000	500 000	500 000
General risk reserve, including portfolio impairment	397 410	398 208	397 410	398 317
Capital impairments*			(76 503)	(57 299)
Total tier 2	897 410	898 208	820 907	841 018
Total tier 1 and tier 2 capital	8 235 153	7 537 502	8 735 691	8 035 168
Consolidated group Capital adequacy ratios				
Tier 1	18.4%	16.9%	19.7%	18.2%
Tier 2	2.2%	2.3%	2.0%	2.1%
Total	20.6%	19.2%	21.7%	20.3%
Tier 1 leverage ratio	11.3%	11.5%	12.3%	12.5%

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

FirstRand Namibia Limited

COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2026

N$'000	Note(s)	2026	2025
Interest and similar income	2	10 163	10 756
Net interest income		10 163	10 756
Non-interest revenue			
Gains less losses from investing activities	3	1 380 775	1 006 877
Income from operations		1 390 938	1 017 633
Operating expenses	4	(6 825)	(3 521)
Income before tax		1 384 113	1 014 112
Indirect tax	5	(342)	(254)
Profit before tax		1 383 771	1 013 858
Direct tax	5	(3 049)	(3 334)
Profit for the year		1 380 722	1 010 524
Other comprehensive income:			
Items that may not be subsequently reclassified to profit or loss:			
FVOCI equity reserve			
Loss arising during the year	10	(9 576)	–
Total comprehensive income for the year		1 371 146	1 010 524
Profit for the year attributable to:			
Equity holders of the parent		1 380 722	1 010 524
Total comprehensive income for the year attributable to:			
Equity holders of the parent		1 371 146	1 010 524

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

N$'000	Note(s)	2026	2025
Assets			
Cash and cash equivalents	8	50 845	46 797
Loan to group companies	9	249 249	254 171
Investment securities	10	7 425	15 267
Investments in subsidiaries	11	1 349 218	1 319 218
Total assets		1 656 737	1 635 453
Equity and liabilities			
Liabilities			
Creditors and accruals	12	42 999	39 418
Current tax liability	6	452	435
Total liabilities		43 451	39 853
Equity			
Share capital	13	1 338	1 338
Share premium	13	280 810	280 810
Retained earnings*		1 340 714	1 313 452
Equity instrument reserve		(9 576)	–
Capital and reserves attributable to ordinary equity holders		1 613 286	1 595 600
Total equity and liabilities		1 656 737	1 635 453

* *Retained earnings was named Reserves in prior year. A name change was made in current year to separately disclose Equity instrument reserve from Retained earnings.*

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

N$'000	Share capital	Share premium	Total share capital	Equity instrument reserve	Retained earnings	Total equity
Balance at 1 July 2024	1 338	280 810	282 148		1 299 646	1 581 794
Total comprehensive income for the year					1 010 524	1 010 524
Dividends					(996 718)	(996 718)
Balance at 30 June 2025	1 338	280 810	282 148		1 313 452	1 595 600
Profit for the year					1 380 722	1 380 722
Other comprehensive loss				(9 576)		(9 576)
Total comprehensive (loss)/income for the year				(9 576)	1 380 722	1 371 146
Dividends					(1 353 460)	(1 353 460)
Balance at 30 June 2026	1 338	280 810	282 148	(9 576)	1 340 714	1 613 286
Note(s)	13	13		10		

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

N$'000	Note(s)	2026	2025
Cash generated from operating activities			
Profit before tax		1 383 771	1 013 858
Adjusted for:			
– Interest and similar income	2	(10 163)	(10 756)
– Dividend income	3	(1 380 775)	(1 006 877)
Interest received	2	10 163	10 756
Dividend received		1 378 361	1 001 187
Income tax paid	6	(3 032)	(4 888)
Cash generated from operating activities		1 378 325	1 003 280
Movement in operating assets and liabilities			
(Increase)/ Decrease in loan to group companies	9	4 922	(38 780)
Decrease in Investment securities		7 842	27 393
Decrease in Investment subsidiaries	11	-	5 475
Increase / (Decrease) in Creditors and other payables		(3 581)	2 252
Net cash generated from operating activities		1 387 508	999 620
Cash flows from investing activities			
Additional capital contribution to subsidiary	11	(30 000)	–
Net cash outflow from investing activities		(30 000)	–
Cash flows from financing activities			
Dividends paid	7	(1 353 460)	(996 718)
Net cash outflow from financing activities		(1 353 460)	(996 718)
Net increase in cash and cash equivalents		4 048	2 902
Cash and cash equivalents at the beginning of the year		46 797	43 894
Cash and cash equivalents at the end of the year		50 845	46 797

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. Accounting policies

The financial statements of FirstRand Namibia Limited are prepared according to the same accounting principles used in preparing the consolidated financial statements of FirstRand Namibia group. For detailed accounting policies refer to pages 11 to 41 of this annual report.

2. Analysis of interest and similar income

N$'000	2026	2025
Instruments at amortised cost	10 163	10 756

3. Non-interest revenue

Gains less losses from investing activities		
Dividend income		
– Subsidiaries	1 320 612	955 120
– Equities	60 163	51 757
Total non-interest income	1 380 775	1 006 877

4. Operating expenses

Auditors' remuneration – external		
– Audit fees	1 445	1 363
Professional fees	1 103	308
Other operating costs		
– Other operating expenses	4 277	1 850
Total operating expenses	6 825	3 521

Other operating expenses include non-executive directors' remuneration. Refer to note 7 of the FirstRand Namibia consolidated annual financial statements for details of non-executive directors' remuneration.

5. Tax

Current – direct		
Local income tax – current period	3 049	3 334
Total direct taxes	3 049	3 334
Indirect taxes		
Value added tax	342	254
Total indirect taxes	342	254
Total taxes	3 391	3 588

Notes to the company annual financial statements *continued*

6. Income tax paid

N$'000	2026	2025
Amounts receivable at the beginning of the year	435	1 989
Local income tax – current period	3 049	3 334
Balance (payable) at the end of the year	(452)	(435)
Total tax paid for the year	3 032	4 888
Tax rate recon		
Standard rate	30.00%	31.00%
Non-taxable amounts – dividend income	(29.94%)	(30.79%)
Non-deductible amounts	0.15%	0.11%
Effective tax rate	0.21%	0.32%

7. Dividend paid/declared

Final dividend (21 August 2025: 284.02 cents), (22 August 2024: 180.16 cents)	760 018	482 083
Interim dividend (19 February 2026: 221.77 cents), (20 February 2025 : 192.32 cents)	593 442	514 635
	1 353 460	996 718

Final dividend of 446.57 cents (2025: 284.02 cents) per share was declared and authorised after the reporting period.

8. Cash and cash equivalents

Bank balances	50 845	46 797
	50 845	46 797

ECL for cash and cash equivalent are immaterial.

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

No cash or cash equivalents have been pledged.

9. Loan to group companies

Balances with Talas Properties (Windhoek) (Pty) Ltd	249 249	254 171
	249 249	254 171

Talas Properties (Windhoek) (Pty) Ltd is a wholly owned subsidiary of FirstRand Namibia Ltd. The loan bears market related interest. There is no repayment period and the loan is payable on demand.

10. Investment securities

Fair value through profit or loss		
Equity investment (preference shares)	7 425	5 691
Fair value through other comprehensive income		
Equity investment*	–	9 576
Total	7 425	15 267

* *During the year ended 30 June 2026, the company fully impaired its investment in Avril Payroll Deduction Management (Pty) Ltd following the cessation of operations. The investment was written down to nil, resulting in an impairment loss of N$9.5 million recognised in other comprehensive income.*

11. Investments in subsidiaries

N$'000	2026	2025
Unlisted investments		
Carrying value at beginning of the year	1 319 218	1 319 218
Carrying value at end of the year	1 349 218	1 319 218

The list of subsidiaries are:	Nature	Ownership %	Voting rights %	2026	2025
First National Bank of Namibia Ltd	Banking	100	100	1 142 792	1 142 792
FNB Easy Loans Ltd	Other	100	100	45 975	45 975
Talas Properties (Windhoek) (Pty) Ltd	Other	100	100	2 967	2 967
FNB Short Term Insurance Company Ltd*	Insurance	100	100	98 034	68 034
FNB Insurance Brokers (Namibia) (Pty) Ltd	Other	100	100	27 904	27 904
Akalako Investments (Pty) Ltd	Other	100	100	250	250
Pointbreak Trust and Estates (Pty) Ltd	Other	100	100	(728)	(728)
Pointbreak Wealth Management (Pty) Ltd	Other	100	100	1 549	1 549
Ashburton Investment Managers (Pty) Ltd	Other	100	100	30 475	30 475
				1 349 218	1 319 218

The following trusts are controlled by FirstRand Namibia Limited:

- FNB Namibia Staff Assistance Trust
- FirstRand Namibia Foundation Trust

The carrying amount of these investments is N$ nil.

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

* *FirstRand Namibia Limited injected a capital contribution into FNB Short Term Insurance Company amounting to N$30 million to support the insurance business.*

11.1 Acquisition and disposal of subsidiaries

No acquisitions and disposals were noted during the year ended June 2026 however in the prior year, the company disposed of its entire shareholding in Pointbreak Investment Management (Pty) Ltd.

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

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

12. Creditors and accruals

Accounts payable	2	10
Accrued expenses	593	–
Audit fees	1 156	1 091
Dividend payable	41 248	38 317
	42 999	39 418

Notes to the company annual financial statements *continued*

13. Share capital

N$'000	2026	2025
Authorised		
990 000 000 (2025: 990 000 000) ordinary shares with a par value of 0.50 cents per share	4 950	4 950
10 000 000 (2025: 10 000 000) cumulative convertible redeemable preference shares with a par value of 0.50 cents per share	50	50
	5 000	5 000
Issued		
267 593 250 (2025: 267 593 250) ordinary shares with a par value of 0.50 cents per share	1 338	1 338
2 (2025: 2) cumulative convertible redeemable preference shares with a par value of 0.50 cents per share	–	–
	1 338	1 338
Share premium	280 810	280 810

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

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

All issued shares are fully paid up.

14. Liquidity, credit and market risk information

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

Cash & cash equivalents and creditors & accruals are repayable on demand or short notice and within Namibia. Loan to group companies is considered a stage 1 instrument, held at amortised cost and no ECL on this instrument. The fair value approximates the carrying amount.

Investment securities is considered a stage 1 instrument and to be high credit quality assets. As such, there is no ECL on these instruments.

Interest rate risk is the sensitivity of the balance sheet and income statement to unexpected, adverse movements in interest rates. Refer to note 36 on the group financial statement for more details regarding the interest rate risk.

15. Fair value information

Fair value hierarchy disclosure

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

Level 3		
Recurring fair value measurements		
Fair value through other comprehensive income		
Investment securities	–	9 576
Fair value through profit or loss		
Investment securities	7 425	5 691

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

No transfers between the levels were recognised.

15. Fair value information *continued*

Fair value hierarchy disclosure *continued*

2026

N$'000	Opening balance	Gains or losses recognised in profit and loss	Gains or losses recognised in other comprehensive income	Purchases/ (sales)/issues/ (settlements)	Closing balance
Assets					
Fair value through other comprehensive income					
Investment securities	9 576	–	(9 576)	–	–
Fair value through profit or loss					
Investment securities	5 691	1 734	–	–	7 425
Total financial assets	15 267	1 734	(9 576)	–	7 425

2025

N$'000	Opening balance	Gains or losses recognised in profit and loss	Gains or losses recognised in other comprehensive income	Purchases/ (sales)/issues/ (settlements)	Closing balance
Assets					
Fair value through other comprehensive income					
Investment securities	9 576	–	–	–	9 576
Fair value through profit or loss					
Investment securities	27 394	(21 703)	–	–	5 691
Total financial assets	36 970	(21 703)	–	–	15 267

SHAREHOLDER INFORMATION

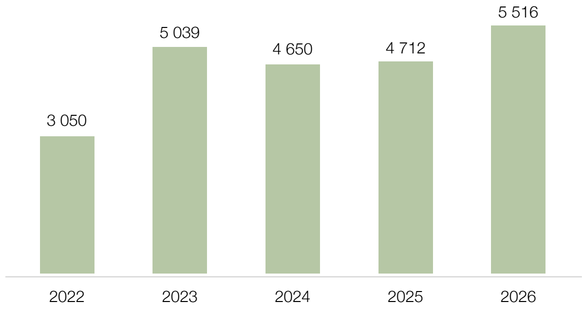
for the year ended 30 June 2026

SHAREHOLDER INFORMATION

Stock exchange performance

	2026	2025
Share price (cents)		
– high for the year	5 516	4 712
– low for the year	4 720	4 600
– closing price per share	5 516	4 712
Number of shares traded ('000)	2 171	2 633
Value of shares traded (N$'000)	115 700	122 785
Number of shares traded as % of issued shares	0.81	0.98
Average price (cents)	5 329	4 663

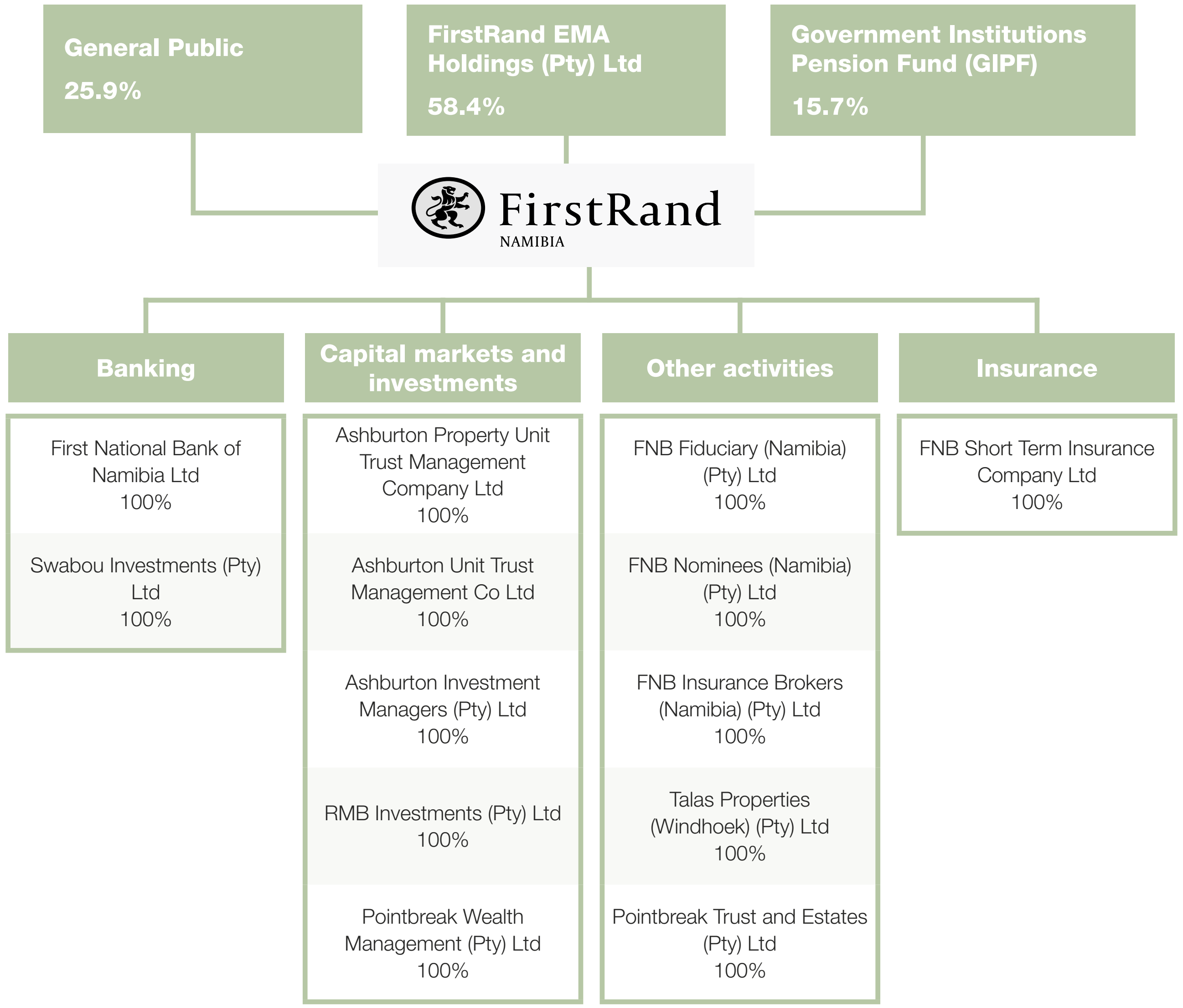
Closing share price (cents) – Ordinary shares



Shareholder diary

Financial year end	30 June 2026
SENS announcement	10 September 2026
Last day to trade	25 September 2026
Ex-entitlement	28 September 2026
Record date	2 October 2026
Payment date	15 October 2026
AGM	16 October 2026
Dividend number	66

SIMPLIFIED GROUP STRUCTURE



ANALYSIS OF ORDINARY SHAREHOLDERS

Range of shareholders	Number of shareholders	%	Number of shares	%
1 – 999	1 198	45.20	414 057	0.1
1 000 – 1 999	388	14.60	501 763	0.2
2 000 – 2 999	193	7.30	471 077	0.2
3 000 – 3 999	94	3.60	316 963	0.1
4 000 – 4 999	64	2.40	280 000	0.1
5 000 – 9 999	236	8.90	1 567 856	0.6
over 10 000	478	18.00	264 041 534	98.7
	2 651	100.0	267 593 250	100.0
Shareholder type				
Corporate bodies	27	1.0	162 864 401	60.9
Nominee companies	110	4.2	85 959 116	32.1
Private individuals	2 466	93.0	15 515 977	5.8
Trusts	48	1.8	3 253 756	1.2
	2 651	100.0	267 593 250	100.0
Geographic ownership				
Namibian including unknown	2 488	93.9	109 712 818	41.0
Other Africa	148	5.6	157 832 051	59.0
International	15	0.5	48 381	0.0
	2 651	100.0	267 593 250	100.0

Major shareholders	Number of shares	%
FirstRand EMA Holdings (Pty) Ltd	156 271 536	58.4%
Government Institutions Pension Fund	42 104 874	15.7%
Old Mutual Life Assurance Company (Namibia) Ltd	7 530 965	2.8%
Allan Gray Namibia Balanced Fund	3 356 359	1.3%
Benchmark Retirement Fund	3 248 356	1.2%
Investec Namibia Trustee Account (Naman)	3 171 670	1.2%
Chappa'ai Investments Forty Two (Pty) Ltd	3 018 199	1.1%
Sovereign Capital (Proprietary) Limited	2 800 551	1.1%
The Bank of New York Mellon Sa/Nv	2 442 614	0.9%
The Bank of New York Mellon	2 372 496	0.9%

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

CORPORATE INFORMATION

Registered Office

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

Chief Executive Officer

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

Chief Financial Officer

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

Transfer Secretaries

NSX Financial Market Services (Pty) Ltd
4 Robert Mugabe Avenue
P O Box 2401, Windhoek, Namibia
Registration No: 93/0713
Email: ts@nsx.com.na
Tel: +264 (61) 227 647

Sponsor

Cirrus Securities (Pty) Ltd
Member of the NSX
35 Schanzen Road, Windhoek, Namibia
P O Box 27, Windhoek, Namibia
Registration No: 98/461
Email: sponsor@cirrus.com.na
Tel: +264 (61) 256 666

External Auditors

Ernst & Young Namibia
c/o Otto Nitzsche and Maritz streets
Windhoek, Namibia
P O Box 1857, Windhoek, Namibia
Email: eynamibia@za.ey.com
Tel: +264 (61) 289 1100
www.ey.com/en_na

Group Company Secretary

Nelago Makemba
5th Floor, @Parkside
130 Independence Avenue, c/o Fidel Castro
P O Box 195, Windhoek, Namibia
Tel: +264 (61) 299 2111

NOTICE OF ANNUAL GENERAL MEETING

FirstRand
NAMIBIA

FirstRand Namibia Limited
(Incorporated in the Republic of Namibia)
(Registration number: 88/024)
ISIN: NA0003475176
Share Code (NSX): FNB
(FirstRand Namibia Limited or the company)

Notice of annual general meeting

Notice is hereby given to all holders of ordinary shares in the company that the thirty-ninth (39th) annual general meeting of the shareholders of FirstRand Namibia Limited will be held via electronic media and in the Etosha Boardroom, FirstRand Namibia Limited, 5th Floor, @Parkside, 130 Independence Avenue, c/o Fidel Castro, Windhoek on Friday, 16 October 2026 at 14:30. Shareholders are advised that should they wish to attend the annual general meeting via electronic media, an email request be sent to shareholder@firstrandnamibia.com.na. Shareholders will be provided with a registration document, and subsequently a link to the event.

1. Ordinary resolution number 1: Annual financial statements

THAT the annual financial statements for the year ended 30 June 2026, as approved by the board of directors on 20 August 2026, including the directors' report, be approved. The annual financial statements were made available via the Securities Exchange News Service (SENS), have been distributed electronically, and are available on the company's website: https://www.firstrandnamibia.com.na/investors/financial-results/

2. Ordinary resolution number 2: Confirmation of dividends

TO confirm the ordinary dividends of the financial year 668.34 (2025: 476.34) cents per share.

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

Samantha Lee Balsdon and Markus Johannes Lubbe retire as directors of the company in terms of the company's Articles of Association. The directors who, being eligible, offer themselves for re-election. The abridged *curricula vitae* of the two (2) directors standing for re-election are set out on pages 26 to 28 of the separate integrated annual report.

Ordinary resolution number 3.1

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

Ordinary resolution number 3.2

TO re-elect Markus Johannes Lubbe as an independent non-executive director of the company.

4. Ordinary resolution number 4: Vacancy filled by director

Vacancies on the board are filled by the appointment of directors during the year, upon the recommendation of the directors' governance committee and the board. Conville Raymond Britz was appointed by the board, effective 1 April 2026, to fill a vacancy in accordance with the Act and the company's Articles of Association and is now recommended by the board for election by shareholders by way of separate resolution.

Ordinary resolution number 4.1

TO elect Conville Raymond Britz as a non-executive director of the company.

The abridged *curricula vitae* of the director standing for election for ordinary resolution number 4.1 is set out on page 28 of the separate integrated annual report.

Notice of annual general meeting *continued*

5. Ordinary resolution number 5: Appointment of audit and risk committee members

That the following directors be appointed as members of the audit and risk committee.

Ordinary resolution number 5.1

TO confirm the appointment of Markus Johannes Lubbe as a member of the audit and risk committee for the financial year.

Ordinary resolution number 5.2

TO confirm the appointment of Emile van Zyl as a member of the audit and risk committee for the financial year.

Ordinary resolution number 5.3

TO confirm the appointment of Conville Raymond Britz as a member of the audit and risk committee for the financial year.

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

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

7. Ordinary resolution number 7: Non-executive director remuneration

As detailed in the *Governance* section, the board of directors, in the exercise of its powers in terms of the company's Articles of Association and applicable legislation, has, during November 2025, established the following board committees:

i. Audit and risk committee
ii. Directors' governance committee
iii. Sustainability, talent and remuneration committee

In accordance with the Articles of Association, shareholders are hereby requested to ratify and confirm the remuneration payable to members of the board committees for the period from 1 January 2026 to 30 June 2026, being part of the financial year ending 2026.

Ordinary resolution number 7.1

TO ratify and approve the remuneration of the committee members, as reflected below, for the 2026 financial year:

	No. of meetings held during the applicable period	Calculated remuneration per meeting
Board committees		
Audit and risk committee		
Member	2	31 052
Chair	2	71 359
Directors' governance committee		
Member	1	19 222
Chair	1	33 640
Sustainability, talent and remuneration committee		
Member	2	21 736
Chair	2	32 595

Ordinary resolution number 7.2

TO approve the remuneration of the non-executive directors or members, as reflected below, for the 2027 financial year:

	No. of meetings per annum	Calculated remuneration per meeting
FirstRand Namibia Limited board		
Member	4	35 336
Deputy chair	4	47 115
Chair	4	64 129
Board committees		
Audit and risk committee		
Member	4	32 512
Chair	4	74 713
Sustainability, talent and remuneration committee		
Member	4	22 758
Chair	4	34 127
FirstRand Namibia directors' governance committee		
Member	3	20 125
Chair	3	35 221
***Ad hoc* work**		
Standard hourly rate for *ad hoc* work, including attending director interviews, board training and board strategy sessions	*Ad hoc*	3 350

8. Ordinary resolution number 8: Reward philosophy and principles policy

TO approve the reward philosophy and principles policy as set out in the remuneration report.

9. Ordinary resolution number 9: Authority to sign documents

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

Voting:

All holders of FirstRand Namibia Limited shares will be entitled to –

(i) attend and vote in person at the annual general meeting. On a show of hands, every holder of FirstRand Namibia Limited shares who is present in person, or in the case of a company, the representative appointed in terms of section 196 of the Companies Act, shall have one vote; or

(ii) vote via the Form of Proxy.

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

Proof of identification required

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

Proxies

Each member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need to be a member of the company) to attend, speak and, on a poll, to vote in his/her stead. The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, accompanies this notice. To be effective, duly completed forms of proxy must be received at the office of the company's transfer secretaries by no later than 15:00 on Wednesday, 14 October 2026.

By order of the board

FirstRand Namibia Limited

Nelago Makemba
Company Secretary
10 September 2026

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

Transfer Secretaries
NSX Financial Market Services (Pty) Ltd
4 Robert Mugabe Avenue, Windhoek
P O Box 2401, Windhoek, Namibia

FORM OF PROXY

FirstRand Namibia Limited
(Incorporated in the Republic of Namibia)
(Registration number: 88/024)
NSX Share Code: FNB
ISIN: NA 0003475176
(the Company)

For completion by the registered ordinary shareholders who hold ordinary shares of FirstRand Namibia Limited in preparation for the 2026 annual general meeting of the company taking place on Friday, 16 October 2026 at 14:30 (the annual general meeting).

I/We ....
name in full)

Holder Number .... being the holder(s)

of .... ordinary shares in
FirstRand Namibia Limited do hereby appoint:

1 ....
or failing him/her

2 ....
or failing him/her

3. the chair of the annual general meeting, as my/our proxy to act for me/us at the annual general meeting (as the case may be) which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote on such resolution in respect of the shares in the issued capital of FirstRand Namibia Limited registered in my/our name/s in accordance with the following instructions (see note):

Resolutions		Insert an X		
		For*	Against*	Abstain*
Ordinary resolution 1	Approval of annual financial statements for 30 June 2026			
Ordinary resolution 2	Confirmation of dividends			
Ordinary resolution 3	Re-election of directors by way of separate resolutions:			
	3.1 Samantha Lee Balsdon (non-executive director)			
	3.2 Markus Johannes Lubbe (independent non-executive director)			
Ordinary resolution 4	Vacancy filled by director during the year by way of separate resolutions:			
	4.1 Conville Raymond Britz (non-executive director)			
Ordinary resolution 5	Appointment of audit and risk committee members			
	5.1 Markus Johannes Lubbe			
	5.2 Emile van Zyl			
	5.3 Conville Raymond Britz			
Ordinary resolution 6	Re-appointment of external auditors and authority to determine their remuneration			
Ordinary resolution 7	Non-executive director remuneration			
	7.1 Approval and ratification of the remuneration of the non-executive committee members for the 2026 financial year			
	7.2 Approval of the non-executive director remuneration for the 2027 financial year			
Ordinary resolution 8	Approval of the reward philosophy and principles policy			
Ordinary resolution 9	Authority to sign documents			

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

Signed at .... this .... day of 2026

Signature ....

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

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

Notes:

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

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

1. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of the member's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
2. Forms of proxy must be received at the company's transfer secretaries, NSX Financial Market Services (Pty) Ltd, 4 Robert Mugabe Avenue (entrance on Dr. Theo-Ben Gurirab Street), Windhoek (PO Box 2401) Windhoek, Namibia by no later than 15:00 on Wednesday, 14 October 2026. Alternatively, forms of proxy may be sent to the company's transfer secretaries by way of email (fms-ts@nsx.com.na), provided that such emails are received by the transfer secretaries by no later than 15:00 on Wednesday, 14 October 2026.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chair of the annual general meeting.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.
7. The chair of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chair is satisfied as to the manner in which the member wishes to vote.
8. Where there are joint holders of ordinary shares:
   i. any one holder may sign the form of proxy; and
   ii. the vote of the senior (for that purpose, seniority will be determined by the order in which the names of the member appear in FirstRand Namibia Limited's register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.

Notes

Notes

FirstRand

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