FirstRand
NAMIBIA

building a globally competitive Namibia, providing access to opportunities

2024 ANNUAL INTEGRATED REPORT

Reporting suite

Our reporting suite caters to the needs of our diverse shareholders and provides a holistic view of the FirstRand Namibia value creation story in a concise and consistent manner. For the 2024 Financial Year our reporting suite is available at www.firstrandnamibia.com.na.

This consists of our:

Annual Integrated Report

The primary report to our stakeholders presenting key aspects of our business and how we deliver sustainable growth and value to our stakeholders.

Consolidated Annual Financial Statements

Presenting the financial results of the FirstRand Namibia Limited Group and Company.

Navigation icons:

Our capitals:

Manufacturing
Financial
Human
Social
Natural
Intellectual

Our stakeholders:

Customers
Regulators
Employees
Society
Investors
Suppliers

Other icons:

This icon directs the reader to pages

This report is available for download on www.firstrandnamibia.com.na

Integrated AR

Consolidated AFS

Contents

A

About our **integrated report**

The objective of this report is to show how FirstRand Namibia (FirstRand or the group) incorporates the principles of integrated thinking into its business and reporting. FirstRand Namibia's financial and operational performance is portrayed in this report by highlighting the inter-connected elements of the Group's strategic objectives, governance, and performance considering the economic, social and environmental context in which it operates. Value creation remains the key theme of this report, which is the primary report to stakeholders.

The Do What Matters report to Society further supplements the financial and operational performance covering societal, economic and environmental impact.

This report is accessible on www.firstrandnamibia.com.na

About our **integrated report**

FirstRand NAMIBIA

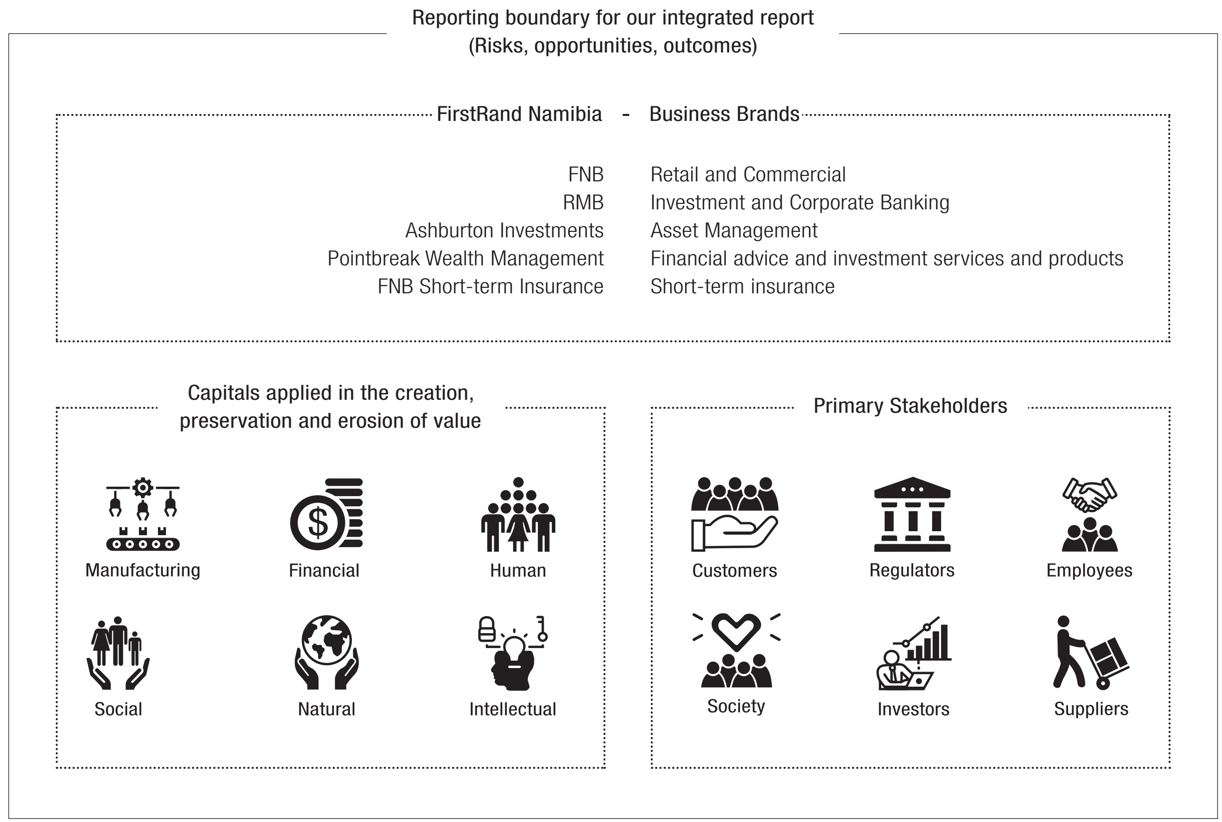
REPORTING SCOPE AND BOUNDARY

This report covers the period 1 July 2023 to 30 June 2024 and includes material information, relating to the business model, strategy, and performance of the group including the related risks and opportunities. The data in this report – both financial and non-financial – pertains to the group as the reporting entity and includes all entities over which the group has control.

The financial reporting boundary covers the performance of the group's main operating businesses, FNB and RMB, which collectively account for 98% of turnover, and focuses on the operations in Namibia where the revenue is generated. The group has 46 branches across the country.

The integrated reporting boundary covers risks, opportunities and outcomes relating to the group's operating environment, its operating businesses and engagement with key stakeholders that could influence the group's ability to create and sustain value.

The integrated report is targeted at the group's investors, who are the groups' primary providers of capital, and the broader investment community. This report highlights how FirstRand Namibia's purpose of building a globally competitive Namibia, providing access to opportunities has impacted customers, employees, suppliers, regulators and funding institutions in the value creation process during the 2024 financial year.



FORWARD LOOKING STATEMENTS

The integrated report includes forward-looking information and results of the group's operations. These statements by their nature involve risk and uncertainty as they relate to events and circumstances that may or may not occur in the future.

Forward-looking statements are not statements of fact, but statements by the management of the FirstRand Namibia group based on its current estimates, expectations, and assumptions regarding the group's future performance.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events or otherwise. The forward-looking statements have not been reviewed or reported on by the Group's independent auditors.

About this **integrated report** continued

REPORTING PRINCIPLES

Annual Integrated Report (IR): Communication of the inextricable link between the value the Group creates, by applying the capital at its disposal, and its stakeholders, society and the natural environment. Additionally, how the external environment, purpose, business model, governance, risks and opportunities, strategy and resource allocation plans, performance and outlook are impacting operations and performance.

Annual Financial Statements (AFS): The audited Annual Financial Statements for the 2024 financial year of the FirstRand Namibia Group and Company. The report includes our directors' report and independent auditors' report.

The above reports were compiled in accordance with:

	IR	AFS
Namibia Code of Governance Principles for Namibia 2014 (NamCode)	√	
International Integrated Reporting Council's (IIRC) International <IR> Framework	√	
International Financial Reporting Standards (IFRS)		√
The Banking Institution Act, No 13 of 2023 as amended (Banking's Act)		√
Companies Act of Namibia, of 2004 (Companies Act)		√
NSX Listing Requirements		√

ASSURANCE

We apply a combined assurance model to assess and assure aspects of the group's operations, including the internal controls associated with elements of external reporting. We incorporate and optimise all assurance services and risk functions to enable an effective control environment that ensures the integrity of the information used in our decision-making and reporting. The assurance given to the board is underpinned by executive management (first line of defence), relevant functions (second line) and reviews performed by internal audit (third line).

Our external auditors, Ernst & Young Namibia (EY), independently provided assurance on the fair presentation of the annual financial statements for the year ended 30 June 2024. The external auditors also read the annual integrated report and considered whether any information provided is materially inconsistent with the financial statements or their knowledge obtained during their audit or otherwise appears to be materially misstated. No such misstatement was reported.

Reporting element	Assurance status and provider
Annual Integrated Report	Reviewed by the directors and management but has not been externally assured
Financial information	Annual Financial Statements audited by EY who expressed an unqualified audit opinion thereon
Employee satisfaction	Employee Value Proposition (EVP) Satisfaction Survey included in the Human Capital Report
All other non-financial performance information	Management has verified the processes for measuring all other non-financial information

INTEGRATED REPORTING PROCESS

The following processes were employed in the preparation and approval of our reports. The group's integrated reporting process is managed by a working group led by the Chief Financial Officer (CFO). The process commences each year with an evaluation of the previous year's Integrated Report to identify opportunities to enhance disclosure and continually align with best reporting practices. The individual reports included in the Integrated Report are compiled based on discussions with executives, written submissions, internal presentations, and board and committee papers. Draft reports are initially reviewed by responsible executives, including the CFO, and finally by the Chief Executive Officer (CEO).

The draft of the integrated report is provided to all board members for review and their feedback, advice and suggestions are then incorporated into the final report.

MATERIALITY

The annual integrated report focuses on matters that have the potential to materially impact our ability to create and sustain value over the short, medium and long term. Management is not aware of any material information that was unavailable or any legal prohibitions to the publication of any information in this report.

APPROVAL BY THE BOARD

The board acknowledges its responsibility for ensuring the integrity of the Integrated Report. The directors confirm that the report fairly represents the group's performance for the period under review as well as the growth strategies, material issues, risks and opportunities, and the prospects of the group.

The board has applied its collective mind to the preparation and presentation of this report and is confident that it has been prepared in accordance with the Integrated Reporting Framework and approved for publication on 22 August 2024.

P Grüttemeyer

IN Nashandi

LP Smit

C Dempsey

LD Kapere

ON Shikongo

E van Zyl

MJ Lubbe

S Balsdon

R Makanjee

J Coetzee

B

At a glance

Overview of the group, our business, market position, differentiators, business model, the needs and expectations of our stakeholders, and how our purpose, vision, strategy and values position us for long-term value creation.

Who we are and what we do

OUR PURPOSE

Building a globally competitive Namibia, providing access to opportunities

OUR MISSION

Be the best employer in Namibia to the best people, who are passionate about stakeholder relations and delivering innovative, client-centric value propositions through efficient channels and processes in an organised and sustainable manner

OUR BRANDS

FNB - How can we help you?
RMB - Traditional Vales, Innovative ideas
Ashburton Investments - Your trusted homegrown investment manager
Pointbreak Wealth Management – Real people, real returns
FNB Short-Term Insurance – Get real insurance

OUR PROMISES

- Value our differences
- Always do the right thing
- Stay curious
- Be deeply invested
- Have courage
- Build trust not territory

Global and local recognition

- Best Bank in Namibia 2024: Global Finance
- Best Local Bank: Namibia Top Company Awards
- Bank of the Year and Customer Excellence: Namibia Premier Business Awards
- NamRA 2024 Top Tax Contributor (2nd place)
- Best ESG/CSI Company in Namibia: Namibia Top Company Awards
- Best Foreign Exchange Bank (RMB Namibia): Global Finance
- Best International Private Bank: Euromoney Award
- 2024 PMR Awards:
  - Diamond Arrow: Private Banking, Digital Banking, Business Banking, Credit Cards
  - Golden Arrow: Personal Banking, Agriculture

Largest banking network in Namibia

- 6 Mobile ATM's
- 132 ADTs (2023: 120)
- 202 ATMs (2023: 213)
- 324 CashPlus Agents (2023: 252)
- 1 534 Cash@Till Merchants (2023: 932)
- 9 942 Point of Sale devices (2023: 9 149)
- 46 Branches including digital hubs (2023: 46)

OUR BUSINESS

FNB	RMB	WesBank	Ashburton Investments	pointBreak wealth management	Insurance
FNB represents FirstRand Namibia's retail and commercial banking offering a broad range of financial products under the transactional, lending and investment pillars	RMB represents FirstRand Namibia's corporate and investment banking offering a broad range of financial products to our corporate and institutional clients	WesBank represents FirstRand Namibia's offerings in the vehicle and asset finance market in the retail and commercial segments	Ashburton is FirstRand Namibia's asset management company offering traditional and alternative asset management solutions	Pointbreak is FirstRand Namibia's financial advice company offering financial advice and investment services and products to suit the unique needs and aspirations of clients	FNB Short-term Insurance is the Insurance company for FirstRand Namibia offering a range of short-term insurance products

Overview of performance

OVERVIEW OF FIRSTRAND NAMIBIA GROUP

FirstRand Namibia is an integrated financial services business offering transactional, lending, investment and insurance products and services.

FirstRand Namibia's portfolio of financial services businesses includes FNB, RMB, WesBank, Ashburton Investments, Pointbreak Wealth Management and FNB Short-term Insurance.

Our range of comprehensive products and services, combined with our deep understanding of our customers and communities served through a country-wide network of branches and agencies, sets us apart as a uniquely positioned business able to provide financial services to every sector of the Namibian economy.

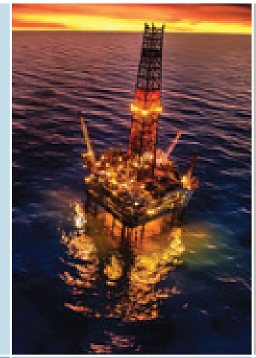
What differentiates us?

Our purpose of building a globally competitive Namibia, providing access to opportunities – as we leverage our strong balance sheet to make a sustainable impact through shared value to all our stakeholders.

STRONG BALANCE SHEET

ADVANCES
N$38 billion
(2023: N$35 billion)

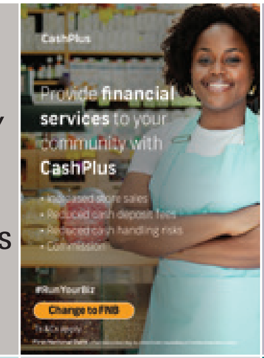
DEPOSITS
N$45 billion
(2023: N$43 billion)



VALUE TO SHAREHOLDERS

RETURN ON EQUITY
27.8%
(2023: 25.5%)

HEADLINE EARNINGS
N$1 716 million
(2023: N$1 558 million)



VALUE TO OUR CUSTOMERS

NET PROMOTER SCORE (NPS) on a scale of -100 to +100

Retail: **42**
(2023: 46)
Commercial: **25**
(2023: 30)

VALUE TO OUR NATION

MARKET CAPITALISATION
N$12.4 billion
(2023: N$13.5 billion)

EMPLOYEES
2 305
(2023: 2 319)

TOTAL DIVIDEND DECLARED

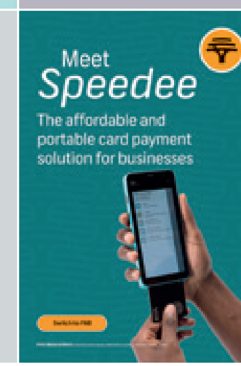
353.68
cents per share

(2023: 764.69 cents per share)

SOUND CAPITAL

TIER 1

16.7%
(2023: 17.0%)



STRONG BALANCE SHEET

The strength of our balance sheet sets us apart as a market leader

COMMITMENT TO SUSTAINABILITY AND IMPACT

Sustainable development goals and ESG principles are embedded in our strategy through our approach of shared prosperity

EXPERIENCED MANAGEMENT

Our diverse and experienced management team bring a unique strength to our organisation with people, and their development at the core of our strategy

SOUND RISK MANAGEMENT

Our coverage, liquid and capital ratios, differentiate us in the market, highlighting our strong governance and risk management processes

CLIENT SATISFACTION

Our client focus enables us to remain the leading digital innovator, developing products and platforms key to world-class client experiences

FNB Namibia - **a domestic, systemic important financial services group**

In 2024, FNB Namibia was awarded the best bank in Namibia by Global Finance

NAMIBIAN BANKING SECTOR

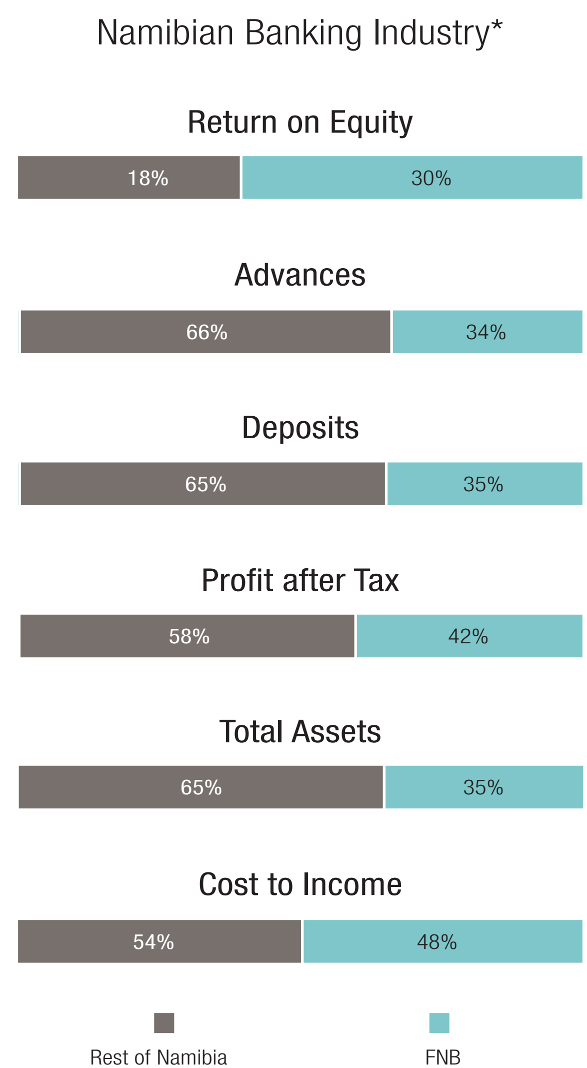
Public sector credit extension (PSCE) continued to show modest single-digit growth. By the end of the 2024 financial year, there were moderate signs of increased demand by the corporate sector although household demand remained subdued despite the government salary adjustments and tax reforms.

Namibian banks offer strong returns on capital and present promising long-term growth prospects. This is due to the pace at which the economy grows, increasing banking penetration, and increasingly sophisticated client needs.

Advances
The Namibian banking sector has advances of N$112 billion (up by 2% year-on-year in 2024).

FNB Namibia has a 34% share of advances, representing the credit provided to clients.

Deposits
FNB Namibia's deposits market share is 35% of the N$132 billion Namibian deposit market (up by 6% year-on-year in 2024), which is an important indicator of franchise strength.



Source: Bank of Namibia's latest industry regulatory returns (March 2024).
** FNB is excluded from Rest of Namibia.*

Our organisational structure, products and services

FIRSTRAND NAMIBIA VALUE CREATION JOURNEY

We exist to build a globally competitive Namibia, providing access to opportunities	We create value for our stakeholders using our resources, activities and strategy in an inter-connected ecosystem managed by strong governance processes with integrated thinking at the core of our business	The impact we have had on our stakeholders in the current financial year
FOR?	**HOW?**	**WHAT HAVE WE DONE?**
Customers / Employees / Suppliers / Regulators / Society / Investors	**OUR RESOURCES** / **OUR ACTIVITIES** / **OUR STRATEGY** / **GOVERNANCE PROCESSES**	We measure value through the direct impact we have made on our key stakeholders

FOR?

WHY WE EXIST? / **WHO WE ARE DOING IT FOR?**

Sustainability and shared prosperity at the heart of all that we do

Shared prosperity: **Intentionally** using our core business activities to allocate capital in the economy and to add value to society

HOW?

OUR RESOURCES	OUR ACTIVITIES
FINANCIAL CAPITAL	TRANSACTIONAL BANKING
SOCIAL CAPITAL	LENDING
MANUFACTURED CAPITAL	STRUCTURED FINANCING
HUMAN CAPITAL	INSURANCE
NATURAL CAPITAL	INVESTMENTS
INTELLECTUAL CAPITAL	FINANCIAL PLANNING AND ADVICE

OUR STRATEGY

- GROW CUSTOMERS
- MORE TO CUSTOMERS
- MORE EFFICIENTLY

GOVERNANCE PROCESSES

- BOARD OF DIRECTORS
- AUDIT COMMITTEE
- RISK, CAPITAL & COMPLIANCE
- TALENT & REMUNERATION
- SOCIAL, ETHICS & TRANSFORMATION
- EXECUTIVE MANAGEMENT

WHAT HAVE WE DONE?

GROWTH / **VALUE CREATION**

- INVESTING IN PEOPLE
- FINANCIAL INCLUSION
- ENABLING FINANCIAL RETURNS
- CONTRIBUTIONS TO SOCIETY
- DEPLOYMENT OF FUNDS FOR OPPORTUNITIES
- PLATFORM AND TECHNOLOGY INVESTMENTS
- FACILITATING ENVIRONMENTAL SUSTAINABILITY

Our business model for value creation

INPUTS	MEASURE	OUTCOME	IMPACT ON STAKEHOLDERS	IMPACTED STAKEHOLDERS
FINANCIAL CAPITAL	• Capital base • Balance sheet growth • Profitability	• Equity: N$6.2 billion (2023: N$6 billion) • Return On Equity: 27.8% (2023: 25.5%) • Share price: N$46.50 (2023: N$50.39) • Dividends declared: 353.68 cents (2023: 764.69 cents) • Advances growth 7.2% and total deposits growth 4.5% • PBT growth 6.6%	• Value created through the deployment of funds • Funding of opportunities (corporates and SMEs) • Housing financing (property ownership and access to housing) • Shareholder returns and contributions to society (government income and CSI contributions)	
SOCIAL CAPITAL	• Role in society as a financial services business	• Direct and indirect tax paid: N$746 million (2023: N$582 million) • CSI contributions: N$32 million (2023: N$13 million) • Compliance with regulatory requirements • 92% localised procurement in Namibia (2023: 87%) • Number of customer complaints: 680 (2023: 916) • Facilitated the first Social Bond registered on the NSX, with an issuance size of N$260 million • Participated in Africa's first social bond of N$50 million, listed on the NSX	• Value created through CSI contributions and government income • Constructive relationships and on-going dialogue with regulators, governments and other stakeholders	
MANUFACTURED CAPITAL	• Business processes and structures • Physical infrastructure	• Technology infrastructure investment: N$593 million (2023: N$400 million) • Large branch network • Digital logins by retail customers up 6.6% year-on-year • New registrations on digital platforms by retail customers up 14% year-on-year	• Value created and preserved through financial inclusion, increased access and provision of financial services	

Our business model for value creation continued

INPUTS	MEASURE	OUTCOME	IMPACT ON STAKEHOLDERS	IMPACTED STAKEHOLDERS
HUMAN CAPITAL	• Employees, skills and unique culture	• Salaries and benefits paid: N$1.5 billion (2023: N$1.3 billion) • Investment in training: N$23.6 million (2023: N$10.3 million) • 48% women in senior management (2023: 45%) • 53% black senior management (2023: 47%) • Bursaries and Medical Costs: N$6.8 million (2023: N$3.3 million) • Employee value proposition satisfaction survey (80% engagement favorability score) • Launch of new employment management system (Workday)	• Value created and preserved through investing in employees and future talent	
NATURAL CAPITAL	• Contribution to the sustainability of our environment	• Five Star Green rated building (FNB @Parkside) • 21.3 tons of waste collected in the Parkside building for financial year 2024, of which approximately 11.8 tons (56%) distributed for recycling • Total solar currently generated in all FNB locations in the region of 257kWp	• Value created and preserved through facilitating environmental sustainability	
INTELLECTUAL CAPITAL	• Strong brand • Development capabilities	• Availability of internet and mobile banking • Best Local Bank (Namibia Top Company Awards) • Tailored digital solutions to customers (Speedee launch) and to employees (Workday) • Launch of listed exchange traded notes (ETNs)	• Value created through long-term sustainability of the business	

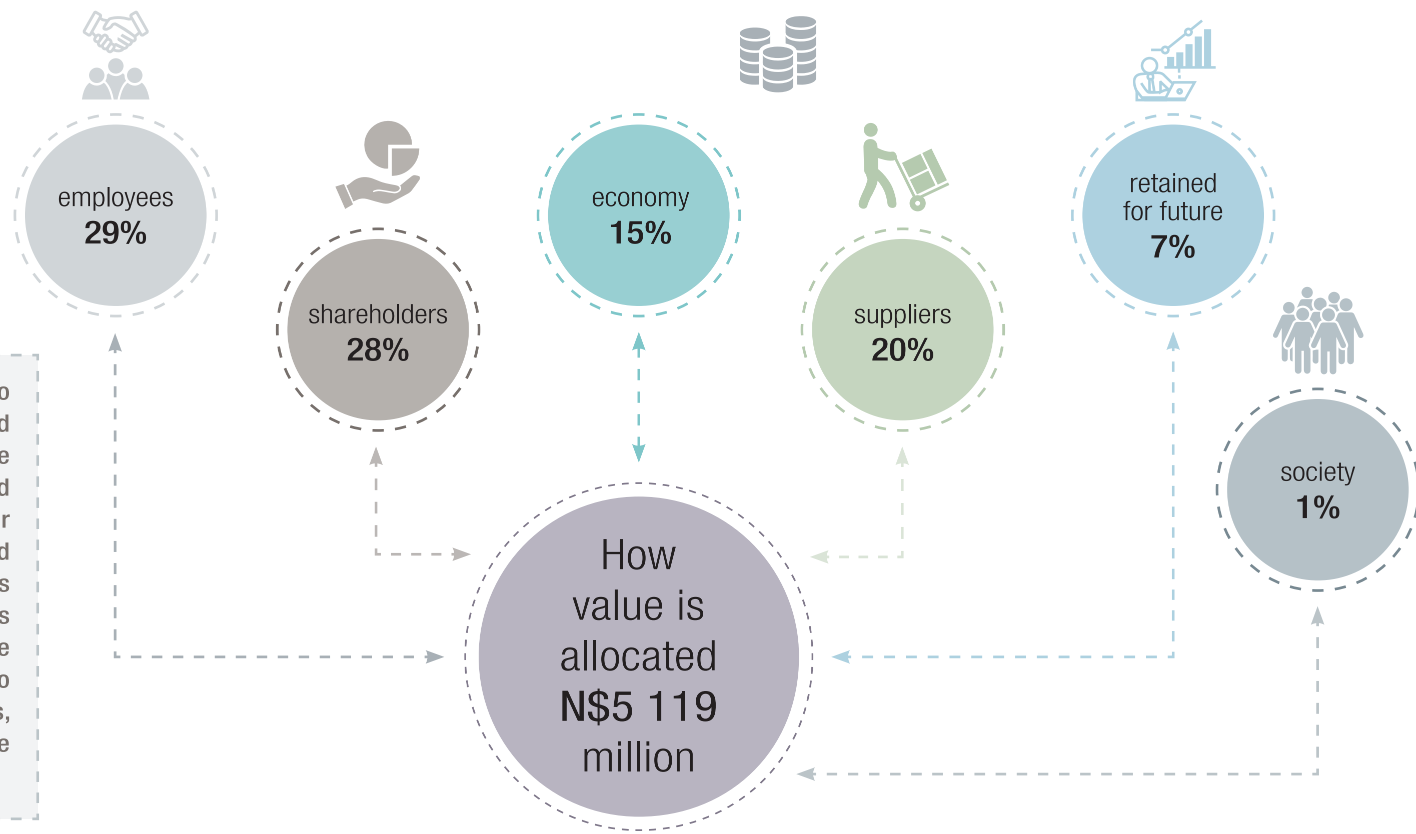
Our business model for value creation continued

HOW VALUE FOR STAKEHOLDERS IS DISTRIBUTED

Net interest income N$3 082million - Impairments N$426 million + Other revenue N$2 463 million = Value added N$5 119 million

value creation

In fulfilling our promise to our stakeholders, FirstRand Namibia allocates the value created in appropriate and meaningful ways – and for some stakeholders, beyond financial means. Stakeholders receive incorporeal benefits extending from employee development programmes to various community initiatives, in our effort to support a more sustainable future.



Our stakeholders - their needs and expectations

Stakeholder	Needs and expectations	Key objectives	Metric	Relevant material matters
CUSTOMERS	• Quality products that provide value • Convenient access to products and services through their channel of choice • Exceptional service • A secure environment in which to transact • Simple and transparent banking • Useful information, financial education and advice that leads to financial wellness and peace of mind • Responsible and innovative banking services and solutions • Ethical and fair treatment • Trusted banking relationships	• Impactful solutions that make a difference	• Net Promoter Score (NPS) • Client satisfaction ratings • Client complaints	• Macroeconomic challenges • Digital innovation to meet customer needs • Enhancing customer experiences
EMPLOYEES	• Stimulating work, with prospects to make a difference • A safe and healthy work setting, sustained by flexible work arrangements • Fair remuneration, effective performance management and recognition • Career growth and development opportunities	• An innovative culture that is people and client-focused • A diverse and inclusive employee profile	• Employee attrition • Employee satisfaction metrics	• Embodying sustainability within the workforce • Talent attraction, development and engagement • Diversity - Equity - Belonging - Inclusion
REGULATORS	• Compliance with all legal and regulatory requirements • Effective governance • Financial and operational stability • A responsible taxpayer • Transparent reporting and disclosure • Active participation and contribution to industry and regulatory working groups • Sustainable and responsible banking practices	• Timeous, regular and transparent reporting	• Financial and non-financial targets • Group CAR 17.6% (2023: 17.9%) • Taxes paid	• Regulatory constraints related to digital transformations • Responsible and ethical banking practices • Financial crime prevention
SOCIETY	• Providing access to financial services, products and solutions that help create positive impact for individuals, their families, business and communities • Using our resources to promote social and environmental issues which contribute to building a thriving society	• Shared prosperity • Inclusive growth supporting National development objectives	• FirstRand Namibia Foundation • CSI contributions	• Investing in communities • Managing the environmental impact of operations • Developing sustainability-focused products and services
INVESTORS	• Share price growth and a rewarding dividend stream • Sustainable growth in earnings and NAV, and ROE above COE • Strong balance sheet to guard against downside risk • Strong and experienced management, providing sound risk management • Transparent reporting and disclosure • Strategic focus on diversification through partnerships and acquisitions	• Share performance • Profit growth • Strong business performance	• NAV per share • ROE • Dividends paid and dividend cover	• Operational and financial resilience • Partnerships and acquisitions for future growth • Integrated strategy (purpose-led and digitally-enabled)

C

Value created and preserved through strong governance

Overview of how our leadership and strong governance structures support the creation and protection of value.

Message from our **Chairperson**

Peter Grüttemeyer

Even in the face of interest rate and inflationary pressure, drought and political change, FirstRand Namibia continues to play a significant role in driving economic development and extending credit throughout the economic cycle, underscoring our dedication to supporting our customers and the broader community in which we operate.

During the period under review, FirstRand Namibia continued to invest in areas of the business that are well-positioned for Namibia's growth, the technologies that enable this, and the people who continue to deliver our market-leading advice, with a clear understanding that the legacy we leave for future generations, is determined by how we operate today.

Governments and business leaders alike have had to face unplanned outcomes globally while managing new challenges and trade-offs, in a year characterised by a challenging and increasingly complex, macroeconomic backdrop.

In Namibia, the rise of Oil and Gas opportunities has added potentially positive economic growth aspirations into the past year's backdrop of the passing of a sitting president, rising food security concerns amidst drought, and increasing regulatory requirements from the central bank, juxtaposing and highlighting the need for experienced policy input with political stability aspirations in an election year.

However, even in the face of interest rate and inflationary pressure, drought and political change, FirstRand Namibia continued to play a significant role in driving economic development and extending credit throughout the economic cycle, underscoring our dedication to supporting our customers and the broader community in which we operate.

I am bound to comment on the opportunity set available to Namibia going forward, the roles of the stakeholders to Namibia's success and the role of the group as it continues to lead through its investment in talent, skills and partnerships locally and globally.

Message from our **Chairperson** continued

Considering the systemic reality of the group in Namibia, the local ownership of nearly 40%, and the gravitas of our local shareholders, including the GIPF, the need for strong ties and understanding between the regulator, the fiscus, our enabling ministries, planning commission and the financial sector, cannot be understated.

Recent bank charges and fees scrutiny evidence a lack of understanding of the role and responsibility of banks as the enabler of savings and borrowing costs at a basic level, let alone the complexity and costs of compliance, internationally, regionally and locally, as a necessary feature of ethical banking, and transparent governance to protect customers.

It is hoped that continued engagement will deliver an aligned vision of a stable and forward-looking banking fraternity, complemented by government and regulator policy enablement and partnership. A vision that both enables Namibia's profile expansion to attract suitable and sustainable foreign direct investment, as well as delivers on the national need for financial inclusion across the board.

Financial inclusion is the cornerstone of Namibia's sustainability. I am particularly proud of how the group has assisted our communities and local business with business recovery strategies, focusing specifically on SMEs. Through deliberate interventions we are helping business customers regain momentum and make real financial progress.

As a board we expect FirstRand Namibia to continue building a portfolio of multi-branded businesses providing a broad range of market-leading financial services.

Going forward, the Board expects to see a disciplined approach to the allocation of scarce financial resources, as well as a continued focus on SME management education, providing plans to help small business owners. At the same time, real investment into skills development and talent retention will continue to set the group apart, attracting and growing individuals who in turn will deliver best-in-class services to all who wish to create value locally, from individuals, to families, and to institutions across all sectors. It stands to reason then that most importantly, across the group, we encourage individual and teams' commitment to provide our customers with outstanding service, putting the customer first, and building trust and loyalty.

With respect to achievement, the group's businesses continued to navigate this low-growth environment with remarkable resilience, as demonstrated in its latest set of results for the year ended 30 June 2024. In the CEO's report, Conrad Dempsey unpacks the strategies that the group executed on during the past year. These strategies were particularly focused on strengthening the balance sheet, building available financial resources and positioning the group to grow opportunistically while yet sustainably.

Following a high-earning year off the back of rising interest rates, this years' results speak more realistically to the competency and consistency of management and leadership in driving long-term growth, and in preparing with agility and investment to play a catalytic role in Namibia's future.

The results themselves were positive and in the CFO's report, Lizette Smit provides a detailed review of the group's performance. Topline growth was healthy, driven in particular by non-interest revenue, solid balance sheet growth, and well managed costs. Pleasingly, at 27.8%, the ROE remains well above the target range of 21% to 24%. The group produced N$1 704 million of profit (2023: N$1 561 million) and N$790.3 million of net income after cost of capital (NIACC) (2023: N$669.1 million) is both its key performance measure and evidence of its healthy, strongly governed approach to good business practice.

Many developed economies are facing the prospect of outright recession, together with a mix of rising inflation and interest rates, and the Russian-Ukrainian war-induced energy crisis. In Namibia, the challenge is to manage the art of 'going slow to go fast' in a changing economy, fraught with legacy issues and socio-environmental challenges, against the immediacy of the required policy, regulation and economic landscape changes.

With policy and regulation implemented on the basis of consultation and consensus for the betterment of all in a country, Namibia could be the poster-child for Africa for all the right reasons. I look forward to this as a possibility, knowing that the board and management of the group are aligned on its role and what is needed to deliver a globally competitive Namibia.

I would like to acknowledge the immense efforts by the FirstRand Namibia leadership team, which has been instrumental in delivering the group's strong recovery in earnings and superior returns for shareholders over the past few years.

Finally, I thank each and every employee for their commitment and hard work, our customers for continuing to trust us as their financial partners, and our shareholders, locally and at multinational level, for engaging with us in a robust and honest manner.

P Grüttemeyer
Chairperson

Corporate governance report

for the year ended 30 June 2024

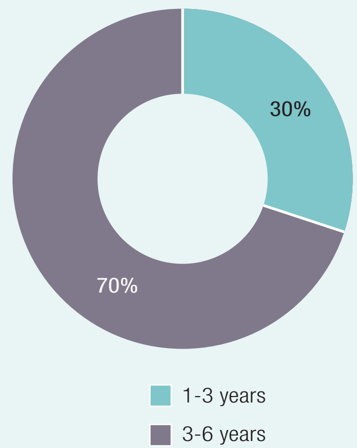
BOARD COMPOSITION

as at 30 June 2024

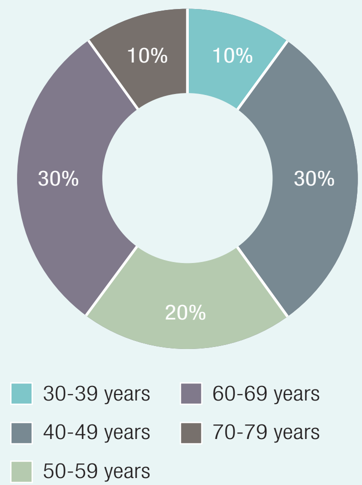
FirstRand Namibia's overarching governance objective is to ensure that an adequate and effective process of corporate governance is established and maintained, that is consistent with the nature, size, complexity, and risk inherent to the group and which responds to changes in the group's environment and conditions.

The group is subject to and endorses the ongoing disclosure, corporate governance, and other conditions required by the Namibia Stock Exchange (NSX). In response to the notice by the NSX contained in Gazette No. 139, the group supports and continues to apply the principles of The Corporate Governance Code of Namibia (NamCode).

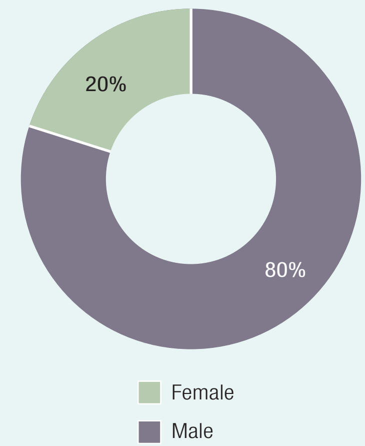
Tenure



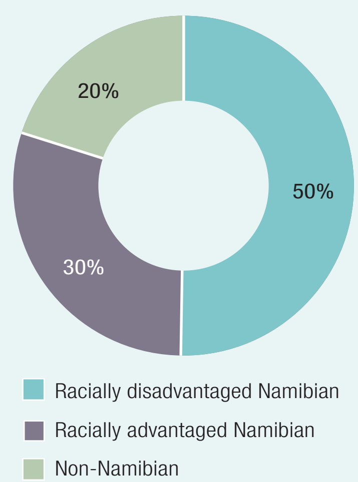
Age



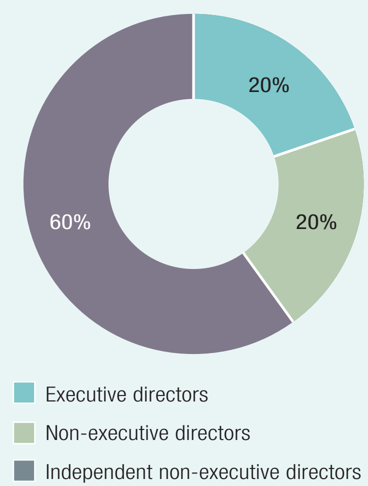
Gender Diversity



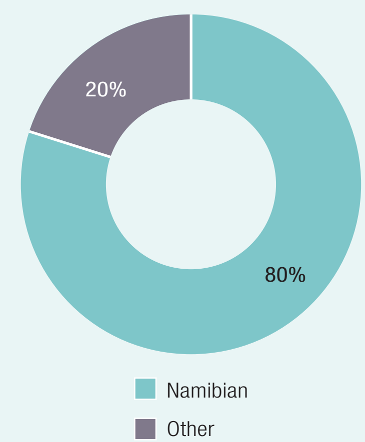
Racial Split



Board Roles



Nationality



Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS

PETER GRÜTTEMEYER

Chairperson
(Independent Non-Executive)

Appointed: April 2020

Namibian

Qualifications: CA (NAM) (SA)

Group directorships, trusteeships and memberships:

- FirstRand Namibia Ltd
- First National Bank of Namibia Ltd
- Talent and Remuneration Committee
- Directors Governance Committee
- FNB Employee Share Incentive Trust

OTTO SHIKONGO

Deputy-Chairperson
(Independent Non-Executive)

Appointed: February 2023

Namibian

Qualifications: M.Eng, Mechanical Engineers Certificate of Competency, Professional Engineer

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd
- Talent and Remuneration Committee
- Directors Governance Committee

CONRAD DEMPSEY

Chief Executive Officer
(Executive Director)

Appointed: October 2020

Namibian

Qualifications: CA (NAM) (SA), CGMA (UK), AMCT (UK), M.Phil

Group directorships, trusteeships and memberships:

- FirstRand Namibia Ltd
- First National Bank of Namibia Ltd
- Swabou Investments (Pty) Ltd
- Talas Properties (Windhoek) (Pty) Ltd
- RMB Investments (Pty) Ltd
- FNB Nominees Namibia (Pty) Ltd
- FNB Insurance Brokers (Namibia) (Pty) Ltd
- FNB Staff Assistance Trust
- FNB Easy Loans Ltd
- FirstRand Namibia Foundation Trust

Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS continued

LIZETTE SMIT

Chief Financial Officer
(Executive Director)
Appointment: July 2023
Namibian

Qualifications: CA (NAM) (SA)

Group directorships, trusteeships and memberships:

- FirstRand Namibia Ltd
- First National Bank of Namibia Ltd
- FNB Staff Assistance Trust
- Talas Properties (Windhoek) (Pty) Ltd
- Swabou Investments (Pty) Ltd
- FNB Easy Loans Ltd
- FNB Short Term Insurance Company Ltd

I-BEN NASHANDI

Non-Executive Director
Appointed: January 2019
Namibian

Qualifications: Bachelor of Commerce; Master of Science in Financial Economics; Master's in Development Finance

Group directorships, trusteeships and memberships:

- FirstRand Namibia Ltd
- First National Bank of Namibia Ltd
- FNB Fiduciary (Namibia) (Pty) Ltd
- Social Ethics and Transformation Committee

RAJENDRA MAKANJEE

Non-Executive Director
Appointed: August 2022
South African

Qualifications: CA (SA)

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd
- Talent and Remuneration Committee
- Directors Governance Committee

Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS continued

JAN COETZEE

Independent Non-Executive Director

Appointed: October 2021

Namibian

Qualifications: Microsoft Certified Systems Engineer, ITIL4 Managing Professional and Strategic Leader, Certified Trainer (ITIL, COBIT), Service Desk Manager (SDI), Resilia Cyber Security

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd
- Information Technology Risk and Governance Committee
- Risk, Capital, and Compliance Committee
- Audit Committee

EMILE VAN ZYL

Independent Non-Executive Director

Appointed: March 2022

Namibian

Qualifications: B.Comm, B.Comm (Hons), M.Comm

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd
- Risk, Capital, and Compliance Committee
- Senior Credit Risk Committee
- FNB Employee Share Incentive Trust
- Pointbreak Wealth Management (Pty) Ltd

LIBERTHA KAPERE

Independent Non-Executive Director

Appointed: December 2022

Namibian

Qualifications: B Juris, LLB (Hons), Admitted Legal Practitioner (High Court of Namibia)

Group directorships, trusteeships and memberships:

- FirstRand Namibia Ltd
- First National Bank of Namibia Ltd
- Audit Committee
- Risk, Capital, and Compliance Committee

Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS continued

MARKUS LUBBE

Independent Non-Executive Director

Appointed: February 2023

South African with Namibian Permanent Residence

Qualifications: CA (Nam) (SA)

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd
- Audit Committee
- Risk, Capital, and Compliance Committee

SAMANTHA BALSDON

Non-Executive Director

Appointed: July 2024

South African and Irish

Qualifications: B.Comm, Chartered Financial Analyst

Group directorships, trusteeships and memberships:

- First National Bank of Namibia Ltd
- FirstRand Namibia Ltd

Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS continued

Board changes

Changes to the directorate are outlined below:

Appointed		
LP Smit	Executive Director	24 July 2023
SL Balsdon	Non-Executive	15 July 2024
Changes		
ON Shikongo	Deputy-Chairperson appointment	19 October 2023

Director Name	FirstRand Namibia Ltd Board		Board Strategy		Directors Training		Directors Induction	
Number of meetings/training sessions	4	%	1	%	9	%	2	%
Independent Non-Executive Directors								
P Grüttemeyer	4/4	100	1/1	100	9/9	100	N/A	N/A
ON Shikongo	4/4	100	1/1	100	9/9	100	1/1	100
J Coetzee	4/4	100	1/1	100	9/9	100	2/2	100
E van Zyl	4/4	100	1/1	100	9/9	100	1/1	100
MJ Lubbe	4/4	100	1/1	100	9/9	100	2/2	100
LD Kapere	4/4	100	1/1	100	9/9	100	2/2	100
Non-Executive Directors								
IN Nashandi	4/4	100	1/1	100	6/9	67	N/A	N/A
R Makanje	3/4	75	1/1	100	6/9	67	N/A	N/A
Executive Directors								
C Dempsey	4/4	100	1/1	100	8/9	89	N/A	N/A
LP Smit	4/4	100	1/1	100	6/9	67	N/A	N/A

Corporate governance report
for the year ended 30 June 2024 continued

BOARD OF DIRECTORS continued

Induction and ongoing board development programmes

An active, well-informed, and independent board is necessary in ensuring the highest standards of corporate governance. It is well-recognised that an effective Board is a pre-requisite for strong and effective corporate governance. At FirstRand Namibia, the directors are the core of our corporate governance practices and oversee how management serve and protect the long-term interests of all our stakeholders. The Board is regularly trained on topical issues relating to the business, corporate governance, as well as on relevant legislation affecting the financial services industry. Directors have full and unrestricted access to management, group information and property. They are entitled to seek independent professional advice at the group's expense in support of their duties.

During the financial year the following training topics were covered:

- Determination on the appointment, duties and responsibilities of directors, principal officers, and executive officers of banking institutions and controlling companies (BID-1);
- Compliance training, including financial crime, anti-bribery and corruption, data privacy, business conduct (ethics) and market conduct and compliance risk;
- IFRS9/credit;
- Operational risk outsourcing and resilience;
- Information technology risk;
- Information security;
- Liquidity simulation, recovery plan and ICAAP;
- Market risk; and
- Forensic/fraud risk.

Committee induction

The FirstRand Namibia board underwent significant transition over the last few financial years. The board through the Directors Governance Committee took the opportunity to spread the workload between the directors and aligned the skills and capabilities to the board sub-committee functions. During the financial year the following induction sessions took place for Committee members:

- Audit committee induction and training, with a specific focus on Group Internal Audit;
- Risk, Capital and Compliance committee induction, with a specific focus on Risk, Treasury and Compliance; and
- Talent & Remuneration committee induction, with a specific focus on the reward philosophy.

Chief Executive Officer

Conrad Dempsey was appointed as the Chief Executive Officer of FirstRand Namibia Ltd effective 1 October 2020, and he serves as an Executive Director. He is responsible for leading the implementation and execution of approved strategy, policies, and operational planning and is the direct link between management and the Board.

Chief Financial Officer

Lizette Smit was appointed on 28 April 2023 as the Chief Financial Officer of FirstRand Namibia Ltd and subsequently appointed as an Executive Director effective 24 July 2023. She is responsible for overseeing the financial planning and analysis, managing the budgeting process, ensuring accurate financial reporting and regulatory compliance. Additionally she plays a key role in strategic planning and supports the overall financial health and sustainability of the group.

Company Secretary

Nelago Makemba has been FirstRand Namibia Ltd's company secretary since May 2015 and is also the company secretary to the majority of the subsidiaries. The Company Secretary plays a critical role as the gatekeeper of corporate governance and is ultimately responsible for ensuring that the Board and Management have access to professional services and advice on corporate governance principles and practices. In line with good governance practices, the appointment and removal of the company secretary is a board matter. The Board is satisfied with the services provided by the Company Secretary in ensuring that the needs of the Boards are met.

Board Committees

FirstRand Namibia has various duly constituted board committees to assist and support the board in discharging its duties. Each committee acts in terms of a written charter. The board and subcommittees are satisfied that they have fulfilled their responsibilities during the past financial year in accordance with their terms of reference, as set out in the board and committee reports.

The board is comfortable that the current composition of the board committees contributes to effective collaboration and balance of power, so no individual can dominate decision making and no undue reliance is placed on any individual. Reports from the board subcommittees are provided on pages 24 to 40.

Audit committee report

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

The independence of the Audit Committee is paramount and thus comprises independent directors. The committee is satisfied that the individual members of the committee possess appropriate qualifications and a balance of skills and experience to discharge their responsibilities. The committee composition and the period for which the respective members have served is as follows:

Member	Meeting attendance		Appointment / resignation date
Number of meetings	4	%	
Markus Lubbe (Chairperson)	4/4	100	Appointed 06 April 2023
Libertha Kapere	4/4	100	Appointed 14 March 2023
Jan Coetzee	2/2	100	Appointed 01 January 2024
Emile van Zyl	2/2	100	Resigned 31 December 2023

Standing invitations
Chief Executive Officer
Chief Financial Officer
Chief Audit Executive
Chief Risk Officer
Chief Compliance Officer
Chief Operating Officer
Group Treasurer
External Auditors

Internal Audit Function

The group has an independent in-house internal audit function which operates in terms of an approved Charter that spans across FirstRand Namibia Ltd and its subsidiaries. Group Internal Audit is headed by the Chief Audit Executive, Silvia Rosado, who reports administratively to the Chief Executive Officer and has unrestricted access to the Audit Committee Chairperson. Group Internal Audit provides risk-based and objective assurance, advice, and insight to enhance and protect organisational value with a mandate that spans across FirstRand Namibia Ltd and its subsidiaries. Group Internal Audit's approach to audit engagements requires agile risk assessments to ensure focus on key risks. Involvement in key projects and entity-wide areas of risk exposure are incorporated into the audit plans, together with ad-hoc requests from management and regulators for independent assurance.

As a proactive business partner and third line of defence, Internal Audit's scope includes providing independent assurance over the internal control systems and the bank's regulatory and economic capital models, regulatory reporting, capital management, stress testing and the internal capital adequacy assessment process (ICAAP). The internal audit function continues to provide assurance to the Board on the adequacy and effectiveness of the Group's internal control and risk management practices, and the integrity of financial reporting systems. Internal audit duly assisted management by making recommendations for improvements to the control and risk management environment during the year. The Committee received regular reports from Group Internal Audit and where necessary corrective actions were implemented by management.

Shareholders are informed that the Audit Committee discharged its duties by, inter alia, complying with its legal and regulatory responsibilities, and as follows:

August 2023	October 2023	February 2024	April 2024

- Overseeing the internal and external audits, including reviewing and approving of the internal and external audit plans, reviewing of significant audit findings, monitoring progress reports on corrective actions required to rectify any reported internal control shortcomings.
- Monitoring internal control frameworks and procedures, including accounting policies, legislative compliance, regulatory matters and governance.
- Reviewing the effectiveness of the systems of internal control, including IT internal controls and risk management, based on written reports form the Chief Audit Executive.
- Reviewing and approving the Audit Committee Charter, Group Internal Audit Charter and Policy for Non-Audit Services.
- Reviewing legal and compliance matters that could have a significant impact on the Interim Financial Statements and Annual Financial Statements.

Audit committee report continued

August 2023	October 2023	February 2024	April 2024

- Confirming and monitoring the internal audit process and assessing the effectiveness of the internal audit function.
- Ensuring that the internal audit function is subjected to an independent quality review, as a measure to ensure the function remains effective.
- The Committee has assessed and is satisfied with the arrangements of the internal audit function and are further satisfied that the internal audit function is independent and appropriately resourced.
- The committee received regular feedback regarding the progress of the transition of the external auditors who were appointed for the 30 June 2024 financial year audit.
- The Audit Committee has satisfied itself as to the performance and quality of the external audit. The Audit Committee confirmed satisfaction with the efficacy and independence of the independent auditor, Ernst & Young Namibia, who performed the audit for the financial year and further confirms that the appointment of Ernst & Young Namibia, together with that of the designated individual audit partner, was assessed in accordance with the NSX Listings requirements, the Banking Institutions Act, 2023, and the Companies Act, 2004.
- Reviewing and recommending to board the remuneration of the external auditors.
- Recommending the re-appointment of external auditors for approval by shareholders at the Annual General Meeting.
- Reviewing the quality, independence and cost-effectiveness of the statutory audit and non-audit engagements.
- Setting the principles for recommending the use of external auditors for non-audit services in terms of the policy for Non-Audit Services.
- Advising and updating the board on issues ranging from accounting standards to published financial information.
- Providing independent oversight on the integrity of the Interim Financial Statements, Annual Financial Statements, Annual Integrated Report and other external reports issued and recommending same to the Board for approval.
- Providing independent oversight on the integrity of the reviewed 31 December 2023 interim profits for FirstRand Namibia Ltd and First National Bank of Namibia Ltd in accordance with the applicable Banking Determinations.
- Assessing combined assurance from the external auditors, internal auditors and management ensuring that the combined assurance received is adequate to address all material risks.
- Assessing the expertise, resources and experience of the Chief Financial Officer and finance function. The Committee confirmed that they are satisfied that the group Chief Financial Officer possesses the appropriate expertise and experience to perform her duties as the Chief Financial Officer. The Committee confirmed satisfaction with the appropriateness of the expertise and adequacy of resources of the finance function and experience of the members of management responsible for the finance function.
- Following the review of the Annual Financial Statements, the Audit Committee is of the opinion that, in all material respects they comply with the relevant provisions of the Companies Act, 2004, International Financial Reporting Standards (IFRS), the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and that they fairly present in all material respects the results of operations, cash flows and financial position of the Company and the Group for the financial year ended 30 June 2024.
- The Committee has reviewed a documented assessment including key assumptions, prepared by management on the going concern status of the Company and accordingly confirmed to the Board that the Company is expected to be a going concern for the foreseeable future.

The Audit Committee confirms that it was able to carry out its work to fulfil its mandate under normal and unrestricted conditions. The Committee is satisfied that the assurance obtained during the meetings, corroborated by the review of the documentation deemed necessary and its analyses, sustain its conclusion reached for the 2024 financial year end. The Audit Committee is of the opinion that it has discharged its functions in terms of its Charter and as ascribed to it by the Companies Act, 2004 and the Banking Institutions Act, 2023. The Audit Committee confirms that the Company has established appropriate financial reporting procedures and that those procedures are operating effectively.

Markus Lubbe
Chairperson

Risk, Capital and Compliance Committee (RCCC) report

The committee provides independent oversight of the group's risk, capital management and compliance activities. This includes ensuring that an effective policy and plan for risk management has been implemented to improve the group's ability to achieve its desired outcomes, and that risk disclosures are timely, sufficiently detailed and relevant to the group's stakeholders.

The committee composition and the period for which the respective members have served is as follows:

Member	Meeting attendance		Appointment date
Number of Meetings	4	%	
Emile van Zyl (Chairperson)	4/4	100	Appointed 19 October 2022
Markus Lubbe	2/2	100	Appointed 01 January 2024
Libertha Kapere	2/2	100	Appointed 01 January 2024
Jan Coetzee	4/4	100	Appointed 9 February 2022

Standing invitations
Chief Executive Officer
Chief Financial Officer
Chief Audit Executive
Chief Risk Officer
Chief Compliance Officer
Chief Operating Officer
Group Treasurer
External Auditors

The committee is satisfied that it fulfilled its obligations in terms of its mandate.

Emile van Zyl
Chairperson

Shareholders are informed that the Committee discharged its duties by, inter alia, complying with its legal and regulatory responsibilities, and as follows:

August 2023	October 2023	February 2024	April 2024

- Monitored the group's overall risk profile and escalated material matters to the FirstRand Namibia Ltd, First National Bank of Namibia Ltd boards and subsidiaries where appropriate.
- Reviewed the group's risk profile related to all principal risk types. Ensured that the various risk types were adequately addressed through the risk management, monitoring and assurance processes.
- Monitored that the group takes appropriate action to manage the various types of risks and that it complies with applicable laws, rules, codes and standards.
- Reviewed and approved changes to board limits, trading limits, and operational risk appetite setting. Approved loss thresholds in terms of the Operational Risk Appetite Policy. The operational loss threshold is used as a continuous risk measure of actual losses against appetite and group strategy to ensure that exposure is managed and kept at an acceptable level.
- Considered the operational control environment, the appropriateness of management actions, and assurance provided by the second line of defence.
- Tested key controls in the Process Based Risk and Control Identification and Assessment (PRCIA).
- Considered group-wide monitoring coverage plans for compliance risk management. Implementation of the Financial Crime Policy, including approval of enhanced due diligence (EDD) reviews.
- Approved the regulatory universe, prioritised universe, compliance monitoring plan, and compliance risk management plan.
- Received updates on changes in legislation, the assessment thereof, and impact rating assigned.
- Identified and assessed the main compliance risks facing the business units and monitored the controls and plans to manage and mitigate identified risks. Addressed any identified shortcomings in the management of existing compliance risks identified as a result of the annual compliance risk assessment.
- Approved the group's ICAAP, including stress testing results, and the recovery and resolution plan.
- Ensured the governance and oversight of technology and information risk, which is executed through the Information Technology, Risk and Governance Committee. Monitored the group's management of IT, information and cybersecurity risk, including policies and response to incidents.
- Provided oversight through the Social, Ethics and Transformation Committee of the climate risk profile, social matters such as corporate social investment, stakeholder relationships, corporate culture, corporate citizenship, and national empowerment imperatives. Oversight over ethics matters such as organisational values, culture, ethics management, conduct and fair treatment of customers.
- Approved frameworks, while noting the policies and other documents approved at the relevant in-country forums. In doing so ensured that framework and policy documents are localised to in-country laws, regulations, and governance arrangements. The Committee as such has continued to provide clear and effective objectives through frameworks and policies, within which the group must operate.

Talent and Remuneration Committee report

1. SCOPE

The Talent and Remuneration Committee (Remco) is charged with overseeing group remuneration and ensuring that remuneration practices align between employees and shareholders. Remco promotes fairness of remuneration by ensuring the principle of equal pay for work of equal value is applied, and that remuneration is market related and sustainable.

The Committee assists the board in ensuring that the group meets recommended remuneration guidelines and practices of the NamCode and King IV, where appropriate. The committee is accountable for providing governance oversight over all forms of remuneration and reward for non-executive directors, executive directors, senior management and all employees across all subsidiaries and businesses in the FirstRand Namibia Group.

The overall intent of the remuneration is to achieve the following objectives:

- Attract, motivate, reward and retain talent;
- Promote the achievement of strategic objectives within the organisation's risk appetite;
- Promote positive outcomes and fair, transparent and consistent remuneration practices; and
- Promote an ethical culture and responsible corporate citizenship.

2. COMMITTEE MEMBERSHIP AND ATTENDANCE

The Talent and Remuneration Committee consists of three members and is chaired by an independent Non-Executive Director. The Chief Executive Officer, the Chief Financial Officer and the Chief Human Capital Officer attend all committee meetings in an ex officio capacity. Management invitees do not have any voting rights. Where there is a conflict or perceived conflict of interest, members of management recuse themselves from the discussion, and deliberation on an individual's performance occurs in the absence of the individual.

The committee met four times during the financial year, attendance at the meetings held during the year is as follows:

Member	Meeting attendance		Appointment / resignation date
Number of meetings	4	%	
Otto Shikongo (Chairperson)	2/2	100%	Appointed 01 January 2024
Peter Grüttemeyer	4/4	100%	Appointed 07 April 2021
Rajendra Makanjee	3/4	75%	Appointed 12 April 2022
Emilie van Zyl	2/2	100%	Resigned 31 December 2023

3. REMUNERATION PHILOSOPHY

The group's remuneration philosophy is based on the view that remuneration must align with shareholder value. This ethos has shaped the group's remuneration philosophy and is anchored in the performance management framework through which performance is managed at individual, team, business unit and group levels.

The group performance management process commences with an annual performance planning process whereby an annual operating business plan is informed by the group's long-term strategic blueprint. The Board of Directors sets strategic priority areas and targets for the particular financial year derived from the group's long-term strategy. Group targets are set within the group's overall risk appetite.

The group has adopted the principles of an outcomes-based remuneration philosophy, which it believes to be appropriate given the diverse nature of the businesses that make up its portfolio.

The group's remuneration philosophy is founded on the following principles:

- Attracting and retaining the best talent in the market is a critical enabler for the group to execute on strategy and deliver on its promises to stakeholders.

- Management should not do better than shareholders. That is, the growth in management remuneration should not exceed the growth in accumulated net asset value and dividends. To this end, the group's key performance measure, net income after cost of capital (NIACC), ensures that employees only receive variable pay after all obligations are met, including "paying" shareholders first for their equity.

- Management is thus expected to produce positive NIACC before they can start sharing.

- Management also has a responsibility to other stakeholders: regulators, customers, deposit holders, employees, and society at large. These are all considered by the Committee when determining and assessing remuneration so that sustainable long-term growth for the benefit of all stakeholders is achieved.

- The Committee considers total remuneration across fixed salaries, STIs and LTIs as encapsulated below.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES

4.1. Guaranteed pay

Cash Package (Based on Cost-to-Company)

The group has a cost-to-company (CTC) remuneration approach designed to attract and retain talent in line with the scope, nature and skills requirement of the role. CTC is generally market-related and reflects the responsibilities of the role, expertise and skills of the individual employee. An individual's guaranteed pay is determined by:

- The appropriate salary range matched to the role using market benchmarks (pay for the role); and
- The value he/she adds to the group (pay for the person) in relation to the expected outcomes for a specific position/role.

Guaranteed Pay Benchmarking

The remuneration policy promotes fairness of remuneration by ensuring that the principle of equal pay for work of equal value is applied. This principle encompasses two main aspects, namely: market-related pay and internal parity.

FirstRand Namibia engages independent service providers to benchmark market data pertaining to guaranteed remuneration. The PwC Remchannel and Emergence salary surveys are currently used to benchmark against the market information. It also provides each industry with a comparator circle to ensure that benchmarking is done against peers at the correct level. This approach ensures that guaranteed pay packages are competitive allowing the group to attract and retain the right calibre of employees.

In instances where it appears that pay for certain skills has fluctuated rapidly owing to factors such as scarcity of skills, a targeted customized survey may be commissioned. Such surveys are conducted using a reputable consultancy that is independent and does not have an ongoing contract with the group. The results of these ad-hoc surveys serve to either validate existing data or provide intelligence for the business to make decisions.

With regards to internal parity, the remuneration committee has taken deliberate steps to ensure that it understands internal pay gaps within the group. The group has robust processes aimed at identifying and correcting any arbitrary inequalities in pay. These processes compare like-for-like objective criteria across the employee base, such as performance, skills and experience. Where unjustified income differentials are identified, adjustments are made as part of the annual remuneration review exercise to the extent that these can be catered for within the staff cost budget.

The group has recognised the Namibia Bank Workers Union (NBWU) as the exclusive bargaining agent for non-managerial employees. The group negotiates salary increases with the NBWU on an annual basis as provided for in the Recognition Agreement. Salary negotiations and resulting settlement are generally informed by prevailing macro-economic factors as well as individual employees' performance.

All remuneration increases are reviewed and approved by the Talent and Remuneration Committee in the context of individual and business unit performance, inflation and specific industry practices and trends as well as the current economic environment.

Retirement contribution

All employees are contractually obliged to contribute to the FirstRand Namibia Retirement Fund under Benchmark Umbrella Fund. An independent Board of Trustees is in place constituted by employer and employee representatives. The Board of Trustees manage the Pension Fund and has been tasked to improve retirement outcomes by maximizing investment returns and minimizing costs.

Medical Aid contribution

All employees are contractually obliged to belong to a medical aid. Employees who are not able to provide proof that they have membership with a medical aid, are obliged to become a member of Namibia Health Plan (NHP). An independent Board of Trustees is in place constituted by employer and employee representatives. The Board of Trustees manages the medical aid to ensure that relevant benefits are provided to the employees at reasonable cost.

4.2. Variable pay

Short-Term Incentive (STI) Scheme

STIs reward both group and individual performance achieved considering the strategic priorities and objectives. The STI pool for both managerial and non-managerial employees of FirstRand Namibia Group is determined by FirstRand Namibia Group Talent and Remuneration Committee by using a combination of both financial and non-financial performance measures.

With regard to financial measures, the STI pool is determined using performance measures such as return on equity (ROE), normalised earnings growth and NIACC for the year. STIs that exceed a certain threshold are deferred into cash and share price linked awards.

Individual short-term incentive awards up to N$1 million are paid in full in August while those in excess of N$1 million up to N$2 million are paid out in three tranches, providing for a 6-month and 12-month deferral respectively. Interest, as determined by the group, accrues on the second and third tranches and is included in these payments. Awards above N$2 million are also paid in three tranches but a component of the bonus is deferred as a share-linked award which vest two years later (based on continued employment and good standing). Should an employee resign or leave the employ of the group for any reason before the date on which any tranche is payable, any outstanding tranches will no longer be payable and are forfeited. From 2021, awards with only time-based vesting conditions were introduced as a short-term incentive category for staff not eligible for the conditional incentive plans (CIP). These are referred to as the deferred incentive plan (DIP). Awards that include both performance- and time-based vesting conditions are referred to as CIP.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

4.2. Variable pay continued

Long-Term Incentive Scheme

The group operates a Long-Term Incentive (LTI) Scheme which seeks to ensure employees are aligned to shareholder requirements for sustainable earnings growth, sustainable and superior returns and the creation of long-term franchise value. LTIs also support the long-term retention of critical management level employees. The FirstRand Limited Conditional Incentive Plan (CIP) is utilised to achieve these objectives.

The total LTI award pool for the group is approved annually by the FirstRand Limited Remco in South Africa and considers overall headcount growth and salary inflation increases. The allocation of this pool is determined by the value created and the sustainability of the Group's contribution to shareholder value. The Talent and Remuneration Committee has final approval of the pool at a country level.

The allocation to individuals is driven by eligibility criteria with guidance on quantum linked to the guaranteed package of the individual. The performance conditions set for the LTI plans include targets for ROE and earnings growth and are deeply embedded in the performance culture of the group. The group does not assign weightings to the return and earnings growth conditions as it believes this practice creates two separate instruments which could drive behaviour where the one condition is favoured at the cost of the other. The group therefore requires both return and growth conditions to be met. ROE is the prerequisite and must be achieved before the growth metric is assessed. The earnings growth target is measured over a three-year rolling period on a cumulative basis. The return target is measured as the average ROE over the three-year vesting period and positive NIACC is required in line with the group's performance philosophy. The ROE is based on net asset value and not on tangible net asset value and as such includes goodwill.

Performance conditions should support motivation and retention and as such the Talent and Remuneration Committee considers several factors, including:

- The outcomes of the three-year budget process as well as scenario analyses on the budgets with incorporation of risk and stressed views;
- The macroeconomic outlook together with the probabilities assigned to the different scenarios;
- The required investment in platforms and new business development for future growth strategies, with this investment expensed and not capitalised;
- The opportunity to grow in excess of the economy given the group's relative market share; and
- The requirement to protect the return profile as opposed to incentivising earnings growth at the expense of returns.

Participants in the LTI have exposure to fluctuations in the group's share price and the value of the award will either increase or decrease in line with the change in the share price over the vesting period, further supporting the alignment between shareholders and employees.

FirstRand Limited Conditional Incentive Plan (CIP)

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

Under the group CIP described earlier, the conditional awards vest three years from the award date if the performance and employment conditions have been met. At the date of vesting, the employee will receive the vesting value, based on the share price at the time. Settlement of the vesting value will either be in cash or by acquiring settlement shares if elected by the participant. Shares required for settlement are purchased in the open market, not issued, to avoid shareholder dilution. There is no accrual of dividends over the vesting period and the participating employees remain exposed to fluctuations in the group's share price over the vesting period.

The Talent and Remuneration Committee has changed the vesting conditions for the 2021 Share Scheme Structure. A distinction has been made between professionals, senior leadership and executives.

The award for professionals is 100% de-risked. Individual performance is required to be rated as meets expectations or above. For senior leadership, 50% company and individual performance conditions. For executives (chief executives), 100% of vesting subject on company and individual performance.

Other LTI considerations

Outstanding LTIs

The group has a "good leaver" policy covering remuneration already awarded that has not fully vested. The Talent and Remuneration Committee has discretion in certain circumstances. The categories of good leavers:

1. **Retirement:** The LTI awards of employees who retire in terms of the group's retirement policy continue for the duration of the performance period and remain subject to the normal rules and performance conditions.

2. **Retrenchment and death:** LTI awards are pro-rated and deemed to be vested. From 2018, the awards are pro-rated for the remaining vesting period and a probability of vesting is applied based on performance to date measured against the roll-forward vesting conditions to date.

3. **Injury, disability or ill health:** LTI awards are pro-rated and deemed to be vested. From 2018, the awards are pro-rated for the remaining vesting period and a probability of vesting is applied based on performance to date measured against the roll-forward vesting conditions to date.

4. **Resignation:** Employees who resign before the vesting date of the outstanding LTIs will forfeit these awards. However, on rare occasions, depending on the circumstances, The Talent and Remuneration Committee may apply its discretion to allow some or all the outstanding awards to remain in force until the normal vesting date with specific conditions applicable to the employee's future role.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Corporate performance targets (CPT)

The FirstRand Limited 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 have a graded vesting structure. The level of vesting is correlated to the earnings growth achieved relative to macroeconomic variables or set normalised EPS growth targets and minimum return on equity (ROE) requirements. The vesting outcome is based on the delivery of the performance conditions and this level is finally determined and calculated by the group remuneration committee. The remuneration committee is permitted to adjust the final outcome of the graded vesting level downwards for predetermined issues. In terms of the scheme rules, participants are not entitled to dividends on their conditional share awards during the vesting period. For the 2019 and 2020 awards, 50% of the awards granted to non-senior employees are subject only to continued employment for the award to vest, with the remaining 50% subject to performance conditions.

The criteria for the expired and currently open schemes are set out below.

Expired schemes

2020 (Vesting date in September 2023) – The awards for all top and certain senior management have performance conditions applied to 100% of the award. For all other participants, 50% of the award seeks to drive retention and will vest in three years without performance conditions, provided the participant remains in employment of the group. The remaining 50% of the award is subject to performance conditions. For the awards subject to performance conditions, graded vesting applies. 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 target with linear grading correlated to normalised EPS growth between targets. If the minimum conditions are met, vesting will commence at 70% and if these are not met, the award will lapse. The Talent and Remuneration Committee (Remco) has the right to adjust the vesting level downward by as much as 20% if material negative outcomes for the business occur that are within management control.

Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the risk, capital management and compliance committee (RCCC); and
- concerns regarding adherence to the liquidity and capital management strategies in place.

The performance conditions for the 2020 award include prudential targets relating to liquidity and capital ratios, a normalised EPS growth target and an ROE target. The table below further stipulates the performance conditions to be fulfilled by the company and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. To achieve minimum vesting of 70%, the group must exceed the liquidity and capital targets set by the board and measured at 31 March 2023. If the conditions set for 70% vesting are not met, the award lapses and none of the other conditions described below are assessed. For any vesting above 70%, both the ROE and normalised earnings growth targets below must be met.

Vesting level *	Performance conditions	
	Minimum ROE requirement at 30 June 2023 **	Normalised earnings per share growth requirement (3-year compound annual growth rate)
70.1% to 99.9%	For grading above 95%, ROE must be more than cost of equity as at issue date of award, i.e. NIACC positive	Grading based on minimum compound annual growth rate of 4.3% up to <13.4%
100%	ROE must be more than cost of equity as at issue date of award, i.e. NIACC positive	Minimum compound annual growth rate of 13.4% up to <17.5% (100% vesting only for all growth outcomes in the range above)
100.1% to 119.9%	ROE of at least 18%	Minimum compound annual growth rate of 17.5% up to <22%
120%	ROE of at least 20%	Minimum compound annual growth rate of 22%
120.1% to 150% (maximum vesting of 150%)	ROE of at least 22%	Minimum compound annual growth rate above 22% and up to 28.2% to calculate linear grading up to 150% vesting.

* *Linear grading between these vesting levels based on the growth achieved.*

** *In the event that the ROE target is not met, the required growth condition will not be considered.*

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open

2021 (Vesting date in September 2024) – From 2021, all CIP awards have performance conditions applied to 100% of the award. Graded vesting applies to all CIP awards. 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 targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if material negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the RCCC;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

	Performance conditions (both conditions must be met)		
	Vesting level should both conditions be met*	ROE target Minimum ROE requirement at 30 June 2024**	Normalised earnings per share growth requirement (3-year compound annual growth rate)# FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth on a cumulative basis over the three-year performance period from the base year end, being 30 June, as set out for each vesting level indicated below:
Threshold (Minimum vesting, below which the award lapses)	50%	≥ 17%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 1%
On-target performance	100%	≥ 18%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 3%
Stretch †	120%	≥ 20%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 5%
Super stretch †	150%	≥ 20%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 8%

* *Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.*

** *The ROE target is measured at 30 June 2024. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or changes in volatile reserves.*

In the event that the three-year CAGR of real GDP is negative, CPI will be referenced.

† *For vesting at 120% or above, ROE of ≥20% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 8% over the three-year period.*

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

2022 (Vesting date in September 2025) – All CIP awards are subject to performance conditions. For all the awards graded vesting applies. 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 super stretch target with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if material negative outcomes for the business occur that are within management control. Examples would include:

- Issues that materially damaged the group's businesses, including its reputation;
- Material enterprise-wide risk and control issues, as recommended to it by the risk, capital management and compliance (RCCC) committee;
- Concerns regarding adherence to the liquidity and capital management strategies in place; and
- Lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

	Performance conditions (both conditions must be met)		
	Vesting level*	Minimum ROE requirement**	Normalised earnings per share growth requirement (3-year compound annual growth rate) # FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth on a cumulative basis over the three-year performance period from the base year end, being 30 June 2022, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥ 19%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥ 20.5%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 2.5%
Stretch †	120%	≥ 22%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 5%
Super stretch †	150%	≥ 22%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 9%

* *Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.*

** *The ROE target is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or volatile reserves.*

In the event that the three-year CAGR of real GDP is negative, CPI will be referenced.

† *For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 9% over the three-year period.*

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

2023 (Vesting date in September 2026) – All CIP awards are subject to performance conditions. For all the awards graded vesting applies. 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 super stretch target with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if material negative outcomes for the business occur that are within management control. Examples would include:

- Issues that materially damaged the group's businesses, including its reputation;
- Material enterprise-wide risk and control issues, as recommended to it by the risk, capital management and compliance (RCCC) committee;
- Concerns regarding adherence to the liquidity and capital management strategies in place; and
- Lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

	Performance conditions (both conditions must be met)		
	Vesting level*	**Minimum ROE requirement****	**Normalised earnings per share growth requirement (3-year compound annual growth rate) #** FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth on a cumulative basis over the three-year performance period from the base year end, being 30 June 2026, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥ 19%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 4%
On-target performance	100%	≥ 20.5%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 4%
Stretch †	120%	≥ 22%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 6.5%
Super stretch †	150%	≥ 22%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 10.5%

* *Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.*

** *The ROE target is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or volatile reserves.*

In the event that the three-year CAGR of real GDP is negative, CPI will be referenced.

† *For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 10.5% over the three-year period.*

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

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 Limited shares)	
	2024	2023
Award life (years)	2 – 3	2 - 4
Risk-free rate (%)	8.43 – 8.83	8.58 – 9.45

	Conditional and deferred incentive plans (FirstRand Limited shares)	
Share awards outstanding	**2024**	2023
Number of awards in force at the beginning of the year (millions)	2.646	2.242
Number of awards granted during the year (millions)	0.763	0.724
Number of awards transferred (within the group) during the year (millions)	-	(0.018)
Number of awards exercised/released during the year (millions)	(1.270)	(0.239)
– Market value range at date of exercise/release (cents)*	6 435 – 6 489	6 208 – 6 208
– Weighted average (cents)	6 462	6 208
Number of awards forfeited during the year (millions)	(0.099)	(0.063)
Number of awards in force at the end of the year (millions)	**2.040**	**2.646**

Conditional and deferred incentive plan (FirstRand Limited shares)

	Conditional and deferred incentive plan (FirstRand Limited shares)			
	2024		2023	
Awards outstanding**	Weighted average remaining life (years)	Outstanding Awards (millions)	Weighted average remaining life (years)	Outstanding awards (millions)
Vesting during 2022	-	-	0.32	0.288
Vesting during 2023	0.32	1.263	1.32	1.274
Vesting during 2024	1.32	0.682	2.32	0.68
Vesting during 2025	2.32	0.701	-	-
Total conditional awards	-	**2.646**	-	**2.242**
Number of participants	-	**176**	-	**176**

* *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.*

Overview of retention measures considered

In order to align with market practices for share awards, FirstRand Limited has three types of vesting conditions for CIP share awards.

Employees receiving a share award will be allocated into one of the three categories based on the role that they fulfill:

Professionals	Senior leadership	Executives
De Risked Time based	50% Company performance conditions	100% Company performance conditions
Individual performance requirement to be rated a 3 or above	Individual performance requirement to be rated a 3 or above	Individual performance requirement to be rated a 3 or above
Rest of employees	EXCO	CEO

Talent and Remuneration Committee report continued

DIRECTORS REMUNERATION

Executive Directors

Executive Directors are employed on fairly standard employment contracts as all other employees. Remuneration paid is based on the group's remuneration policy as set out above.

The committee took note of the recommendations of NamCode that companies disclose the remuneration of its three highest paid employees who are not directors. After due consideration of this provision the committee, with concurrence of the Board, resolved that the disclosure of the remuneration of the executives sufficiently illustrates the alignment between reward and shareholder return.

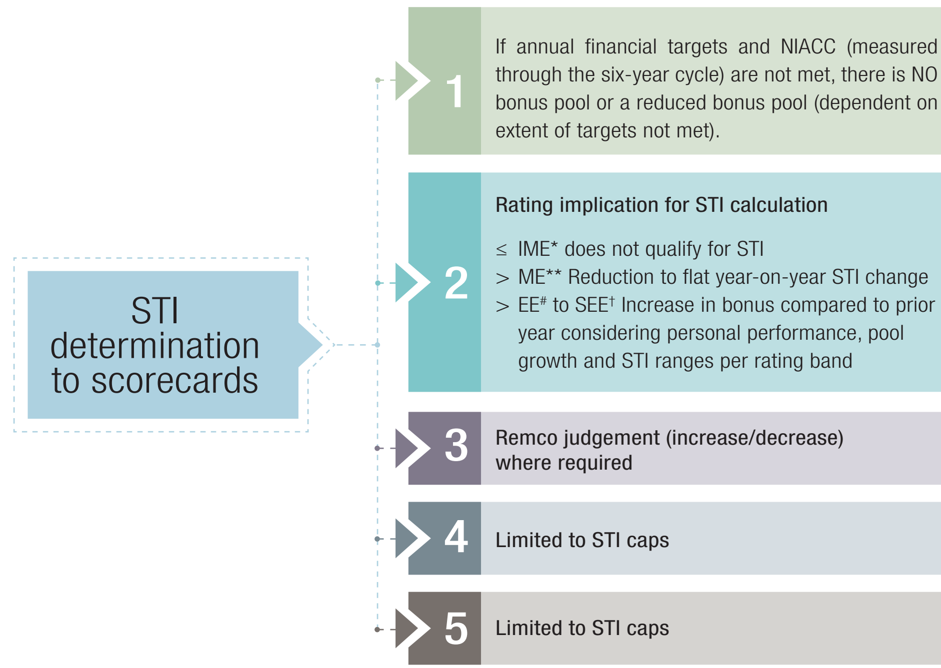
The Committee ensures an optimal balance between operational stability, superior value creation and sustaining appropriate alignment of employee performance with the medium-to long-term interests of the group's stakeholders.

The following principles are at the core of the group's remuneration practices:

- Ensuring guaranteed pay is commensurate with the volume of work, level of responsibility and individual performance in the role;
- Protecting stakeholder value through compensation based on performance measured after adjusting for the level of risk assumed and the cost of capital incurred during business; and
- Overseeing the implementation of long-term incentive awards subject to performance criteria that appropriately reflect sustainable value creation over the medium to long term.

All executive directors and prescribed officers have a notice period of one month. There are no guaranteed compensation awards to executives who voluntarily or involuntarily terminate their employment contract with the group apart from those that have been provided for in their employment contract or is prescribed in the Labour Act. After the group STI pool has been determined, Remco considers STIs for executive directors and prescribed officers using a scorecard. The STI scorecard categories and hurdles are only considered if STI pools are available for the year, i.e. the financial metrics have been met. STI pool determination is based on financial metrics (earnings and NIACC through the cycle). As such achievement of financial metrics is a first requirement before the below scorecards are considered for individual STI allocations.

For key financial performance metrics for the year ended 30 June 2024 and the executive directors' remuneration, the committee believes that this increase and the underlying remuneration mix detailed in this report, are consistent with the group's remuneration governance framework.



* *IME stands for Inconsistently Meeting Expectations.*
** *ME stands for Meeting Expectations.*
\# *EE stands for Exceeds Expectations.*
† *SEE stands for Significantly Exceeds Expectations.*

The structure of executive scorecards fully incorporates various measures into the main scorecard, resulting in four high-level sections that each contains several categories of metrics that determine executive directors' and prescribed officers' STIs. The Committee further refined executive scorecards in the year under review.

Talent and Remuneration Committee report continued

SECTION	CATEGORY	EXAMPLES OF KPIs	WEIGHT
FINANCIAL	FirstRand Namibia earnings and returns	Normalised PBT measured against budget / business case	35%
		Normalised Earnings measured against budget / business case	
		Year on Year growth in Net Interest Income after Cost of Capital (NIACC)	
STRATEGIC	Grow and improve banking business	Growth in active customers	25%
		Increase cross sell	
		Increase number of primary bank relationships	
		Deposit growth	
		Advances growth - Targeted origination strategies in line with risk appetite	
		Cost management - Good control of run the bank costs	
	Sustainable Earnings	Grow market leading business	
		Diversify the offering and approach - sustainable earnings delinked from the macros	
	Enhanced quality of earnings FirstRand Platform Journey	Digitising operations and customer relationships, making use of technology to better service customers	
	Disciplined management of financial resources	Adherence to Financial Risk Management (FRM) guidelines	
RISK AND CONTROL	Control environment	Audit issues per risk maturity scorecards	20%
	Market & business conduct	Regulatory, including Conduct rating per risk scorecards	
	Risk appetite and volatility	Risk Maturity Rating per risk scorecards	
	Manage Credit loss / impairments within appetite	Credit loss ratio	
	Manage NPL ratio within appetite	NPL ratio	
	Operational, market and investment risks (excluding compliance & conduct)	Operational losses Per Risk Maturity Scorecards	
	Complaints	Complaints management	
	Compliance / Operational, market and investment risks	AML scored based on outstanding high risk enhanced due diligence, overall programme status	
SUSTAINABILITY	Ensuring the health of organisational culture and good corporate governance	Engagement survey	10%
	Health of key relationships	Health of regulatory relationship, Feedback from Board Chair and Audit Committee Chair	
	Shared value	Effective operating model that deploys resources in such a way that it creates positive impact	
	Climate	Compliance with and progress made in line with FirstRand's climate roadmap	
PEOPLE	Talent management and succession planning	Pipeline utilisation	10%
		Bench strength and succession planning	
		Development Activities: Closing skills gaps	
		Talent Retention: Risk & impact of loss of key skills	
		Talent mobility	

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

DIRECTORS REMUNERATION continued

Remuneration Conrad Dempsey (FirstRand Namibia CEO)

N$'000	2024	2023	% growth
Cost to company	3 922	3 343	17.3%
STI [1]	3 268	2 756	18.8%
- Cash within 6 months	2 480	2 031	22.1%
- Cash within 6 months and 1 year	788	725	8.7%
Retention bonus [3]	3 300	-	-
LTI award [2]	4 791	619	674.0%
Total reward including LTIs	15 281	6 718	127.5%
Total guaranteed and variable pay (excluding LTIs)	7 190	6 099	17.9%

Remuneration Lizette Smit (FirstRand Namibia CFO) (appointed 24 July 2023)

N$'000	2024	2023	% growth
Cost to company	2 176	-	-
STI [1]	600	-	-
- Cash within 6 months	600	-	-
Retention bonus [3]	1 810	-	-
Total reward including LTIs	4 586	-	-
Total guaranteed and variable pay (excluding LTIs)	2 776	-	-

[1] 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.

[2] Long-term incentive 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. The COVID and CIP instruments vested in the 2024 financial year.

[3] The CEO and CFO received N$3 300 000 and N$1 810 000 respectively as retention bonuses with a clawback of 100% of the amount should they leave the employment of the group within 3 years as part of the long term incentive plan (LTI).

Outstanding incentives

C Dempsey	Share trust	Opening balance June 2023	Granted during the year	Grant date	Vesting date	Value at grant date (N$)	Forfeited this year	Taken this year (vested/sold)	Value of sale (N$)	Closing balance as at June 2024	FV as at June 2024 (N$)
FirstRand Ltd shares	CIP	61 161	-	21/09/20	25/09/23	2 399 958	-	(61 161)	(3 966 902)	-	-
FirstRand Ltd shares	CIRP (COVID)	9 982	-	21/09/20	25/09/23	391 694	-	(9 982)	(647 433)	-	-
FirstRand Ltd shares	Bonus Deferral (CIP)	2 435	-	28/09/21	23/09/23	150 030	-	(2 435)	(176 602)	-	-
FirstRand Ltd shares	CIP	56 967	-	28/09/21	23/09/24	3 509 959	-	-	-	56 967	4 380 762
FirstRand Ltd shares	Bonus Deferral (CIP)	5 437	-	26/09/22	26/09/24	337 529	-	-	-	5 437	418 105
FirstRand Ltd shares	CIP	48 325	-	26/09/22	26/09/25	3 000 016	-	-	-	48 325	3 524 589
FirstRand Ltd shares	CIP	-	53 962	26/09/23	26/09/26	3 499 975	-	-	-	53 962	3 728 051
Totals		171 161	53 962			13 289 160	-	(73 578)	(4 790 937)	164 691	12 051 507

Talent and Remuneration Committee report continued

Outstanding incentives continued

L Smit	Share trust	Opening balance June 2023	Granted during the year	Grant date	Vesting date	Value at grant date (N$)	Forfeited this year	Taken this year (vested/sold)	Value of sale (N$)	Closing balance as at June 2024	FV as at June 2024 (N$)
FirstRand Ltd shares	Deferred Incentive Plan (DIP)	4 869	-	28/09/21	23/09/24	299 998	-	-	-	4 869	374 426
FirstRand Ltd shares	Deferred Incentive Plan (DIP)	5 638	-	26/09/22	26/09/25	350 007	-	-	-	5 638	411 208
FirstRand Ltd shares	CIP	-	7 709	26/09/23	26/09/26	500 006	-	-	-	7 709	532 589
FirstRand Ltd shares	Deferred Incentive Plan (DIP)	-	7 708	26/09/23	26/09/26	499 941	-	-	-	7 708	532 520
Totals		10 507	15 417			1 649 952	-	-	-	25 924	1 850 742

Non-Executive Directors

Non-executive directors receive fees for services as directors and for services provided as members of board committees. These fees are paid on a retainer as well as attendance basis. The fees vary depending on the role of the committee, are based on market comparisons, and are reviewed on an annual basis to meet the remuneration philosophy of the group that advocates for fair and responsible remuneration. The fees are reviewed by the committee and are approved by shareholders at the annual general meeting.

Non-executive directors do not receive share options or other incentive awards.

Actual remuneration paid to non-executive directors is detailed in note 7 to the annual financial statements.

FirstRand Staff Assistance Trust

The FNB Staff Assistance Trust's mandate is to assist non-managerial, racially disadvantaged employees as well as their immediate families, with their tertiary education and healthcare needs. For the 2023/2024 school cycle the trust assisted employees to the value of N$3.5 million.

Annual General Meeting (AGM)

In line with NamCode and the NSX Listings Requirements, the 2023 Remuneration Policy and implementation report were tabled at the Annual General Meeting for separate non-binding advisory votes by shareholders. The group's remuneration policy received an endorsement of 87.68%.

Otto Shikongo
Chairperson

Social, Ethics and Transformation Committee report

The Social, Ethics and Transformation Committee is appointed by the FirstRand Namibia Ltd board as a standing committee whose mandate is to ensure compliance with the Namibia Stock Exchange (NSX) Gazette No. 159. The committee reports into the Risk, Capital and Compliance Committee.

The committee composition is depicted below:

Member	
I-Ben Nashandi (Chairperson)	Non-executive director
Conrad Dempsey	Chief Executive Officer
Nangula Kauluma	Executive Officer: Retail
Philip Chapman	Executive Officer: RMB
Sepo Lamaswala Haihambo	Executive Officer: Commercial

Standing invitations
Chief Financial Officer
Chief Human Resources Officer
Chief Risk Officer
Group Legal Advisor
Chief Compliance Officer
Chief Marketing Officer
Chief Operating Officer
Compliance Manager: Market Conduct Risk
Ethics and Business Conduct Manager

The committee is satisfied that it fulfilled its obligations in terms of its mandate.

I-Ben Nashandi
Chairperson

The Committee discharged its duties during the financial year by:

August 2023	November 2023	February 2024	June 2024

- Provided oversight over social matters such as corporate social investment, stakeholder relationships, corporate culture, corporate citizenship, and national empowerment imperatives. Received regular reports on corporate social investment and monitored the group's progress on corporate social investment activities, principally undertaken through the FirstRand Namibia Foundation and the FNB Staff Assistance Trust.
- Ensured the governance and functioning of the group-wide ethics programme, including the code of ethics which is the cornerstone of the groups ethics management framework. Reviewed ethics matters such as organisational values, culture, ethics management, conduct and fair treatment of customers. The board has endorsed the FirstRand Namibia code of ethics, which represents a very important framework for the business. The FirstRand Namibia Code of Ethics sets out the commitment to high levels of ethical behaviour, integrity and fairness in all business dealings. The aim as an organisation is building and retaining the trust that customers place in our ability to manage their assets and to provide financial products and services generally. The building and protection of our reputation is, therefore, of the utmost importance.
- Monitored sustainability matters such as sustainable development objectives, sustainability and integrated reporting, environmental wellbeing, and supply chain integrity.
- Ensured that an effective programme is in place for the management of conflict of interest, while receiving regular reports on the declarations of interests and conflicts management within the group.
- Aligned in country market conduct structures and principles, while receiving regular reports on the various market conduct initiatives, legislative developments and updates on the fair treatment of customers.
- Provided oversight over the environmental and social risk management portfolio, including revision of the Environmental and Social Risk Policy, confirmation of the adequacy of the ESRA credit transactions limit and incorporation of climate risk into the process. Receiving regular reports on climate change and climate risk management.
- Receiving regular reports relating to Human Capital, including transformation, culture, people risk and social support.
- Approved the Do What Matters report, which translates the financial and operational performance into the societal, economic and environmental impact of that performance. FirstRand Namibia continuously works towards more intentional strategic integration and action creating shared prosperity through its business activities and refining its thinking and processes to better determine and measure societal, economic and environmental impact.

Directors Governance Committee report

Ultimate oversight of corporate governance matters sits with the FirstRand Namibia Ltd and respective subsidiary boards. The boards have delegated authority to the Directors Governance Committee, who assists the board in discharging its duties in respect of governance.

The committee composition and the period for which the respective members have served is as follows:

Member	Meeting Attendance		Appointment/ Resignation Date
Number of Meetings	3	%	
Peter Grüttemeyer (Chairperson)	3/3	100	Appointed 8 February 2022
Otto Shikongo	1/1	100	Appointed 01 January 2024
Rajendra Makanjee	2/3	67	Appointed 19 October 2022
Emile van Zyl	2/2	100	Resigned 31 December 2023

Standing invitations
Chief Executive Officer

The Committee discharged its duties during the financial year by:

August 2023	October 2023	April 2024

- Assisting the board in discharging its duties in respect of governance, board effectiveness, board continuity and director succession planning.
- Monitoring compliance in terms of the Companies Act, 2004 relating to governance, including beneficial ownership lodgements in terms of the Financial Intelligence Act, 2012 and respective statutory lodgements across the Group with the Registrar of Companies/ Business and Intellectual Property Authority (BIPA).
- Evaluating the composition of the board and its subcommittees, considering the FirstRand Namibia and First National Bank of Namibia board underwent transitions over the last few years. This included aligning the skills and capabilities to the board sub-committee functions.
- Deliberating and monitoring the progress in resolving any regulatory, audit and/ or compliance findings related to governance.
- Monitoring the director's attendance for board meetings and ensuring that there is no breach to the 75% attendance rule thus ensuring that the individual directors discharge their duties and responsibilities effectively.
- Monitoring individual director tenure and ensuring this does not exceed the Board approved maximum tenure or the tenure as contained in the BID-1.

August 2023	October 2023	April 2024

- Overseeing the continued enhanced due diligence of applicable directors during their tenure.
- Reviewing the Board Chairperson succession progress against plan, having due regard to the legislative considerations contained in the Determination on the Appointment, Duties and Responsibilities of Directors, Principal Officers, and Executive Officers of Banking Institutions and Controlling Companies (BID-1). Monitoring the effectiveness of the transitional arrangements, including appointing the incoming Board Chairperson to targeted committees and specific exposure within the group. Ensuring that the requisite regulatory approvals are obtained prior to formal appointment of the incoming Board Chairperson.
- Considering and conducting the annual assessment of the independence of the non-executive directors. Independence was assessed by weighing all relevant factors that may impair independence. The classification of directors is reflected within this integrated report.
- Monitoring the re-election of directors retiring by rotation in terms of the articles of association and the Companies Act, 2004.
- Following a formal process for the appointment of directors, including the identification of suitable board members, taking cognizance of its need for appropriate skills and diversity, while maintaining a balance between non-executive, executive and independent non-executive directors.
- An external service provider was engaged to conduct the Board Evaluations for the previous financial year. The Committee continued to monitor the progress in implementing the concrete action plans emanating from the prior year assessment to address highlighted areas of improvement. The Committee escalated the evaluation outcome and action plan to the full board of directors for discussion purposes. The evaluation outcome was used as a basis for identifying the training needs for the period under review.
- The current financial year evaluation was conducted in-house and assessed the effectiveness of the board charter, committee charters, board and committee meetings, board and committee responsibilities, board and committee composition, executive director, chairperson, and the company secretary. The Committee reviewed the evaluation and identified no material concerns in respect of the areas assessed. The Committee is satisfied that the evaluation process contributes to its performance and effectiveness.

The committee is satisfied that it fulfilled its obligations in terms of its mandate.

P Grüttemeyer
Chairperson

D

Our strategy to create value

Overview of the context in which we operate, including our material matters, how we manage our risks and our strategic objectives, including the trade-offs made to ensure ongoing value creation.

Reflections from our **Chief Executive Officer**

Conrad Dempsey

Financial Services that work for Namibia, especially in tough times

Driving access to opportunities so that no-one is left behind

In the period under review, we have been intentional about making financial services more accessible everywhere, broadening our tailored services to new market opportunities nationally, as well as delivering new affordable and accessible, inclusion opportunities to our more vulnerable and rural customers.

The digital solutions we offer our customers through eWallet, cell phone banking and DigiPlus, as well as our agency banking and ADTs provide clients access to financial services without the need to visit a branch. While this allows us to reduce the brick-and-mortar square meters we own, we believe a branch and human engagement will remain very important in the future of financial services. Our CashPlus offering made it possible for agents to provide a range of banking services countrywide to Namibians, facilitated via FNB's existing Cellphone Banking and FNB App channels. These empowered new retailers, the agents, are in turn able to generate an additional revenue stream for their businesses and enable meaningful economic activity in their local community. Our Cash@Till retailer partnerships expanded and continues to allow FNB clients to use their FNB debit card and withdraw cash with their purchase at a point of sale and speedpoints at selected merchants.

Across our lending franchises, we have remained steadfast in our commitment to economic development and credit extension, even amidst tough trading conditions. We recognise the vital role we play in providing access to credit to individuals and businesses, empowering them to pursue their goals and contribute to the growth of the economy.

I am pleased to present our group's performance report for the 2024 financial year, showcasing our resilience and commitment to sustainable growth and value creation.

Reflections from our **Chief Executive Officer** continued

Driving access to opportunities so that no-one is left behind continued

FNB through our lending franchises, FNB and RMB, was the leading credit extender in the market for the financial year, on the back of a very tailored and deliberate approach to maintain credit extension while enhancing the quality of the book. RMBs increased role as an enabler in the mining and energy sectors has become crucial as we assist our clients in navigating the complexities of their operations and expenditure requirements, ensuring a seamless process as Namibia steps up to its new opportunity set. On the cusp of a transformative era, Namibia is harnessing its local partnership skills, and these companies' international experienced partners. RMBs internal skills investment over the period, together with its already extensive local funding aptitude across all sectors, its forex and markets service excellence, have made for an exciting and rewarding year.

The group's commitment to diversification has begun to yield strong signals of market take-up, with credible and experienced teams committed to stretch targets clarified in the past year.

Ashburton Investments continued to build relationships and deliver solid returns to investors, while also fostering local knowledge-sharing and empowering investors with informed decision-making tools, across various regional summits. The building of Ashburton Investments in Namibia into a leading provider of both traditional and alternative asset management solutions continues to motivate the dynamic team, active across all asset classes, regionally and locally.

FNB Insurance grew its short-term book off the back of full take-on of its own systems, increased market visibility and its experienced sales force. A valuable addition to the end to end financial services offered by the group, FNB Insurance, continued to raise the bar as Namibia's first direct Insurer.

Non-Performing Loans

Our continued support to clients throughout the economic cycle underscores our unwavering commitment to fostering sustainable growth and prosperity in the country.

However, this past year delivered an industry-wide rise in non-performing loans as a reflection of the challenging economic conditions prevailing in our market. The group viewed this as an opportunity to further contribute to market development by implementing strategies to manage and mitigate credit risks effectively, supporting clients during these tough times.

Through development and advances in our technological capabilities, we were able to increase access to funding and reduce turnaround times to our customers. A scoring system, that makes use of advanced data analysis and credit scoring models, is used to ensure real-time scoring and decision making on certain credit applications, increasing speed from the application for credit, to payout.

We have also leveraged robotics in the Personal Loan space to provide automated pay outs for loans that have been system scored and approved, enabling loan applications to pay out within minutes. Similarly, robotics has also been employed in Home Loans and WesBank vehicle and asset finance for the automation of statements, settlement queries and instalment letters.

Using data analytics to identify opportunities for clients, we have been able to enhance our offering through pre-approval leads and offering products that are more relevant based on an understanding and analysis of their behaviour. These solutions have resulted in improved turnaround times and increased customer satisfaction.

Through these technological advances, we have been able to extend credit within appetite, but well beyond what the market delivered.

The deliberate approach to balance sheet composition with a larger component of corporate credit, reduced the overall risk profile of the credit book, and opens up further optionality for growth within our defined appetite for risk.

Bolstering Balance Sheet Resilience

Our strategic initiatives reflect our commitment to long-term sustainability and value creation for our stakeholders.

Through the strengthening of our risk management practices and enhancing our credit assessment framework, we continue to navigate these tough economic conditions prudently, intent on supporting the growth of our market.

To deliver sustained earnings with less volatility throughout economic cycles, we made the deliberate decision to bolster the resilience of our balance sheet by introducing hedges to manage interest rate risk in the banking book.

By maintaining a robust capital position, optimising our asset quality, and enhancing our liquidity management, we are well-positioned to weather economic uncertainties and emerge stronger in the long term.

Through development and advances in our technological capabilities, we were able to increase access to funding and reduce turnaround times to our customers. A scoring system, that makes use of advanced data analysis and credit scoring models, is used to ensure real-time scoring and decision making on certain credit applications, increasing speed from the application for credit, to payout.

Reflections from our **Chief Executive Officer** continued

Market development across the financial services continuum

We regularly review all our fees and charges to ensure we remain competitive, fair and priced for risk. Our fees offer market leading value while we are also continuously investing to make financial services as accessible and affordable as possible.

During the period under review FNB Namibia, in partnership with RMB Namibia listed an exchange traded note (ETN) programme on the Namibian Stock Exchange (NSX). This first for Namibia offering provides all Namibians easy and affordable access to invest in high-quality international shares such as Amazon, Berkshire Hathaway, Tesla, and Microsoft. The ETN also provides access to ESG and climate-related exchange-traded notes allowing everyday Namibians to invest sustainably aligned to their own investment goals.

As a testament to its Debt Capital Markets and Sustainable Finance capabilities, RMB also launched a first-to-market corporate social bond to one of the financial service providers in the Namibian market, reflecting RMB's role in supporting clients' sustainability journeys, at the same time as entrenching its own activities countrywide.

Our role in market development goes beyond just enhancing the quality of Namibia's financial and capital markets but also to meaningfully assist in enterprise development. Through our partnerships the FirstRand Namibia group is the financial services partner from idea through to IPO.

BaseCamp, Harambean Entrepreneurs Alliance and Namibia Business Angels Network (NABAN) continue to be partnership initiatives that provide support and development along the risk curve to start-ups as well as early stage funding. These building blocks are important to nurture new enterprises into the market with support beyond money.

Investment in Talent

Looking ahead to the next economic cycle, we have made strategic investments in talent and technology to position our company for sustained growth and innovation. By staying ahead of the curve, we are preparing to capitalise on emerging opportunities and leverage the anticipated economic activity stemming from low emission hydrocarbon development.

Recognising employees as our most valuable asset, FirstRand Namibia prioritises employee well-being, growth, and development. The group fosters a supportive work environment that encourages collaboration, innovation, and continuous learning. A recent employee engagement survey indicated a 80% engagement score with high levels of satisfaction at 82% and commitment among staff members, reflecting a strong organisational culture built on mutual respect and inclusivity. The FNB Namibia engagement score is 6% higher than the Global (2023) benchmark and 4% higher than the Finance (2022) and Africa (2023) overall benchmarks for employee engagement.

I am especially proud of our first Report to Society, the "Do what Matters Report'. This first of an intended annual publication, highlights our societal, economic and environmental impact, ranging from our FirstRand Namibia Foundation Trust corporate social investment spend, to how we manage operations, our ethical and corporate governance stance, and most importantly, how we deploy our balance sheet and core business activities.

All of our investments underscore our proactive approach to driving value creation and maintaining our competitive edge in a rapidly evolving market landscape.

How we approach our role as a systemic bank in Namibia matters. The group's considered performance in the face of challenging economic conditions demonstrates our resilience, adaptability, and unwavering commitment to sustainable growth.

As we navigate the complexities of the current environment, we remain focused on leveraging our strengths, managing risks effectively, and seizing opportunities for value creation. With a solid foundation and a clear strategic vision, we remain well-positioned to achieve continued success and deliver long-term value to our shareholders.

A special Thank you to the FirstRand Namibia teams country wide. Each year, you do what matters.

C Dempsey
Group Chief Executive Officer

Material matters

OUR MATERIALITY THEMES AND TOP RISKS

In determining the materiality themes for the reporting period, the Executive Committee evaluated the top risks and opportunities, and material matters in relation to the strategy. The materiality themes are reassessed on a regular basis to take account of an ever-evolving external environment.

The materiality themes, the detailed materiality determination approach and the risk and opportunity management process are outlined in this report. This report explains how the materiality themes influenced the group's strategic review process and informed adjustments to the business model and short and medium-term targets.

OUR MATERIALITY DETERMINATION PROCESS

The materiality determination process is undertaken as part of a multi-functional review, which evaluates the risks, opportunities and challenges, which could significantly affect the Group's ability to achieve the organisational purpose and strategy and hamper the ability to create and/or preserve value over the short, medium and long term.

The material matters are shaped by the internal and external context, the expectations and concerns of Group stakeholders, as well as the social, economic, governance and environmental conditions in which the Group operates.

The material matters are then categorized into materiality themes. The group Executive Committee (EXCO) assesses the material matters and the proposed materiality themes.

While material issues evolve over time, the broad themes are relatively stable. A review of the material issues are undertaken annually, to identify new and emerging priorities. Minor adjustments have been made to reflect changes in the global and local operating environment, the growing urgency and focus of the climate crisis and sustainable business practices, and industry developments.

	PROCESS	METHOD	STAKEHOLDER ENGAGEMENT
IDENTIFY	Scan the internal and external operating environment	Identify strengths, weaknesses, opportunities and threats and evaluate political, economic, social, governance and technological factors which could threaten sustainability	Stakeholders are engaged in a range of engagements to determine the issues which matter the most to them
PRIORITISE	Formulate the strategic risks and opportunities and list the material matters	Assess materiality of matters and identify those that could threaten the ability of the organisation to deliver value	The material matters are comprehensively assessed, monitored and updated as appropriate by the Board and EXCO as part of the strategic management process
	INFORMS CHANGES TO STRATEGIC DIRECTION AND BUSINESS MODEL		
DEFINE STRATEGY AND TARGETS	Targets are set to define performance measures and set group strategic targets	Segment goals are incorporated into balanced scorecards which align to the overarching organisational scorecard	The EXCO and Board categorises the material matters into materiality themes and ensure they remain pertinent in the rapidly changing operating environment

Material matters continued

SUSTAINABLE ECONOMIC TRANSITION

WHY IS THIS MATERIALITY THEME IMPORTANT?

To build a globally competitive Namibia, providing access to opportunities, requires a healthy social, ecological and economic environment. Taking the responsibility of being environmental guardians is salient to continue to provide opportunities and solutions now and in the future. This requires intentional actions to address climate change and social justice, whilst driving growth and resilience within a shifting local and global economy.

Responses

- Developing a culture of doing what matters within the organisation, ensuring sustainability and shared prosperity are at the core of all decisions and actions
- Ensuring that diversity, equity and inclusion are real in the organisation, by maintaining a workplace where all employees are treated fairly, with dignity and without discrimination
- Diversified solutions, products and services enabling financial inclusion and access to financial services, as well as generational wealth creation across the spectrum, from the traditionally underserved market to high net worth individuals, from micro businesses to corporates
- Focused initiatives, skills development, opportunity identification and solutions that address the shifting Namibian economic landscape
- Innovative products and services that help advance sustainability (i.e. green loans, green bonds, microfinance, etc) and efforts to encourage customers to shift towards more sustainable performance and consumption patterns
- Partnering with service providers and other funding institutions to enable enterprise development
- Enhanced digital capabilities
- Responsible financial resource management
- Optimising resource consumption through better reporting and understanding of the Group's environmental footprint (i.e. energy management, waste management, water consumption, etc.)
- Leveraging social investment to create long-term sustainable impact for vulnerable and under-served communities, including access to affordable housing, sanitation, education, improving financial literacy and understanding

Material matters related to this theme

- Macroeconomic challenges and opportunities
- Financial stability
- Diversity, Equity, Belonging, Inclusion
- Shared prosperity in decisions, actions, practices, products, solutions
- Talent attraction, development and engagement
- Environmental guardianship
- Investing for shared prosperity

Medium to longer-term actions

- Solutions, products and service design that is intentional about societal, environmental and economic impact
- Optimised and enabling resource management
- Talent retention
- Skills and capability development
- Prioritising wellbeing to achieve high levels of staff engagement
- Enhancing business continuity management
- Aligning CSI initiatives to address societal needs as they evolve

Key performance indicators

- Clear plans for the economic transition, shared prosperity and addressing climate change
- Digital channel uptake and activity
- Engagement score
- Growth in advances, deposits, Non-interest revenue (NIR)
- Retention, talent management, succession
- Return on Assets
- Economic profit

Material matters continued

CUSTOMER SATISFACTION

WHY IS THIS MATERIALITY THEME IMPORTANT?

Customers remain core to the existence of the Group. Customers are better connected and provided with more options to choose from in financial services. With shifting customer needs and knowledge, it is imperative to remain focused on better understanding and solving for customers, with relevant solutions, products and service to enable customers to create and take on the opportunities presented to them.

Responses

- A future-fit positioning of the different brands within the Group
- Building relationships with clients across all the brands and financial services offered through the group
- Improved positive customer interactions
- Using data mining and analysis to create relevant products and services that enable financial inclusion, wealth creation and management, and transactional capabilities
- Ensuring ongoing security, cybersecurity and fraud awareness campaigns
- Process optimisation to remove pain-points and reduce customer friction across all channels
- Ongoing investment to ensure continued system stability

Material matters related to this theme

- Enhanced customer experience
- Digital innovation to meet customer needs
- Data as differentiator
- Security and fraud awareness
- Competitive customer value propositions
- Customer complaints' resolution

Medium to longer-term actions

- Digital innovation and transformation
- Enhancing new digital ways of working
- Product design to remove friction points for better customer experience
- Integrating with fintechs and other partners
- Addressing cybersecurity concerns
- Expanding range of distribution points to maximise customer convenience
- Diversified product set that offer clients more options to enable access to opportunities
- Data analysis capability enhancement and build

Key performance indicators

- Net Promotor Score (NPS) score
- Customer Satisfaction Index scores
- Progress individualised digital interactions
- Progress on transition to platform
- Consumer financial education programmes
- Small, medium and micro enterprise (SMME) interventions and customer base growth
- Customer growth
- Minimise fraud
- Market conduct score

Material matters continued

REGULATION AND COMPLIANCE

WHY IS THIS MATERIALITY THEME IMPORTANT?

The importance of vigorous governance, compliance and risk management are at a historic high, together with the need to focus on regulatory matters including digital transformation and cybersecurity, climate change, ESG, and sector-related regulation.

Responses

- Supported government and regulators to mitigate risks contributing to the safety and soundness of the Namibian banking system through good liquidity management, payment relief for qualifying customers and a focus on capital
- Reinforced cybersecurity protocols
- Protection of personal information with systems and policies
- Ensured responsible banking practices
- Addressed conduct standards relating to treating customers fairly
- Implemented additional measures to combat financial crime
- Used technology to assist in managing financial crime prevention
- Regular interactions with regulators to assess and comment on emerging legislation
- Contributed through industry bodies during regulation formulation
- Ensured sound governance capabilities and structures

Material matters related to this theme

- Legal and regulatory requirements
- Regulatory constraints related to digital transformation
- Financial crime prevention through improved effectiveness and efficiencies of financial crime risk management programmes
- Responsible and ethical banking practices
- Customer fair treatment
- Reputation management
- Governance

Medium to longer-term actions

- Managing the regulatory cost of doing business with adequate specialist resources and fit-for-purpose processes
- Ensuring ongoing compliance with improved systems and training
- Mitigating possible breaches of information security and identity theft through technology and early warning mechanisms
- Driving anti-money laundering training and processes

Key performance indicators

- Market conduct metrics
- Business conduct metric
- Control environment scorecard
- Implementing regulated business processes and projects to meet regulatory effective dates and deadlines
- Training and awareness programme implementation and participation
- Risk management metrics
- Relationship with regulators

FUTURE-FIT ORGANISATION

WHY IS THIS MATERIALITY THEME IMPORTANT?

The world is changing and doing so at a fast pace. For the sustainability of the FirstRand Namibia Group it is imperative to ensure there is an understanding of this changing context and the future possibilities and context in which the Group will operate. Gearing up to be best positioned to build a globally competitive Namibia, providing access to opportunities requires an understanding of the evolving requirements of existing and prospective customers, capitals, regulation, global and local shifts and likewise the skills and capabilities to be resilient and prosperous into the future.

Responses

- Continuous interrogation of the Group's strategy regarding the requirements for a resilient and future-fit organisation
- Incorporating shared prosperity into core business activities and capital deployment, balancing targeted financial and non-financial outcomes to ensure longevity and responsible management of all resources
- Ensuring organisational and financial sustainability and building resilience; exploring acquisition and partnership opportunities to serve as a springboard for future growth, aligned to the strategy
- Focusing on customers; using data analytics to better understand customer needs and wants, to better address customer needs through to 2027 and beyond
- Clarifying the future skills and capabilities required to continue to excel, aligning development initiatives and investment
- Prioritising transformation imperatives (within the organisation and the board)
- Redeploying skills and capabilities where needed in the organisation

Material matters related to this theme

- Operational and financial resilience
- National competitive posture and stability of our institutions
- Skills development and competencies required in the future
- Partnerships and acquisitions for future growth
- Improved customer insights through enhanced data science and data analytics
- Integrated strategy, which is people-led and digitally enabled
- Transformation imperatives

Medium to longer-term actions

- Driving growth and ensuring competitive advantage
- Promoting adaptability to achieve scale and to expand
- Embedding digital ways of working
- Ongoing evaluation of our strategy and purpose
- Leveraging opportunities
- Mitigating macroeconomic threats
- Aligning our operating model to deliver the FY26 strategy

Key performance indicators

- NIACC
- ROE
- Cost to income ratio
- Customer base

Our operating environment: **FNB**

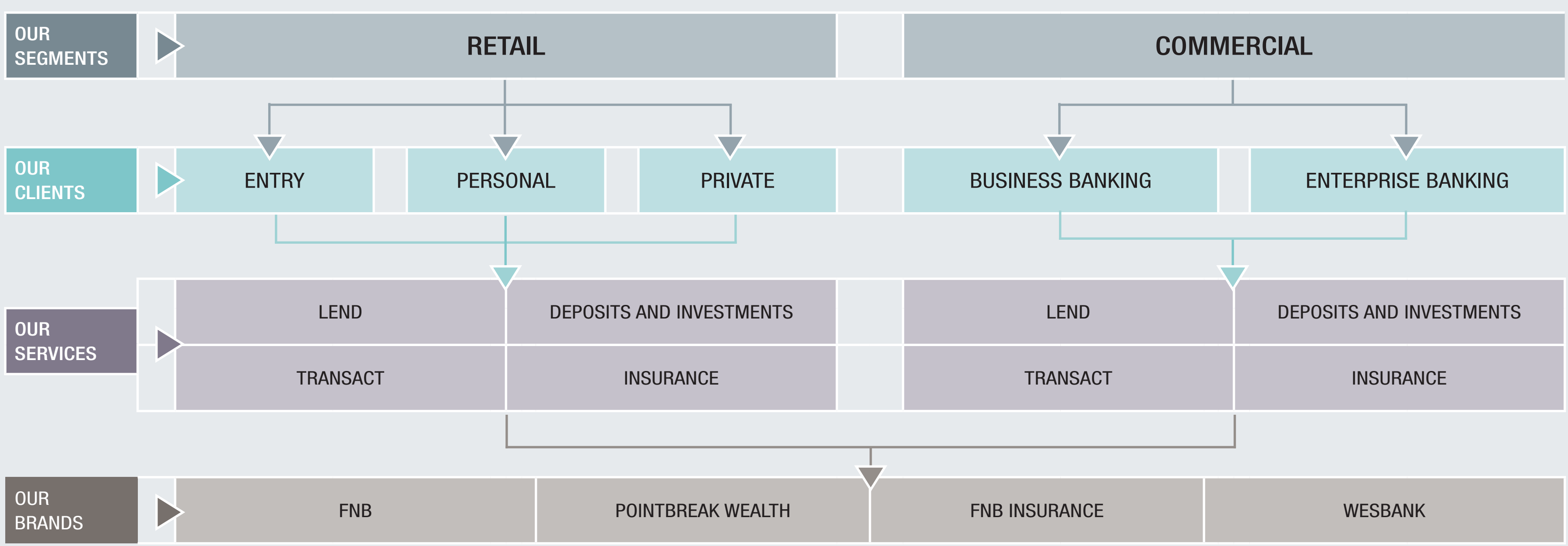
Introduction

Despite lingering challenges that persisted in the Namibian landscape, increasing positivity was evident on the back of the expected recovery and economic growth for the period under review. FNB remained committed to building on the strong foundation laid in previous years which allowed for us to unlock specific opportunities that have contributed to an outstanding set of results.

As the operating landscape continued to evolve, FNB ensured ongoing investment in key areas informing the business' sustainability, such as our people, attractive customer value propositions, extensive technological advancement and maintaining a sound risk and regulatory compliance environment.

Operating model

Our results have been delivered via various brands and entities.
This is enabled by a matrix operating construct which enables the delivery of relevant and competitive solutions to an array of clearly defined customer segments.



Our operating environment: **FNB** continued

Financial performance

FNB continued to deliver strong performance in the period under review, with profit before tax increasing by 7.1% year-on-year. The primary drivers for this growth were:

- **16.5% increase in Net interest income (NII)** attributable to growth in the balance sheet and improvements in margins due to pricing adjustments and interest rate hikes.
- **10.5% increase in Non-interest income (NIR)** due to growth in our customer base and the resultant increase in transaction volumes.
- **Impairment losses increased by 100%** mainly due to prolonged strain that was further exacerbated by the interest rate hikes during the preceding financial year.
- **Operating cost increased by 10.5%** mainly due to investments in systems and compliance related initiatives, however, **the cost to income ratio reduced from 51.3% to 49.8%.**

Advances increased by 5.3%. In addition to growth in the customer base, new origination strategies that included revised credit appetite, were key to delivering growth above total private sector credit extension.

Deposits increased by 15.7%. Growth in the customer base and targeted initiatives to attract franchise deposits were main contributing factors.

Delivery on strategy

In the period under review, FNB continued to build on the four strategic pillars from the prior year, namely, to deepen a culture of high performance, delight customers, deliver platform-based contextual solutions and to keep building a sustainability mindset. Progress was observed across all four pillars, informing the meaningful outcomes that are evident for the year under review.

High performance culture

The bank remains very aware that the kind of results delivered cannot happen without our people. In line with our commitment to ensuring a culture of high performance for our 2 182 employees and 136 contractors, FNB invested considerable resources in learning and development, staff engagement, a combination of upskilling for future fit capabilities and culture building initiatives, amongst others.

In particular, the Commercial business delivered its third cohort of graduates from the FNB Commercial Relationship Manager Academy. This program focuses on building leadership skills and building technical banking expertise that can be relied on throughout their Banking careers.

FNB's focus on cultivating a workplace ethos of purpose, empathy and accountability received considerable priority in our day-to-day ways of work as well as formally in our performance contracting and measurement. In an employee survey that was conducted during the 2024 financial year, FNB employees indicated very healthy levels of engagement, affirming that their lived work experience is aligned to FNB's strategic intent to maintain and mature its high performance culture.

Delighted customers

Delighting our customers remained a critical focus area in both the Commercial and Retail businesses. This is evidenced by FNB's 7% growth in customers. Closed-loop feedback and continuous improvement disciplines deepened, taking both proactive and reacting insights into consideration when developing and improving customer value propositions, as well as enhancing any other part of FNB's value chain impacting customers.

FNB made significant contributions towards stimulating and facilitating economic recovery, with N$320 million granted SME loans. Furthermore, FNB launched an innovative point of sale solution "Speedee", a safe, cost effective, and convenient pocket size device that accepts card payments and offers dual SIM card capabilities.

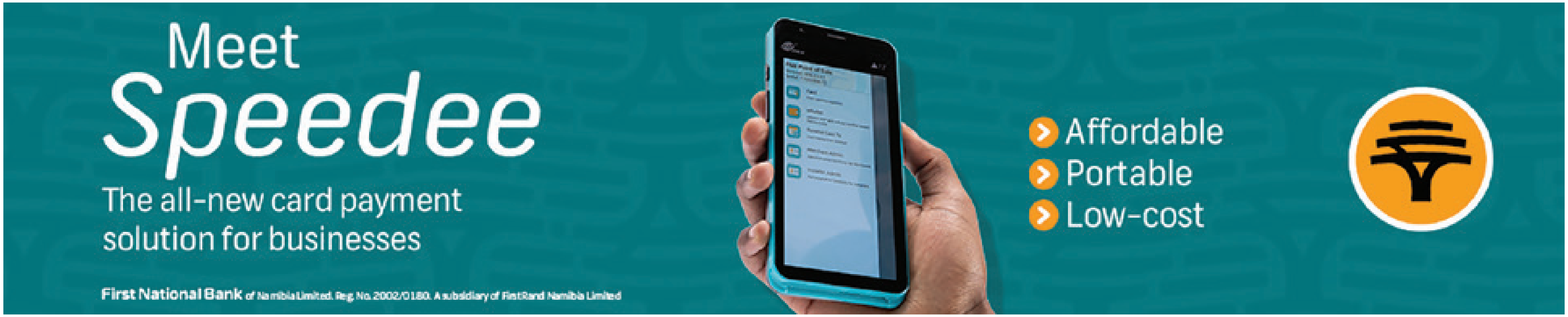
This compact point-of-sale (POS) device enables merchants to accept payments at any location and time, meaningfully enhancing FNB's SME value proposition with 125 units being rolled out within two months of launching.

FNB also partnered with the Namibia Investment Promotion and Development Board (NIPDB) - Micro, Small, and Medium Enterprises (MSME) Development, Innovation and Acceleration team to assist Government with their implementation of the National MSME Policy through targeted support of MSME's and start up's. We provided NIPDB with sponsorship to assist them in running the Donor in Africa Hospitality Investment Forum (AHIF) and the respective evening reception. Other partnerships aimed at fostering growth and supporting the SME ecosystem were the BaseCamp, NABAN and Harambean Alliance partnerships. The BaseCamp partnership is aimed at developing and implementing incubation and acceleration with the primary objective being to build sustainable businesses. To support the ambitions of SMEs that want to attract international venture capital investment, FNB made online learning content available to its clients. This content compiled by the Harambean Entrepreneur Alliance provides lessons on how to scale, attract investment and talent, all of which are frequently identified challenges for small businesses.

Our insurance offering continued to grow, with FNB's funeral cover seeing take-up of 1 597 new policies versus 52 policies in the previous year, reflecting FNB's ongoing commitment to delivering meaningful solutions to our customers.

In line with continued customer migration to newer and more cost-effective channels, the need for capacity in our contact centre grew, necessitating additional contact centre agents to meet this servicing need. As part of efforts to reduce friction in our customer service delivery, FNB's queue management system, Q-man, was expanded to all 46 branches across Namibia resulting in a 10% decrease in average queuing minutes.

Our operating environment: FNB continued



Contextual solutions and platform

FNB progressed its platform journey, registering an increase in digital banking users from 87% to 89%, who continued to move their banking activity to digital channels versus traditional branches. These capabilities were designed to deliver products and services on-demand, allowing customers to fulfill their banking needs as and when they choose.

Branch activity continued to reduce as the trend in customers choosing to conduct their transactional banking through alternative channels increased. In addition to 46 branches and 340 SSDs across the country, FNB's merchant and agent base grew from 1 184 in prior year to 1 858, encompassing 324 CashPlus agents, 1 534 Cash@Till and eWallet@Till points. In particular, transactions exceeding N$100 million were processed through the existing CashPlus channel. The number of POS devices in circulation increased from 9 149 in the 2023 financial year to 9 942 in 2024 financial year, supporting the ability for customers to make payments via card swipes and ultimately reduce the need for costly cash transactions.

Sustainability mindset

FNB's commitment to hold shared prosperity at the center of its strategy and the day-to-day management of the business remained firm.

Financial inclusion initiatives progressed with a range of financial literacy workshops delivered across the country. Efforts to make transactional banking more affordable continued, and as efficiencies were unlocked, the value was passed on to customers in the form of flat or reduced fees, and in some instances free transactions.

Furthermore, in an effort to contribute to solving housing needs in the country, FNB facilitated home ownership for 1 185 families, with home loan exposure in the housing segment of <N$500 000 to the value of N$1.9 billion and in the housing segment of N$0.5 million - N$1.5 million to the value of N$12.3 billion.

Conclusion and outlook

In conclusion the rise in interest rates greatly affected the capacity of borrowers to repay, and the bank was able to assist a great number of clients through the cycle. Although non-performing loans did increase, credit appetite remained reasonably strong with the economic resurgence of key sectors and the rise of the Namibian energy sector.

With heightened levels of optimism in the economy, we are confident that FNB will continue to deliver on its strategic objectives of a high performing culture, delighted customers, contextually relevant platform-based solutions, which are all underpinned by a sustainability mindset.

Nangula Kauluma
CEO: FNB Namibia Retail

Sepo Lamaswala Haihambo
CEO: FNB Namibia Commercial

Our operating environment: **RMB**

OPERATIONAL REVIEW

The RMB Namibia team delivered exceptional value to all our stakeholders in the 2024 financial year in pursuit of our purpose to empower talent for a long-term sustainable Namibia. The RMB Namibia team acknowledges and appreciates the systemically important and enabling role we play in the Namibian economy and this is evident in the impact we made in the Namibian society. As an integral player in the economy, we believe that our scale and relevance allows us to positively influence and contribute to a better Namibia, through our core business vis-à-vis attracting and retaining the best-in-market talent.

RMB Namibia continues to leverage off the strategic mix of our transactional banking, lending and markets businesses. This is underpinned by the deep appreciation and understanding of our clients' businesses and macroeconomic contexts. Overall, RMB has been able to increase the number of clients with a primary bank status, a testament of clients' trust in our capabilities. In our pursuit of excellence, we are honoured by the overwhelmingly positive feedback of our clients banking experience and will continue to honour this through continuous improvement. Our deal origination and execution teams maintained their competitive strength in the market.

The RMB Namibia team continues to support the economy through private sector credit extension growth exceeding the industry benchmark and playing a critical role in driving investment in the country in a diverse array of economic sectors, maintaining a well-diversified and high-quality balance-sheet. The Markets business has ridden the wave of volatility through the continuous pursuit of innovation and introduction of new capabilities and solutions to meet our clients' needs. The peer endorsements that we have received, particularly being awarded Global Finance's Best FX Provider for the second time in 2024 and the Best Treasury and Cash Management solutions for four consecutive years, are a testament to our market leading capabilities.

Over and above the fiscal and economic impact created through the core banking services, RMB focused on creating social impact through our core offerings and commitment to ESG. Following the success of the FNB Green bond, RMB further leveraged off its dual capabilities in debt capital markets and sustainable finance and acted as sponsor, arranger and sustainability coordinator for Namibia's first corporate social bond aimed at facilitating financial inclusion. In addition, the RMB team listed the first exchange traded notes on the NSX which was also aimed at the social objective of providing Namibian society with access to financial instruments at low values which can provide exposure and returns to offshore stocks. Moreover, the RMB team continues to leverage off its strength in the energy sector, playing an integral role in Namibia's energy journey and acting as a strategic partner to industry players and a thought leader in various prominent local, regional and international forums such as the Namibia International Energy Conference, Africa Energy Summit and COP28.

The RMB success has been further underpinned by our 'change the bank' investment, particularly in introducing platforms and process optimisation initiatives that allow us to enhance our clients experience and ease of doing business. More so, continuing to leverage off the broader FirstRand ecosystem to solve for our clients holistically in Namibia and across jurisdictions.

People remain at the forefront of our purpose. We believe our success is a factor of our collective knowledge, experience and efforts. The RMB Namibia executive team is humbled by the results of the recent employment engagement survey which highlighted the broader team's perception of our strength being dedicated to meeting clients' needs, believing in the RMB's purpose and direction, engagement levels and empowering people to contribute to the business in meaningful ways. This has come as a result of our dedication and investment in our people and our continuous efforts to empower our talent to positively contribute to the bank and the country.

We believe our set of results are strong testament to our dedication to continuously create positive value for all our stakeholders.

P Chapman
CEO: RMB Namibia

Human capital strategy

CULTURE AND ENGAGEMENT

People remain core to what we do and our ability to deliver on our purpose and strategy. Remaining resilient and future-fit is dependent on the environment we create and the opportunities we provide to our employees to live full lives and to be prepared for the future of work.

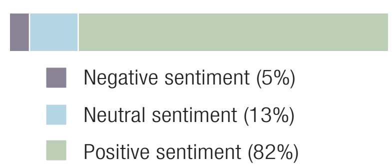
It is with the above in mind that we commissioned the first enterprise-wide assessment in the execution of our Employee Listening Capability survey. The assessment provided us with valuable strategic people insights. The insights assist with key people decisions regarding enabling performance, enhancing transformation, supporting employee energy and sustainability, enhancing managerial effectiveness, managing change, while enhancing our humanity and our employees' wellbeing.

During February 2024 we launched a Group wide employee experience survey, which resulted in excellent results.

FirstRand Namibia achieved a 90% participation rate with an engagement score of 80%, the highest score in the broader FirstRand Group.

80% engagement score

90% participation rate



The engagement score of 80% is 5% above the FirstRand Group, 6% above the Global benchmark, 4% above the Financial Industry and 4% above African benchmarks.

Two thirds of all vacancies are filled internally, mostly from the talent pipeline. More than 500 people have received direct training through specific training programmes, in addition to mandatory groupwide training. Various online learning and open learning opportunities have also been shared, accessed, and attended across the FirstRand Namibia Group.

Throughout the year under review, Human Capital launched and successfully landed significant and impactful projects as part of our efforts to execute our people strategy. The Human Capital function implemented new core payroll and Human Capital systems, namely WorkDay and PaySpace to improve our employee management and interaction through enhanced digital platforms as part of our digitisation and platform journey. November 2023 marked the launch of both systems.

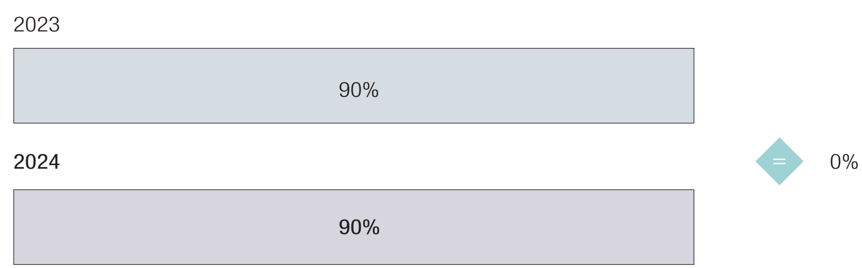
To guarantee that we attract and retain the best-in-class talent, we have refreshed our Employee Value Proposition (EVP) to better meet the demands of our staff. Moving to a new medical aid fund and switching to an umbrella pension fund that permits employees flexibility in contributions, are the two significant changes that occurred in our EVP.

The group also adopted a new performance enablement philosophy, shifting from quantitative ratings to qualitative descriptions to instil a high-performance culture. Rather than only assessing prior performance, the new approach focuses on developing the environment that enables staff members to deliver their best performance and to drive their ongoing development.

OUR EQUITY DISTRIBUTION

FirstRand Namibia received an A Grade Certification with a 90.1% compliance with the requirements of the Affirmative Action Employment Act.

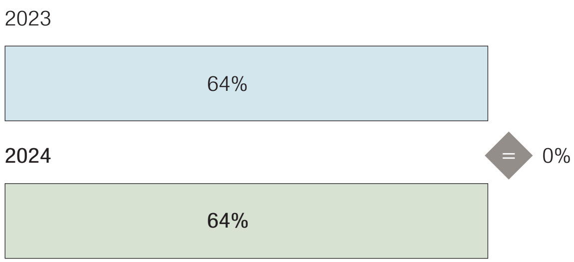
Racial Equity:
Representation of racially disadvantaged employees of total workforce



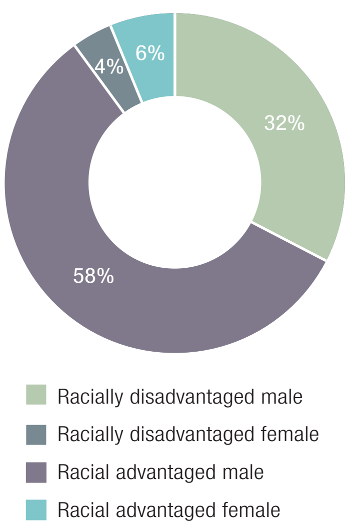
Human capital strategy continued

OUR EQUITY DISTRIBUTION continued

Gender Equity:
Representation of women of total workforce



Total permanent staff presentation



Our Philosophy

Talent and people capabilities are core to FirstRand Namibia group's sustainability.

Succession is an outcome of deliberate strategic talent planning and intentional development. Quality talent and succession planning demonstrates organisational stability and resilience, which breeds market confidence and drives shareholder value.

Career progression is an outcome of employee empowerment and an enabling environment. Deep investment in talent engagement and development planning enables talent agency, which signals to employees they have the autonomy to drive and achieve their aspirations and differentiates the group as an employer.

Human capital strategy continued

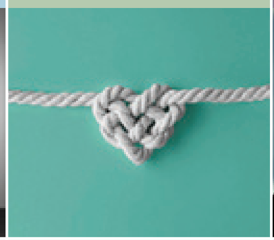
TALENT MANAGEMENT continued

Our Principles: continued

Leadership

Talent development is a leadership priority. We hold leaders accountable for nurturing talent.

One Bar



All talent is held to a single FirstRand definition of potential, performance and leadership.

To mitigate against biases, we consistently use a data-driven approach to identify talent and build talent pools.

Build

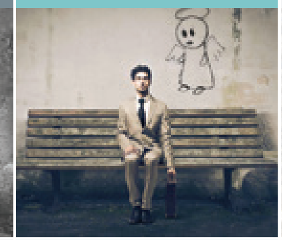
We grow our own timber. We nurture the talent from an early tenure providing development and career experiences that prepare them for the "top jobs".

We buy as a measure of last resort.

Enterprise

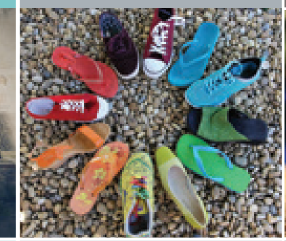
The development of talent, once identified, is supported and facilitated across the enterprise through fostering awareness of high potential talent's needs and enabling low friction mobility.

Empowered



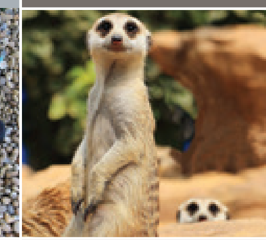
Employees, supported by their line manager, are accountable for their development. To facilitate this partnership and empower employees there is transparency.

Value our differences



Transforming our talent is the right thing to do. Diversity, equity and inclusion is a critical component of talent pool quality.

Agile and Live



This is a dynamic process that must be engaged with and evolved to ensure relevance and effectiveness as the environment changes.

Since the previous financial year, our succession talent pool has expanded significantly. We have 287 potential successors identified for our Executive and critical roles. Development plans and career experience maps were concluded for all Executives and their potential successors. Psychometric Assessments were also completed for selected individuals to identify development gaps.

For the past decade, FirstRand Namibia has groomed internal CEO's. The Group's EXCO is currently made up of 53% females which is a result of deliberate transformation efforts.

Over the past 24 months, the Group's EXCO only had one external appointment with six internal promotions. This is aligned to our principle of growing our own timber.

Total Succession Pool

287

- 12% of Total Population
- 34% Leadership Focused (98)
- 66% Critical Role Focused (189)

Classified as:

- Ready Now - 25%
- 1-2 Years - 43%
- 3-5 Years - 26%
- 5+ Years - 6%

Successor Racial representation

72%

Previously disadvantaged

28%

Previously advantaged

Human capital strategy continued

TALENT MANAGEMENT continued

Our Principles: continued

Total Succession Pool

51%	49%
Male	Female

"Ready Now" Succession Cover for EXCO positions

Out of 15 EXCO roles,
7 Roles have "Ready Now"
Successors (46%)

Short Term Succession Cover for EXCO positions

Out of 15 EXCO roles,
12 Roles have Short Term
Successors

Targeted Development Pipeline Interventions

The FirstJob programme aims to assist unemployed youth by providing them with the skills, mentoring and experience they will need to thrive in the workplace and prepare them for entry into the job market and world of work. FirstJob focuses on three areas of development:

a) Internships
We are currently running our third year of the FirstJob Internship programme with great success. In our first year, a total of 15 interns were appointed of which 2 received permanent positions. In our second year, a total of 28 interns were appointed and in 2024 a further 23 interns were onboarded. This brings the total number to 66.

b) Graduate Trainees
Two of the four Graduate Trainees appointed during 2023 were appointed in permanent roles, whilst the other two are still on the programme. Three new graduate trainees were onboarded during 2024.

c) Experiential Learning
FirstRand Namibia assisted 5 Namibian students with Work Integrated Learning in 2022. A further 4 students in 2023 and now an additional 3 students in 2024. The number of students to be assisted will depend on a need basis, as we receive requests from Namibian students.

d) Learning and Development
The Group strongly believes in developing and upskilling its employees and therefore invested a total of N$6.4 million on various development interventions. A total of 79 previously disadvantaged non-managerial employees were funded by the Staff Assistance Trust towards tertiary qualification to a total amount of N$3.4 million.

24 Employees were granted bursaries towards tertiary qualifications of which one was allocated to a person living with disabilities.

We continued with the roll-out of our in-house training academies and leadership programmes. These programmes are unique and provide bespoke learning and development experiences designed to equip employees with the skills required for the future of banking and equip employees to have impactful conversations with clients that position the Bank as a trusted partner.

EMPLOYEE WELLBEING

Employee wellbeing remains a paramount focus for the Group. Over the past decade, our external Employee Wellness Program (EWP) provider, LifeAssist, has diligently provided 24/7 wellness services to our staff and their families. Offering telephonic, electronic, and face-to-face assistance, both self-referred and manager-referred, the program includes debriefing sessions to aid employees in coping with personal or work-related traumas.

In the previous year, comprehensive wellness screenings were conducted across all branches and business units, facilitating early detection and effective management of health concerns. Moreover, 41 executives and senior managers participated in detailed medical screenings offered exclusively to our executive team.

To address financial wellness, we initiated a campaign offering employees financial evaluations, personal guidance, training, and post-evaluation support over a six-month period. Additionally, 35 employees and 18 dependents received financial assistance for medical expenses through the Staff Assistance Trust, totalling N$529 876 compared to N$258 649 in the previous financial year.

Managing risk strategically

RISK GOVERNANCE

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

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

Managing the risk profile

The Group's business as a financial intermediary is based on the identification, measurement, pricing, and ultimately the taking and management of risk. It does not aim to eliminate risk entirely but to assume it deliberately in a measured, calculated and controlled fashion pursuant to its business objectives.

Effective risk management is key to the successful execution of strategy and is based on:

- A risk-focused culture and effective risk governance structure with multiple points of control applied consistently throughout the organisation;
- A combined assurance process to integrate, coordinate and align risk management and assurance processes within the Group in order to optimise the level of risk, governance and control oversight of the Group's risk landscape; and
- Strong risk governance through the application of financial and risk management disciplines through frameworks.

The Group believes a strong balance sheet and resilient earnings are key to growth, particularly when entering periods of uncertainty. The Group's deliverables in terms of its strategy are underpinned by the application of critical financial discipline.

Risk universe

The Group recognised the following major risk categories and built risk frameworks to monitor and report on the impact of these risks within the group.

RISK UNIVERSE			
Capital Risk	Liquidity Risk	Market Risk	Information Technology Risk
Operational Risk	Compliance Risk	People Risk	Reputation Risk
Credit Risk	New Business Risk	Strategic Risk	Accounting and Taxation Risk

Managing risk strategically continued

RISK GOVERNANCE continued

Risk appetite

The Group's risk appetite and FRM (Financial Resource Management) process frames all organisational decision making and is fully integrated with the Group's strategic objectives. The risk/reward framework includes the risk appetite statement below and aims to ensure that the Group maintains an appropriate balance between risk and reward. Limits and targets are linked to the statement.

Risk appetite statement
Risk appetite is the aggregate level and the type of risks the Group is willing and able to accept within its overall risk capacity, and is captured by a number of qualitative principles and quantitative measures.

The aim is to ensure that the Group maintains an appropriate balance between risk and reward. Risk appetite limits and targets are set to ensure the Group achieves its overall strategic objectives, namely to:

- Deliver long-term brand value;
- Deliver superior and sustainable economic returns to shareholders within acceptable levels of volatility; and
- Maintain balance sheet strength.

The Group's strategic objectives and financial targets frame its risk appetite in the context of risk and reward and contextualises the level of reward the Group expects to deliver, to its stakeholders under normal and stressed conditions for the direct and consequential risk it assumes in the normal course of business.

The Group's risk appetite frames all organisational decision-making and is fully integrated with the Group's strategic objectives.

The current Risk Appetite Framework as approved by the Board consists of qualitative and quantitative measures. The quantitative measures are mainly focused on credit risk (impairment and NPL tolerance levels) per segment and product, as well as reference to the market risk limits in the trading book. Below is a summary of the qualitative principles:

Qualitative principles
• Always act with a fiduciary mindset; • Comply with prudential regulatory requirements; • Comply with the spirit and intention of accounting and regulatory requirements; • Build and maintain a strong balance sheet which reflects conservatism and prudence across all disciplines; • No risk taking without a deep understanding thereof; • Comply with internal targets in various defined states to the required confidence interval; • No business models with excessive gearing through either on or off-balance sheet leverage; • Limit concentrations in risky asset classes or sectors; • Ensure the Group's sources of income remain appropriately diversified across business lines, products, markets and regions; • Manage the business on a through-the-cycle basis to ensure sustainability; • Identify, measure, understand and manage the impact of downturn and stress conditions; • Strive for operational excellence and responsible business conduct; and • Avoid reputational damage.

The risk appetite statement aims to drive the discipline of balancing risk, return and growth across all the portfolios. It is in this process that the Group ultimately seeks to achieve an optimal trade-off between its ability to take on risk and the sustainability of the returns delivered to stakeholders.

Managing risk strategically continued

RISK GOVERNANCE continued

Business activities and resultant risks

	FNB	RMB	FNB Short-Term Insurance	Ashburton	FCC
Key activities	Retail and commercial banking	Corporate and investment banking	Insurance	Asset Management	Group-wide functions
Market segments	• Consumer • Small business • Agricultural • Medium Corporate • Public Sector	• Financial institutions • Large corporates • Public sector	• Retail and commercial	• Wealth clients	• Institutional (and internal/intragroup)
Products and services	• Transactional • Deposit taking • Mortgage and personal loans • Credit and debit cards • Investment products • Card acquiring • Credit facilities	• Advisory • Structured finance • Markets and structuring • Transactional banking • Deposit taking • Principle investing solutions and private equity	• Motor insurance • Home contents • Building insurance • Credit insurance • Funeral insurance	• Unit trusts • Segregated investment mandates	• Group asset/liability management • Funding and liquidity management • Funding instruments • Capital management • Capital insurance • Foreign exchange management • Tax risk management
Risks	• Retail and commercial credit risk • Operational risk	• Corporate and counterparty credit risk • Market risk in the Trading book	• Insurance risk • Lapse risk • Underwriting risk • Solvency risk	• Market risk • Investment risk • Liquidity risk	• Interest rate risk in the banking book • Funding and liquidity risk • Structural foreign exchange risk • Equity investment risk
Other risks	Strategic, business, operational, reputational, IT, model, environmental and social, tax, regulatory and conduct risk				

Managing risk strategically continued

RISK GOVERNANCE continued

Business activities and resultant risks continued

The Group expects the following risks to materialise worldwide and have responded to these risks accordingly:

- Integration of AI into business and risk of disinformation
- Cybercrime and IT related disruptions
- Operational risk including power disruptions, fraud and risk associated with change management
- Environmental and social risk
- Information Governance and risks relating to data quality, data protection and market conduct
- War for scarce talent

These challenges and associated risks are continuously identified, potential impacts determined, and debated by appropriate risk committees and management.

Developments in key markets are monitored with appropriate responses, strategic adjustments and proactive financial resource management actions implemented where required.

Credit origination and funding strategies are assessed and adjusted in light of macroeconomic conditions and market liquidity. Actions are in place to ensure a resilient funding model. Significant investment in people, systems, processes and data projects are made to:

- Manage the risks emanating from the large number of regulatory requirements;
- Address possible control weaknesses and improve system security;
- Improve operational resilience; and
- Improve risk data management and reporting.

Risk governance structure

The Group believes that effective risk management is supported by effective governance structures, robust policy frameworks and a risk-focused culture. Strong governance structures and policy frameworks foster the embedding of risk considerations in the business processes and ensure that consistent standards exist across the Group.

In line with the Group's corporate governance framework, the Board retains ultimate responsibility for providing strategic direction, setting risk appetite and ensuring that risks are adequately identified, measured, monitored, managed and reported on. The risk management structure is set out in the Group's Risk Management Framework (GRMF). The framework delineates the roles and responsibilities of key stakeholders in business, support and control functions across the various business units and the Group.

Managing risk strategically continued

RISK GOVERNANCE continued

Three lines of defence

1 FIRST LINE OF DEFENCE

RISK OWNERSHIP

Risk inherent in business activities

Segment Heads
Reports to CEO

Group Treasury
Supports business heads and Board

Segment Executive Committees

GROUP CEO

Executive Committee

- Financial Resource Management Committee
- Social and Ethics Committee
- Procurement Committee
- Policy Committee

2 SECOND LINE OF DEFENCE

RISK CONTROL

Risk identification, measurement, control and independent oversight and monitoring

Enterprise Risk Management (ERM)

Headed by Group CRO,
Specialised Risk Managers for:

IT Risk, Market Risk, People Risk, Legal Risk, Conduct Risk, Liquidity Risk and Credit Risk.

Compliance Risk Management (CRM)
Chief Compliance Officer represented on platform and executive committees.

Deployed Business Unit Risk Managers
- Involved in all business decisions
- Represented at Segment Committees

BOARD

RCC Committee

Specialised Risk Committees

Deployed Risk Managers
Report to franchise CEOs and group CRO

3 THIRD LINE OF DEFENCE

INDEPENDENT ASSURANCE

Adequacy and effectiveness of internal control, governance and risk management

Group Internal Audit (GIA)

Headed by Chief Audit Executive with direct, unrestricted access to Audit Committee Chairman, group CEO, business units, records, property and personnel.

External Advisors

Audit Committee

Combined Assurance Forum

The group obtains assurance that the principles and standards in the risk frameworks are being adhered to by the three lines of defence model. In this model, business units own the risk profile as the first line of defence.

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

GIA as the third line of defence, provides independent assurance of the adequacy and effectiveness of risk management processes and practices.

Managing risk strategically continued

RISK GOVERNANCE continued

Combined assurance

The Audit Committee oversees formal enterprise-wide governance structures for enhancing the practice of combined assurance at Group level. The primary objective is for the assurance providers to work together with management to deliver the appropriate assurance cost effectively. The assurance providers in this model include GIA, senior management, ERM and external auditors. The combined outcome of independent oversight, validation and audit tasks performed by the assurance providers ensure a high standard across methodological, operational and process components of the Group's risk and financial resource management.

Combined assurance results in a more efficient assurance process through the elimination of duplication, greater focused risk-based assurance against key control areas and heightened awareness of emerging issues. These actions result in the implementation of appropriate preventative and corrective action plans.

CREDIT RISK

INTRODUCTION TO CREDIT RISK

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

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

CREDIT RISK MANAGEMENT STRUCTURE

The bank board of directors has the overall responsibility of the oversight of credit risk management in the bank. Furthermore, the bank board has established a senior credit risk committee (SCRC) responsible for overseeing and managing credit risk. This committee operates within the discretionary limits, policies, and procedures approved by the bank board. This governance structure ensures robust oversight and strategic decision-making in credit risk management.

The bank has a well-established and comprehensive credit risk management framework, clearly defining the roles and responsibilities of the board and senior management, which is integrated into the overall risk management framework, ensuring a holistic approach to risk management.

The framework aids the bank with the ability to comply with regulatory requirements and to adhere to industry best practices with respect to credit risk management.

Managing risk strategically continued

CREDIT RISK continued

CREDIT RISK MANAGEMENT OBJECTIVES

The bank's credit risk management objectives serve two primary purposes: risk control and management.

I) Risk Control Objectives

The bank sets appropriate limits on assuming credit risk and takes necessary steps to ensure the accuracy of credit risk assessments and reports. This responsibility is fulfilled by dedicated credit risk management teams deployed both centrally and across business units. Through meticulous risk control measures, the bank mitigates the potential negative impacts of credit risk on its financial performance.

II) Management Objectives

Credit risk is managed within the bank's defined risk appetite framework. This framework provides guidelines and parameters for credit risk-taking activities. The credit portfolio is managed at an aggregate level to optimise the bank's exposure to credit risk. Credit risk responsibilities are distributed in the business units and credit teams with oversight from management levels, in alignment with the bank's risk appetite and strategic objectives.

Aligned with the group's credit risk appetite, which is measured based on Return on Equity (ROE), Net income after cost of capital (NIACC), and earnings volatility, credit risk management principles include maintaining adequate capital levels and pricing risk appropriately on both individual and portfolio bases, as well as ensuring accurate provisioning for the credit book. The scope of credit risk identification and management practices encompasses the entire credit value chain, encompassing risk appetite, credit origination strategy, risk quantification and measurement, as well as the collection and recovery of delinquent accounts, and provisioning accordingly throughout the credit value chain.

CREDIT RISK MANAGEMENT PRINCIPLES

To effectively manage credit risk, the bank adheres to key principles centered around capital and pricing for risk.

i) Capital and Pricing for Risk

The bank maintains an appropriate level of capital to absorb potential credit losses, considering both regulatory requirements and internal assessments. Furthermore, the bank employs risk-based pricing to accurately reflect the inherent credit risk associated with lending activities. This approach ensures that the bank is adequately compensated for the risks it assumes.

ii) Credit Risk Identification and Management Practices

The bank adopts comprehensive credit risk identification and management practices that encompass the entire credit value chain. These practices encompass various aspects, including risk appetite, credit origination strategy, risk quantification and measurement, as well as the collection and recovery of delinquent accounts. By addressing credit risk at each stage of the credit process, the bank enhances its ability to identify, assess, and manage credit risk effectively.

CREDIT RISK PROFILE

To provide transparency on its credit risk exposure, the bank discloses key credit risk indicators for both the group and the company. These indicators include the gross advances, credit loss ratio, non-performing loans (NPLs) as a percentage of advances, specific coverage ratio, total impairments coverage ratio, and performing book coverage ratio. These metrics provide stakeholders with valuable insights into the credit risk profile of the bank and its ability to manage potential credit losses.

Managing risk strategically continued

CREDIT RISK continued

CREDIT RISK PROFILE

	Bank		
	2022	2023	2024
Gross Advances (N$ million)	33 296	36 779	39 338
NPL / Advances %	5.4	4.8	6.1
Portfolio Coverage Ratio %	1.9	1.5	1.6
Specific Coverage Ratio %	43.2	45.6	44.4
Total Coverage Ratio %	4.1	3.6	4.3
Credit Loss Ratio %	0.3	0.6	1.1

STAKEHOLDERS IMPACTED

Customers Investors Suppliers

CAPITALS IMPACTED

Financial Social Intellectual

ASSESSMENT AND MANAGEMENT OF CREDIT RISK

The bank implements comprehensive policies, processes, and controls to ensure a sound credit risk management environment. These measures cover credit granting, administration, measurement, monitoring, and reporting of credit risk exposure. The bank relies on internally developed quantitative and statistical models to assess credit risk, which address both regulatory requirements and the bank's specific business needs. These models provide insights into the three primary credit risk components: Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

Furthermore, the bank manages its credit portfolio by incorporating these credit risk measures. PD, EAD, and LGD serve as essential inputs for portfolio and group-level credit risk assessments. The bank combines these measures with estimates of correlations between individual counterparties, industries, and portfolios to account for diversification benefits and provide a comprehensive view of credit risk.

We maintain appropriate valuation adjustments and reserves for credit losses in accordance with accounting standards and regulatory requirements, and measure the provisions for impairments in terms of IFRS 9.

CREDIT RISK CLASSIFICATION AND IMPAIRMENT POLICY

The bank follows a robust credit risk classification and impairment policy to accurately reflect potential credit losses.

i) Specific Impairments

Specific impairments represent the quantification of actual and inherent losses arising from individually identified exposures. When determining specific impairments, the bank considers various factors, including its exposure to the customer, the client's cash flow generation capability, the viability of the client's business, expected cash flows, the realizable value of held security, and recovery-related costs. These factors allow the bank to accurately assess the potential credit losses associated with specific exposures.

ii) Portfolio Impairments

In addition to specific impairments, the bank applies portfolio impairments to provide additional coverage based on prevailing market conditions and current default statistics. These impairments incorporate forward-looking information, enabling the bank to account for potential credit losses not captured by specific impairments. By considering broader market trends and future projections, the bank enhances its overall credit risk coverage.

In conclusion, the bank's credit risk management framework emphasises the importance of effectively identifying, assessing, and managing credit risk throughout the organisation. By employing comprehensive policies, processes, and controls, the bank maintains a robust credit risk management environment. Through the diligent application of credit risk management principles, the bank optimises its credit risk exposure while ensuring the adequacy of capital and risk-based pricing. The bank's credit risk management practices, as demonstrated through the credit risk profile and impairment policy, enables the bank to proactively address potential credit losses and maintain the stability and profitability of its operations.

Managing risk strategically continued

OPERATIONAL RISK

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

This includes:

- Fraud and criminal activity (internal and external),
- Project risk,
- Legal risk,
- Business continuity risk,
- Information and IT risk, and
- Process and human resources risk.

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

Operational risk is governed in terms of the Operational Risk Management Framework (ORMF), which is aligned to the Basel Committee's Principles for the Sound Management of Operational Risk. The Framework outlines the key Principles and Practices fundamental to the effective management of Operational Risk.

The key principles provided in this framework specifically focus on what must be implemented with respect to the risk management philosophy, methodology and strategic objectives of operational risk.

The Operational Risk Management Framework specifically focuses on the following key principles:

Leadership	Tools / Methodology / Key considerations
Risk identification	• Process based risk and control identification and assessment (PRCI&A) • Assessment of audit findings and performance of verifications • Analysis of internal operational events and losses • Data quality assessment and remediation
Risk exposure quantification and measurement	• Assess operational risks from two perspectives: likelihood and impact and use a combination of qualitative and quantitative methods to do so
Risk monitoring	• Use of Key Risk Indicators against pre-determined thresholds (risk appetite) to monitor and measure operational risk • Evaluation of key controls and their operating effectiveness
Risk reporting	• Risk profile reporting to support decision-making • Enable evaluation of actual performance against set thresholds
Capital calculation	• Risk scenario analysis • Assessment of internal loss data • Consideration of external loss data • Evaluation of control environment within the group

Managing risk strategically continued

OPERATIONAL RISK continued

OPERATIONAL RISK MEASUREMENT AND MANAGEMENT

FNB Namibia Ltd received approval from the regulator to follow the Standardised Approach (TSA) for the measurement and management of operational risk. Under TSA there are various regulatory requirements regarding risk measurement, management, and governance. Minimum regulatory requirements are detailed in BON regulations. FNB Namibia Ltd implementation of these minimum standards is described in the ORMF, with supporting policies for individual risk measurement tools. TSA capital is calculated as specified by BON in Regulation BID5.

RISK APPETITE AND TOLERANCE THRESHOLDS

Establishing a risk appetite that has an adequate balance between risk and reward is a dynamic process that is built on a blend of qualitative and quantitative principles, processes, and guidelines. The aim is not to eliminate all operational risk exposure, but to set a framework for effectively managing and mitigating operational risk within the Group.

The Operational Risk Appetite Policy governs the Group's approach to Risk Appetite. All exceptions and breaches of thresholds are escalated to the respective governance committees.

FirstRand Namibia aims to maintain a mix of businesses, business activities, income streams and risk exposures to limit earnings volatility. Risk management within risk appetite contributes towards limiting loss of confidence or adverse reputational impacts.

OPERATIONAL LOSSES

	% Change Year on Year	2024	2023
Total Operational Losses as a % of Gross Income	0.09%	0.31%	0.22%

CURRENT AND EMERGING CHALLENGES AND OPPORTUNITIES

Current and Emerging Challenges	Opportunities and Risk Management Principles applied
Operational risk is driven by ongoing challenges in IT risk and cyber security with growing sophistication of cybercrime involving the use of robotics.	• Well established and globally acknowledged cyber security standards and frameworks in place. Further aided by a robust process for the selection and maintenance of strategic partners and vendors. • Targeted HR interventions in place to ensure the promotion of a culture of security awareness amongst all employees. • Continued focus on enhancing the internal control environment, improve system security, IT risk processes and operational business resilience capability.
Operational challenges in meeting various regulatory requirements including vendor risk and outsourcing risk.	• Management strategies and processes implemented to ensure compliance with the regulatory requirements and general risks associated with outsourcing. All outsourcing arrangements conducted in line with outsourcing policy aligned to regulatory requirements. • Effective business resilience principles implemented to ensure seamless business continuity by strategically choosing our business partners and vendors.
Energy crisis within the Southern African region requiring proactive contingency planning.	• Business resilience plans with specific focus on alternative energy sources developed and implemented. • Specific contingency planning developed around energy crises.

Managing risk strategically continued

INFORMATION GOVERNANCE RISK

Information (includes records, data, information and knowledge owned or processed by or on behalf of the Group), whether its own or that entrusted into its care by customers, staff or business partners, is a valuable and strategic product, essential to its business.

As data and analytics become a core part of digital business and data is more and more recognised as an asset, new roles are required and executives and employees' ability to communicate and understand conversations about data, in short, the ability to "speak data", is becoming an integral aspect of most day-to-day jobs. The use of information as a strategic enabler by competitors and the increased focus on information from a regulatory perspective, necessitates the need to further formalise and embed the governance and management of information.

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

Strategic enablers:
The successful implementation of information governance is underpinned by data literacy, executive commitment, directed and enabled by data strategy, sustainable governance structures and supporting processes, information management roles, principles, policies and supporting standards.

Information management:
The Information governance framework is owned by the Chief Data and Analytics Officer (CDAO) and makes provision for several information management domains to ensure the holistic management of information over time. Implementation priorities may be different for the various segments and business capabilities and the group rightly invests more attention, time and effort in some domains and less in others and the implementation approach is consistent with its size, goals, resources and complexity.

Operational enablers:
Efficient operational practices are essential to support and enable effective information management. Operational enablers include training and awareness interventions, metrics and measures, information technologies e.g. data profiling tools, data integration, information-related initiatives and projects in support of the information strategy. Operational enablers are ultimately required for all components of the Information Governance framework. Implementation across the group is in an incremental fashion, driven by data and business strategy and monitored at the Information Governance Committee.

Key outcomes:
The outcomes of the governance and management of information is in line with the business and data strategies of the group and cannot be achieved in isolation. Key expected outcomes include optimised information value, accountability for information, managed information related risks and the ethical use of information. A successful information governance and data management approach, which builds trust and meets legal requirements, will lead to improved decision-making, operational efficiency, understanding of data and regulatory compliance.

Information Risk Maturity:
Information Risk Maturity is rated as managed and the group continues to invest in staff with the right skills to drive data quality and Information Governance into the future.

Managing risk strategically continued

INFORMATION TECHNOLOGY (IT) AND CYBER RISK

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

The IT and Cyber Risk Management function framework focuses on enhancing the five IT and Cyber risk management core principles and guidelines:

Develop IT & cyber risk appetite

FirstRand Namibia must define and quantify business risk appetite for cyber risk and ensure that it's consistent with the business strategy and risk appetite setting process. The cyber risk appetite:

- Must define the level of cyber risk FirstRand Namibia is willing to accept.
- Must be aligned to the overall strategic direction of FirstRand Namibia and its business objectives.
- Must be appropriate for FirstRand Namibia's financial condition.

IT & cyber risk management strategy

FirstRand Namibia's second line risk management functions must:

- Establish and maintain IT and cyber risk management strategy that is aligned with the first line of business as well as the IT and cyber security and resilience strategies that have been approved by the relevant management functions and governance bodies.
- Review the cyber risk strategy regularly, but at least annually, to address changes in the business and cyber threat landscape.

STAKEHOLDERS IMPACTED

Customers | Employees | Suppliers

CAPITALS IMPACTED

Intellectual | Manufacturing | Natural

Enhance IT & cyber risk management identification criteria

Risk management criteria provides a standard by which the cyber risks should be evaluated. It forms a basis of measurement to identify, aggregate, treat and communicate cyber risks across FirstRand Namibia:

Risk evaluation and risk rating criteria
Refer to the FirstRand Namibia Risk Rating Methodology for risk evaluation and risk rating criteria. This provides a standard by which the identified operational risks should be evaluated. It forms the basis of measurement to compare, aggregate and communicate cybersecurity and cyber resilience risks across the bank.

Information (and related assets) valuation and classification criteria
FirstRand Namibia must have formal criteria defined and used as the basis for assigning a value to the relevant cyber dependent business information and IT assets. The criteria will be used to determine the priority, the level of cyber security resources necessary for protecting the assets and the ongoing risk exposure of the assets to the prevailing cyber threats.

IT & Cyber risk tolerance criteria
FirstRand Namibia must define and quantify business risk tolerance relative to cybersecurity and ensure that it's consistent with the FirstRand Namibia strategy, IT and cyber risk appetites.

IT & Cyber risk acceptance criteria
FirstRand Namibia recognises that there may be instances where management takes decisions to accept certain identified IT and cyber risks, however such risk acceptances must comply with the requirements of the FirstRand Namibia operational risk acceptance policy.

Managing risk strategically continued

INFORMATION TECHNOLOGY AND CYBER SECURITY RISK continued

IT & cyber risk assurance activities

- Third party risk monitoring – on-going monitoring of the Group's key outsourced and critical 3rd-party cyber risk exposure.
- External threat data feeds monitoring and processing - discover prevailing cyber threats and trends from external threat feeds.
- Continuous security controls monitoring – modelling operational security process data (e.g. vulnerability and patch management, AV, PAM) for continuous controls effectiveness testing and monitoring.
- Cyber security event simulations – perform ad-hoc cyber incident simulation exercises to assess the group's cyber readiness and resilience.
- Red-team assessments - independent cyber controls testing exercises that simulate realistic cyber-attacks based on the known techniques of threat actors.
- Staff awareness exercises – simulated testing of staff susceptibility to phishing and other cyber-attacks.
- Cyber maturity attestations – assess the organisation's cybersecurity and cyber risk maturity in line with the organisation's requirements.
- Independent controls attestations – testing and confirmation of FirstRand Group / segment / BU risks and controls posture by independent assurance providers.

IT & cyber risk management process

Key risk management processes must be in place to facilitate the identification of key cyber risks, guide the risk analysis and identification of key controls, and enable the communication and effective treatment of risks. The level of risk management discipline applied to each of the cybersecurity and cyber resilience management practices and capabilities will vary based on the inherent and residual risk exposure of a particular business function, process, system per the outcomes of the FirstRand Namibia Information (and the related assets classifications standard(s)).

Future enhancements

- The group's information technology risk management framework and cyber risk management frameworks will be benchmarked in alignment with international best practices and standards (ISO/IEC 27001, ISO/IEC 27701).
- The group's continued enhancement of information technology and cyber security internal controls by performing control effectiveness assessments.
- The group's enhancement of the cybersecurity incident management process and resilience.
- The disaster recovery plan testing will be enhanced to test resilience based on risk scenarios and industry best practices.
- Enhance IT & Cyber Risk Management Frameworks to include the governance, management, monitoring and reporting of all new technologies like Artificial Intelligence (AI), Machine Learning (ML), Blockchain, Fintech and new technologies that may potentially disrupt the group's operations.

Managing risk strategically continued

LEGAL RISK

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

Legal risk generally arises through:

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

GROUP LEGAL SERVICES RISK MANAGEMENT

The mandate of the Group Legal Office is contained in the Legal Framework Policy which sets out the core responsibility to the group. The Group Legal Office has adopted the following measures to fulfil its mandate:

- Adopting electronic platforms that empower business to effectively continue operations and conclude agreements;
- Effectively manage a group wide service level agreement SharePoint repository for all the service level agreements within the group;
- Ensure that all the divisions within the group are kept abreast of all legislative developments that have or may potentially have an impact on business operations. Monitor and adapt to changes in laws, public policy and the context within which it operates, and establish appropriate early warning indicators;
- Defend the group in litigation and other proceedings against the group by ensuring adequate representation and effective management of these proceedings by Group Legal Service at different forums;
- Take account of what is just, fair and equitable as well as treat customer fairly principles (TCF) and includes managing conflicts of interest by providing an unbiased, independent voice in decisions and due diligence and fairness for the best interests of FirstRand Namibia.
- Reduce the group exposure to legal risks by managing potential risks and resolving existing risks amicably; and
- Maintaining valuable stakeholder relationships that play a key role within the industry and ensuring that the group is represented at the respective and applicable forums.

YEAR UNDER REVIEW

- Notable legal targets such as the digitisation of contract management and collateral digitisation that was successfully implemented during the course of the year driving business into the digital era;
- Ensured that all the divisions within the group were kept abreast of all legislative developments that had an impact on business operations. Proactively assisted business in interpreting and understanding the impact that new pieces of legislation (inclusive of amendments) had on the business operations.

The following key pieces of legislation are currently under review:

- Consumer Credit Bill;
- Outsourcing by non-bank financial institutions under Financial Institutions and Markets Act Standard;
- Regulations on Fees & Charges by Banks; and
- Determination on Issuing of Electronic Money in Namibia.

- Litigation matters in which the group is involved were approached with an effective defence strategy to minimise the pending legal risk by seeking alternative litigious solutions.
- Maintained valuable stakeholder relationships that play a key role within the industry and ensured that the group is represented at the respective and applicable forums.
- Reduced the group exposure to legal risks by managing potential risks and resolving existing risks amicably.

EMERGING CHALLENGES AND OPPORTUNITIES

Group Legal Services has identified the following notable items for the new financial year:

- Emerging legislation – responsibility of Group Legal Services to remain ahead and updated on all emerging legislation that will have an impact on the group. This is achieved by vigorous participation in various forums.
- Increase internal awareness on implemented processes and controls to effectively manage legal risks within the group.
- Leverage tools and technologies to effectively manage legal risk group wide.
- Propel the group into a secure legal and digital environment.

STAKEHOLDERS IMPACTED

Customers Employees Suppliers

CAPITALS IMPACTED

Financial Manufacturing Natural Intellectual

Managing risk strategically continued

ENVIRONMENTAL AND SOCIAL RISK

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

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

The identification, management and mitigation of environmental and social risks are fully integrated into the group's risk management processes and designed to manage and mitigate the following risks:

OPERATIONAL RISK

- Climate vulnerability of infrastructure and business continuity risk
- Identifying areas of impact of environmental issues on operating costs and revenues
- Identifying costs related to the group infrastructure to transition to a low-carbon economy

MARKET RISK

- Identifying potential sources of market-related risk due to environmental and social issues that may lead to changes in customer behaviours, market signals and increased cost of raw materials
- Identifying and highlighting potential changes in investment market sentiment

LEGAL RISK

- Risks due to environmental-related policy requirements such as the impact of carbon taxes, prudential requirements, emissions reporting requirements or exposure to litigation

LIQUIDITY RISK

- Risks related to changes in investor sentiment regarding the level of environmental and social risk management in the group, or climate-related activities (positive and negative) funded by the group, and the impact these may have in terms of accessing investments

REPUTATIONAL RISK

- Mitigating reputational risks due to environment-related issues such as shifts in consumer preferences, stigmatisation of a specific sector or increased stakeholder/shareholder concern, or negative feedback

CREDIT RISK

Transactional risk

- Identifying, mitigating and managing environmental, social and climate-related risks associated with investment, portfolios, client transactions and risk through transactional due diligence

Portfolio risk

- Identifying and managing environmental, social and climate-related risks that may impact the structuring of lending and investment portfolios
- Conducting stress testing of the lending and investment portfolios in relation to identified environmental, climate and social risks
- Reviewing the impact of environmental, climate and social issues in relation to acquisitions or divestments and capital allocation

STAKEHOLDERS IMPACTED

Customers, Employees, Investors, Regulators

CAPITALS IMPACTED

Financial, Social, Natural, Manufacturing

Managing risk strategically continued

CLIMATE RISK

The impact of climate change over time will compel significant changes in the global economy, which will undoubtedly influence institutional operations and balance sheets. It is therefore paramount that financial institutions should enable rather than undermine the necessary transition to a low carbon economy, while also building climate resilience through the funding of adaptation measures.

The group acknowledges that climate change is a rapidly evolving area that requires the intervention of both public and private sectors and society at large to address this global crisis successfully. In response thereto, the group has adopted and implemented a climate-related risk management programme which focuses on governance, strategy, risk management, risk metrics, risk targets and disclosures.

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

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

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

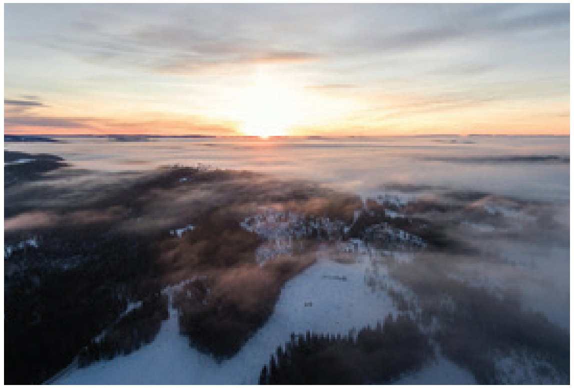
- Protect the group's balance sheet and capital;
- Include a climate filter in the credit risk management process;
- Report the group's climate exposure, vulnerability and opportunities; and
- Actively seek green and climate financing opportunities to support clients' climate resilience.

The group's climate risk strategy is centred on the following pillars:

1. **Managing our own operations** - monitoring and assessing the group's emissions;
2. **Supporting clients' transition** - developing financial products to assist clients with their climate transition journey;
3. **Risk management** - ensuring that the group's balance sheet is resilient against the impact of physical and transition climate risks; and
4. **Governance** - embedding climate risk with governance structures and appropriate reporting.

To understand and manage its own emissions, the group has embarked on a journey to measure its operational greenhouse gas emissions in the following fields; business air travel, fleet vehicles, car rental, travel re-imbursement, car allowance, electricity usage, shuttles, paper usage, refrigerant gas and diesel usage. The carbon emissions data will provide a view of FirstRand Namibia's emissions and inform its strategy and initiatives to reduce its greenhouse gas emissions.

FirstRand Namibia has a climate change policy which stipulates its climate change approach. It applies to all of the group's legal entities and third-party funds under management. The policy is anchored in science and data, and the commitments, as well as FirstRand Namibia's transition path, are grounded in credible and industry specific transition scenarios, informed by specialist input, engagement with clients, government bodies and broader stakeholders.



Managing risk strategically continued

INSURANCE RISK

1 Insurance activities

Insurance risk arises from the inherent uncertainties of liabilities payable under an insurance contract. These uncertainties can result in the occurrence, amount or timing of the liabilities differing from expectations. Insurance risk can arise throughout the product cycle and is related to product design, pricing, underwriting or claims management.

The risk arises from the short-term insurance operations offered via FNB Short Term Insurance Company Limited (FNB Insurance). FNB Insurance is licensed under the Short-Term Insurance Act No.4 of 1998.

FNB Insurance currently sells three products and is exposed to insurance risk as indicated in the following table:

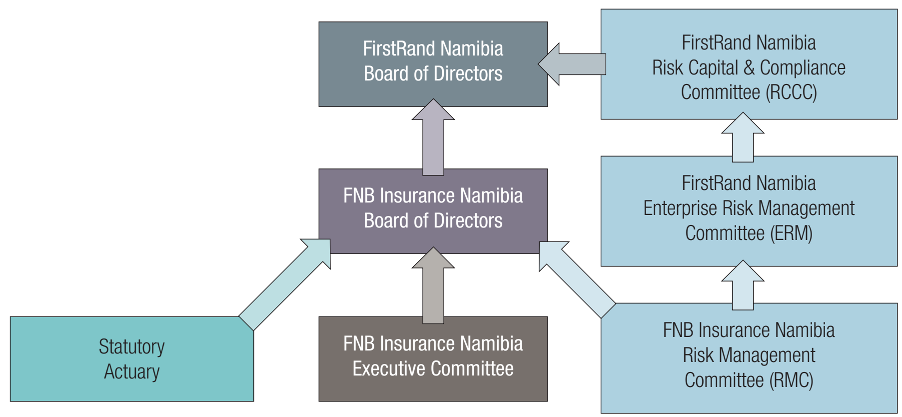
Portfolio	Description	Product Type	Risk
Underwritten Product Portfolio	More complex products that require underwriting and provide indemnity-based benefits	Buildings Cover	Property Risk
		Policies providing cover for repair costs (or replacement costs), for loss, or damage caused to the retail customer's building by Insured Events.	
		Contents & Portable Possessions	Property Risk
		Policies providing cover for repair or replacement costs for the loss, or damage to retail customers belongings kept and carried out of home.	
		Motor Insurance	Motor Risk
		Policies providing comprehensive cover for the repair or replacement costs for the loss, or damage to motor vehicles belonging to retail customers.	

2 Governance overview

The overall responsibility for risk management resides with the board of FNB Insurance being responsible for:

- Providing oversight of the product suite;
- Approving new products;
- Financial resource management; and
- Governance, and challenging inputs, models and the results of pricing and valuations.

The board is supported by management committees.



In addition, the following control functions have been established within the entity to further support the management of insurance risk:

Risk Management function	Compliance function	Internal Audit Function	Actuarial Function

Managing risk strategically continued

INSURANCE RISK continued

3 Risk management

Ensuring that insurance risk is understood and priced correctly is an important component of managing insurance risk. This is achieved through:

- The design of appropriate reinsurance structures as an important component of the pricing and product design to keep risk exposure within appetite;
- Identifying potential risks, including monitoring business mix and risk of new business;
- Thoroughly reviewing policy terms and conditions; and
- Where necessary, underwriting processes at both the sales and claims stage.

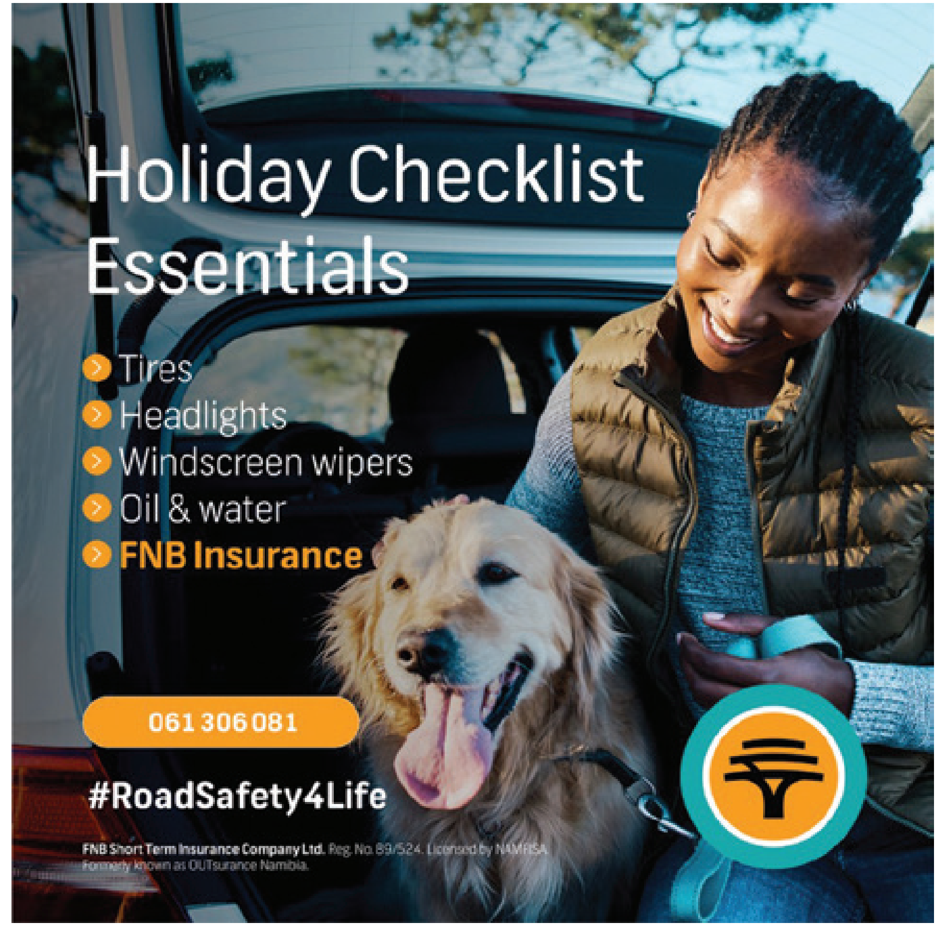
The assessment and management of insurance risk focuses on four main areas, namely:

- Product design and pricing;
- Selection of risk;
- Management of the in-force book; and
- Holding sufficient technical provisions.

The ongoing assessment and management of insurance risk incorporates the following:

- Monitoring and reporting of claims experience by considering incidence rates and claims ratios;
- The valuation process involving the setting up of insurance liabilities - this gives insight into the evolution of the risks on the portfolio. Adequate reserves are set for both future and current claims, as well as expenses; and
- Stress and scenario analysis are performed to provide insight into the risk profile and future capital position.

The management of insurance risk is governed by a suite of company policies and processes. Tools and systems are available in the business to assess and manage insurance risk.



Managing risk strategically continued

MARKET RISK

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

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

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

To reduce volatility in earnings emanating from IRRBB, the risk is managed dynamically within approved board limits.

STAKEHOLDERS IMPACTED

Customers Suppliers Investors

Measurement of IRRBB

Net interest income (NII) sensitivity (earnings sensitivity) and the value at risk sensitivity (economic value of equity (EVE) using the Price Value for a 01 change in yield (PV01) metric) are the two measurement techniques used to monitor IRRBBs and reported quarterly to the Asset, Liabilities and Capital Committee (ALCCO). The NII sensitivity measures the 12-month impact on NII using various interest rate scenarios. The scenarios being used are instantaneous parallel shifts in the yield curve of 100, 200 and 300 basis points.

The EVE sensitivity estimates the present value of the banking book assets and liabilities and measures how sensitive the Group's net asset value is to changes in the yield curve.

Interest income sensitivities incorporate additional behavioural assumptions as to the timing and how individual products would reprice in response to changing interest rates. Reported sensitivities are however not necessarily predictive of future performance as they do not capture additional management actions that would be taken in response to an immediate and large movement in interest rates.

Risks emanating from asset and liability mismatches are being managed dynamically using structured hedging products and interest rate swaps. Inline with our ALM strategy, FNB Namibia entered in a series of fully collateralised repo/reverse trade to protect and enhance earnings on a through the cycle basis whilst strengthening the Balance Sheet.

Risk appetite

IRRBB is being managed within board approved limit for both NII sensitivity and EVE sensitivity.

Emerging Risk

The world seems to be entering into an unchartered and treacherous geopolitical arena since the turn of the century. These events are occurring against a backdrop of high levels of debt and elevated interest rates and inflation. It is imperative thereof from an Asset Liability Management (ALM) perspective to continuously assess the maturity mismatch between assets and liabilities as well as any changes in client behavior which determines the maturity profile of some of the bank products.

The NII sensitivity measures the 12-month impact on NII using various interest rate scenarios. The scenarios being used are instantaneous parallel shifts in the yield curve of 100, 200 and 300 basis points.

CAPITALS IMPACTED

Financial Intellectual

Managing risk strategically continued

LIQUIDITY RISK

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

Management and Measurement of Liquidity risk

The bank liquidity risk is managed as part of the ALM risk management function within Treasury whose primary objective is to:

- Provide an assessment, measurement and monitoring of liquidity risk for the bank. Define, monitor and report on liquidity risk metrics;
- Establish and monitor liquidity risk limits and indicators, including liquidity risk appetite in line with regulatory requirements and ALCCO approvals;
- Perform a review of liquidity risk management processes; and
- Facilitate the performance of liquidity stress testing for the bank and implement improvements recommended.

STAKEHOLDERS IMPACTED

Regulators

Investors

Liquidity risk is managed through a series of measures, stress tests and reports that are primarily based on contractual maturities with behavioural adjustments as appropriate. Daily monitoring and forecasts of liquidity positions is performed and includes the following key liquidity risk indicators:

- **Liquidity Coverage Ratio (LCR)** - which measures the high-quality liquid assets against the net stressed cash outflows over the next 30 days. The actual position is monitored against management and board limits and escalated as per the governance framework and appetite statement; LCR became a regulatory limit in Namibia with the implementation of Determination 6A effective 31 March 2024.

- **Net Stable Funding Ratio (NSFR)** – which requires banks to hold enough stable funding to cover the duration of their long-term assets. NSFR became a regulatory limit in Namibia with the implementation of Determination 6A effective 31 March 2024.

- **Term and Source Diversification measures** - which measure the diversification of funding by term and source against pre-determined limits; and

- **Available Sources of Stress funding** - This measure compares the stressed balance sheet to the available sources of stress funding and indicates whether the bank has sufficient sources of stress funding as per the Contingency Funding Plan to fund the bank in an idiosyncratic stress event.

The Determination 6A had a phased in approach for LCR and NSFR as follows at the end of March:

Ratio	Mar 2024	Mar 2025	Mar 2026	Mar 2027
LCR	75%	85%	95%	100%
NSFR	75%	85%	95%	100%

Emerging Risk

The promulgation of in-country regulations such as LCR may lead to a large concentration of sovereign exposures. The inability to diversify away from these sovereign exposures may create liquidity risk if the debt pressures lead to repayment problems.

Considering the global trend, the Namibian banking system will not be of exception, the regulations requiring a higher level of inventory in high quality liquid assets may negatively impact the banks' ability to support clients in times of stress due to rigid liquidity requirements.

CAPITALS IMPACTED

Financial

Intellectual

Managing risk strategically continued

COMPLIANCE, REGULATORY AND CONDUCT RISK

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

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

Ethical behavior is both a keystone and an important contributor to the success of the entire compliance process. In view thereof, FirstRand Namibia Group expects all employees and entities to maintain standards of honesty, integrity and fair dealing and to act with due skill, care and diligence. The group fosters a compliance culture striving to observe both the purpose and the letter of the law as an integral part of its business activities. Deliberate or willful acts of non-compliance will not be tolerated. The group seeks to achieve full compliance with applicable laws, regulations and supervisory requirements. In cases where there is legal uncertainty, a proper assessment of the facts, compliance obligations and related risks must be undertaken and where appropriate, external legal and/or regulatory opinions should be obtained.

Over the last 12 months the below strategic focus areas from our approved three-year strategic plan has seen steady progress being made. Below is a status update as at 30 June 2024:

Strengthening partnerships

- Embed new compliance target operating model with revised compliance structure and updated job profiles – In progress with positive results already noted within the business segments.
- Execute on approved combined assurance plan and strengthen relationship with other assurance providers – completed with ongoing refinement to the plan being made on an annual basis.

Enhancing Regulatory Engagement

- Manage regulatory inspections, progress reports, issue remediation and repository of regulatory correspondence and artifacts – completed with on-going engagements. A total of 11 regulatory inspections over the period indicates a need to further strengthen capacity within the compliance department given the increased regulatory intensity.
- Provide substantive inputs on emerging/draft legislation and new draft national policies – completed and embedded in the business as usual process.

Risk Based Approach

- Update and maintain Financial Crime Risk Assessment (FCRA) - completed
- Conduct Culture Risk Assessment and Anti-Bribery and Corruption (ABC) risk assessment – a group survey was completed which included an assessment on culture risk.
- Refine Compliance Risk Register and profile per legal entity within the FirstRand Namibia Group – completed.

Digital Enablement

- Digitise Compliance Risk Management Plans (CRMPs) – in progress with a simplified CRMP template approved and implemented. Automation is planned for the new financial year.
- Move Financial Crime Operations onto Platform – in progress and on track.
- Migrate all regulatory reporting onto platform – in progress and on track.
- Establish an ESG hub on FirstRand Namibia website – in progress.

STAKEHOLDERS IMPACTED

Customers Employees Investors Regulators

CAPITALS IMPACTED

Financial Social Human Intellectual

E

Delivering promises and **creating value**

Assessment of value creation, protection and erosion for stakeholders

Reflections from our **Chief Financial Officer**

Lizette Smit

We are confident that our prudent financial management, robust risk management framework, and continued investment in human capital will support our objectives of increasing shareholder value and delivering exceptional service to our customers.

The FirstRand Namibia group has made substantial strides towards delivering on its strategic targets and growing the business. Our full year results, for the reporting period, shows a net profit after tax of N$1 704 million (2023: N$1 561 million), a 9.1% improvement on the previous year. Our return on equity (ROE) also improved to 27.8% (2023: 25.5%).

A number of key factors have contributed to the group's strong position, including credit extension continuing to exceed total PSCE, strong balance sheet growth, and the effective containment of operating costs. Pre-provision profit before tax increased by 14.6%, driven primarily by net interest income increasing with 14.3%, and cost increasing with 11.1%.

Headline earnings increased by 10.1% to N$1 716 million. The main drivers of the increase in earnings are largely due to an improved trading environment, increased credit extended and base growth. This coupled with an interest rate hiking cycle through the period, has resulted in the improved earnings growth.

ROE and ROA improved to 27.8% and 2.9% respectively. NAV per share of 2 329 cents increased compared to 2 240 cents in June 2023, which was lower due to decrease in equity resulting from our capital optimisation strategy concluded during the previous period. We remain well capitalised, with our Tier 1 ratio standing at 16.7% from 17.0%, given strong capital creation and management of risk-weighted assets. This is still above our Board target of 14.0% and exceeds regulatory requirements. We remain capital generative, with current profits adding 4.6% to the Tier 1 ratio over the year. The strong Tier 1 ratio enabled the group to continue with its capital management strategy enabling healthy dividend payments generating a dividend yield ratio of 7.6% for the year.

Reflections from our **Chief Financial Officer** continued

HEADLINE EARNINGS DRIVERS

Net Interest income

Taking into account a higher repo rate for the reporting period, net interest income grew by 14.3% to N$3 082 million. Key drivers of our net interest income (NII) were good average advances growth, strategic and agile pricing and the higher rate environment. Interest expense increased by 30.9% and interest income increased by 21.9%. Interest income performance is mostly driven by the increase of average advances of 7.2% and strategic pricing aligned with our risk appetite.

FirstRand Namibia approaches the management of its endowment profile through its asset-liability management strategy (ALM) which forms the cornerstone of the group's FRM process and is to ensure the returns are optimised to its shareholders on the through-the-cycle basis. The absolute year-on-year rate of growth in the group's endowment NII for the current financial year will therefore not reflect the full extent of the rise in interest rates.

Impairment losses

The impairment charge for the year increased with 99.3% to N$426 million driven by client strain experienced as a result of higher interest rates, sticky inflation and as a result we saw increased defaults in commercial business banking and SME sectors and in personal loans and home loan products for retail customers. The impairment charge is 1.1% (2023: 0.6%) of gross advances. It is anticipated that the high interest rate environment will continue into the new financial year, thus customers will continue to be under strain until such time that the rates reduce, and inflation is not as sticky. Various initiatives are being deployed by the group to ensure the impairment charge is contained within our set credit appetite.

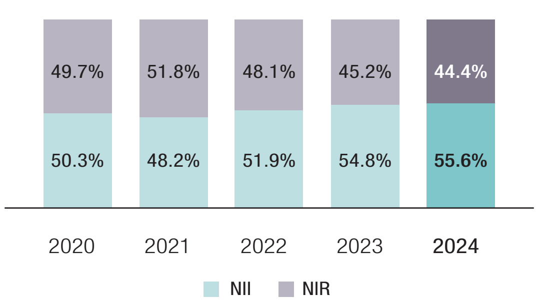
Specific impairment provision increased by 31.8% to N$1 063 million and Portfolio provisions (Model driven) increased by 16.5% to N$608 million. The non-performing loans (NPLs) was N$2 394 million for June 2024 representing a 6.1% NPL ratio which is inline with market NPLs of 6.1% (March 2024 BoN data). Refer to note 16 of the annual financial statements for detail on the impairments.

Operating expenses

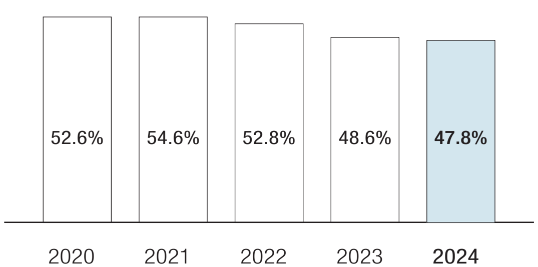
Operating expenses increased with 11.1% to N$2 652 million with the continuation of investment in technology and digital solutions, costs related to regulatory projects and some expenses increasing above inflation due to customer investment required. CTI ratio decreased to 47.8% for the year inline with our targeted ranges. Cost management remains top of mind as inflation remains sticky and thus continued focus and efforts on cost optimisation remain in place.

Staff costs increased by 10.4% to N$1 471 million, accounting for 55.6% of total operating expenses. Annual salary increases averaged 6.2%. Other operating costs grew 10%. IT spend increased year-on-year which is reflective of the focused investment in digital platforms. Total IT spend, including IT staff costs, stood at N$572 million making up 21.1% of group expenses. Contribution to the FirstRand Namibia Foundation was N$31.2 million for the year. The contribution is calculated at 2% of headline earnings of the previous year.

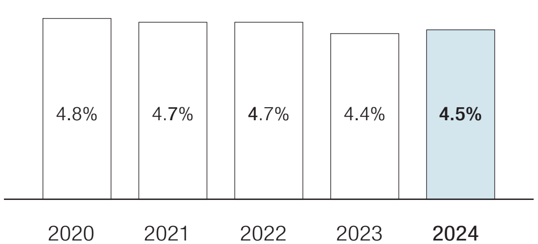
Revenue contribution



Cost to income ratio



Opex as % to assets (%)



Reflections from our **Chief Financial Officer** continued

HEADLINE EARNINGS DRIVERS continued

Non-interest revenue

Non-interest revenue (NIR) continues to deliver strong growth with investments made in previous years starting to materialise. NIR increased by 10.8%, mostly driven by volume growth as pricing for the year only increased between 4% - 6%. Other key contributions to the NIR growth this year was in our insurance business in line with our strategic initiative to diversify earnings streams, that has seen growth of 15.9% compared to the previous year.

Total transaction volumes amounted to 196 million (2023: 175 million), an increase of 12% from prior year. The continued growth in our active client base and the optimisation of existing clients were the primary drivers behind the increase. Customer numbers were 754 876 as at June 2024 up 6.5% from last year.

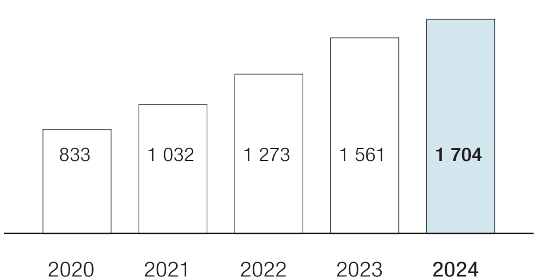
This year we exceeded N$100 million in CashPlus transactions which is a significant milestone for the group as we continue to drive financial inclusion and accessibility to banking. Our DigiPlus accounts grew with 11% for the year and we successfully launched Speedee, a mobile vendor payment solution for customers.

Branch, cash, and self-service transactions, which attract a higher fee from our clients, comprise 20% (2023: 20%) of the total transaction income. Our leading rewards program continue to produce meaningful results for our clients, with cash rewards paid out to the customers savings pockets of N$30 million, a growth of 3% from 2023. Net fee and commission income are up 7.6% to N$2.1 billion. Fee and commission income make up 83.8% (2023: 86.3%) of total NIR.

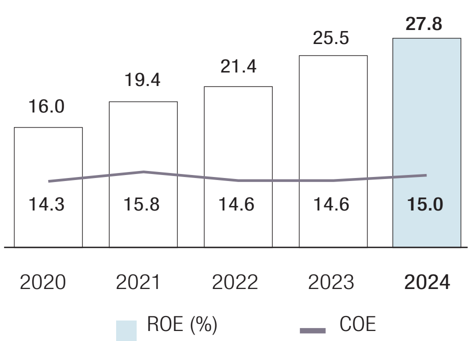
Impact of IFRS 17 Insurance Contracts

The Groups insurance business applied the IFRS 17 insurance contract standard from 1 July 2023. The application of IFRS 17 has not resulted in a restatement for the group results as the impact was assessed to be immaterial given the short term nature of the insurance contracts.

Earnings growth



ROE and cost of equity



STATEMENT OF FINANCIAL POSITION

Advances

The group's total assets increased by 4.2% to N$60.8 billion (2023: N$58.3 billion). Net advances, making up 62.1% (2023: 60.8%) of the balance sheet, reflected a year-on-year increase of 6.5% to N$37.7 billion. Growth in private sector credit extension recorded at 1.8%, of which FNB and RMB extended 43.9% during the year.

When assessing the underlying risk in the balance sheet, the group's asset profile is dominated by a diversified advances portfolio. The composition of the gross advances' portfolio consists of FNB retail secured (48%), FNB retail unsecured (11%), FNB commercial (23%), and RMB corporate (18%). Mortgage loans increased year-on-year by 2.3% to N$16.8 billion and constitute 42.6% (2023: 44.6%) of gross advances.

Through providing credit to individuals, the group continues to enable home ownership across the social spectrum. Our exposure to home loans is reflective of the Namibian banking industry where home loans tend to average 50% of credit extended in the local market. In the face of increasing competition, WesBank focused on protecting its origination franchise and return profile through disciplined risk appetite. This resulted in vehicle and assets financing increasing by 18.2% to N$4.1 billion, the main driver being Commercial VAF which has seen clients replacing fleets due to improvement in Tourism and other sectors. RMB has seen growth of 11.9% in their advances as their bespoke offering continues to deliver on their growth objectives.

Reflections from our **Chief Financial Officer** continued

STATEMENT OF FINANCIAL POSITION continued

Deposits and funding

Deposits grew by 4.5% to N$45 billion with FNB deposits growing by 15.8% offsetting a decline in RMB deposits which saw a decrease of 11.6% year-on-year. The increase in retail and commercial deposits was driven by experience aided by the increased demand for savings and investment products on the back of product innovation, improved utilisation of channels and cross-selling to existing customers.

Capital and regulation

Total regulated capital amounted to N$6.5 billion (2023: N$6.2 billion) and has increased by 5.1%. Prior year capital was lower due to the increased dividend payment in the prior year as part of our capital optimisation strategy, which has been concluded. The group has remained well capitalised throughout the period, with industry leading levels well above the minimum regulatory requirements. Capital adequacy ratio was 17.6% (2023: 17.9%) and Tier 1 capital 16.7% (2023: 17.0%).

Key drivers of shareholder value creation were positive

We were particularly pleased with the progress we made on the key drivers of shareholder value creation, which included the following:

- NAV per share to 2 329 cents;
- ROE increased to 27.8%, above the 25.5% in 2023; and
- The total dividend for the year of 353.68 cents per share.

2025 Outlook

The 2024/2025 budget speech provided tax relief to individuals and much anticipated relief to corporates which will be implemented in phases. We expect the group to benefit from the reduced corporate income tax in the 2025 financial year once it is gazetted with further tax relief anticipated in the subsequent financial years.

The theme of the budget speech was to stimulate economic activity creating a favourable business environment for local businesses and foreign direct investment. At the back of this economic activity will be the financial sector within which the group continues to position itself for sustainable growth through the group's comprehensive suite of financial services.

While we anticipate continued headwinds due to changing market conditions and regulation, our strategic initiatives, including digital transformation and revenue diversification, position us well for sustainable growth. Our commitment to enhancing customer delight, coupled with our investment in technology and operational efficiency, will drive our competitive edge in the coming years.

We are confident that our prudent financial management, robust risk management framework, and continued investment in human capital will support our objectives of increasing shareholder value and delivering exceptional service to our customers. Additionally, our dedication to sustainability and corporate social responsibility will not only contribute positively to the communities we serve, but also align us with global best practices in ESG.

As we move forward, we remain focused on executing our strategic priorities, navigating the evolving economic landscape, and leveraging opportunities for growth. We are optimistic about our future and believe that with our strong foundation and innovative approach we are well-positioned to achieve our long-term goals.

L Smit
Chief Financial Officer

Capital management

Capital management

FirstRand Namibia has maintained a sound capital position for the year. The group continues to maintain sufficient capital that exceeds regulatory and economic capital requirements. The group's capital is managed on a forward-looking basis, considering the three-year forecast including budget and stress scenarios. The group's long-term strategy is to increase balance sheet resilience, diversify advances exposures, improve market liquidity and increase non-institutional funding. The core objective of Capital Management is to maintain sound capital ratios and strong credit rating in line with the risk profile and in relation to return and risk appetite measures.

The group's objectives when managing capital in all its forms are:

- To comply with the capital adequacy requirements (CAR) set by the Bank of Namibia as per BID 5A and BID 5;
- To maintain sound capital ratios and quality of capital during calm and turbulent periods of the economy and financial markets;
- To safeguard the group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the growth of its business, protect its depositors and creditors and to promote and uphold public confidence; and
- To maintain a strong credit rating.

Governance and oversight

The board approved capital management framework sets the objectives, policies and principles relating to the capital management processes. This is based on the following three elements:

- Maintaining optimal capital levels to meet regulatory and economic capital requirements;
- Managing optimum levels of capital mix to ensure capital efficiency and deliver sustainable targeted rate of return for shareholders; and
- Ensure balance sheet strength over the long term, to support business strategy and investment opportunity.

Effective and successful capital planning and management is only achievable through well-defined roles and responsibilities. The capital management framework is updated and reviewed on an annual basis.

The board is responsible for approving the capital management framework while the Assets, Liability and Capital compliance committee (ALCCO) is answerable for ensuring compliance with the framework. The Group Treasurer is accountable for the timeous update of the framework.

Capital risk management

The bank maintains a capital buffer above the regulatory minimum requirement. Capital stress testing is done annually as part of the internal capital adequacy assessment process ("ICAAP"). The stress test measures the impact on the balance sheet based on macro-economic and idiosyncratic stress scenarios and the consequent impact on earnings and capital adequacy levels. Thereby testing the adequacy of the existing capital buffer.

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

The Risk, Capital and Compliance Committee (RCCC), a board designated committee, is responsible for the group's ICAAP. Capital planning is part of regular forecasts and scenario testing, which aligns with dividend decisions and growth projections.

Dividend policy

The dividend policy plays a pivotal role in the management of the group's CET1 position. The long-term dividend cover range remains unchanged at 1.5x to 2.5x. The interim and final dividends were 173.52 cents and 180.16 cents respectively with a dividend cover of 1.8.

Capital management continued

Capital overview and compliance

The supply of capital consists of the sum of Tier 1 and Tier 2. The criteria of the instruments that qualify as regulatory capital is stipulated in the BID 5A.

The following diagram illustrates the key components of the various capital instruments:

TIER 1

CET 1

- Share capital and premium
- Retained earnings
- Other reserves
- Non-controlling interests
- Less deductions
  - Goodwill and intangibles
  - Deferred tax assets
  - Investment in financial and banking entities
  - Other

Additional Tier 1

- Qualifying capital instruments

TIER 2

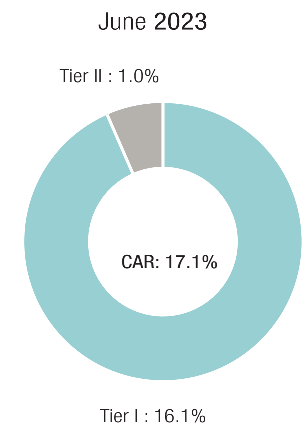
- Qualifying capital instruments
- Revaluation reserves
- Loan loss reserves

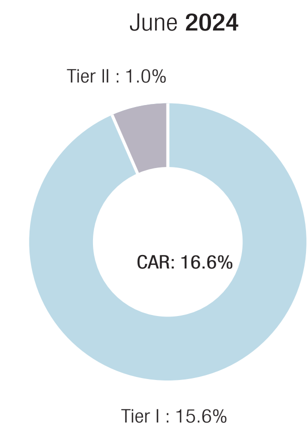
Capital and Leverage ratios

Qualifying Capital • CET 1 capital • Tier 1 capital • Total capital	÷	RWA Total of: • Credit • Operational • Market	=	Ratios • CET 1 % • Tier 1 % • Total CAR %
Qualifying Capital • Tier 1 capital	÷	Total exposure • Total assets plus general and specific provisions and off balance sheet exposures	=	Leverage

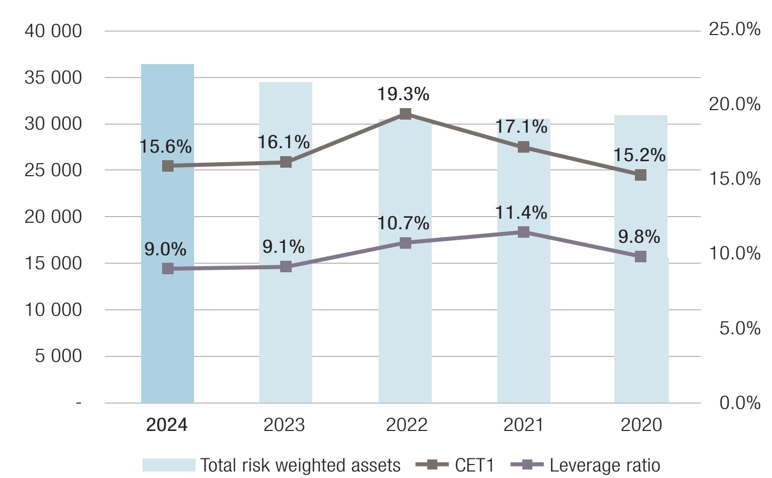
Banking group

The group continues to maintain a position of strength and remained well capitalised with a Common Equity Tier 1 (CET1) ratio of 15.6% The capital adequacy ratio (CAR) for both Bank and Group exceeds the Board set targets.





Capital highlights



Capital management continued

Regulatory developments and proposals

During 2018 BoN published BID-5A, an updated determination on the measurement and calculation of capital charges for credit risk, operational risk and market risk for domestic systemically important banks, which came into effect on 01 September 2018. The updated determination introduced major adjustments to capital components, measures, limits, and new buffers.

Capital minimum ratios to the end-state requirement would be as follows:

	End state*	FNB Namibia	FirstRand Namibia group	Board target
Core equity	6.0%	14.0%	16.7%	-
Capital conservation buffer	2.5%	1.6%	0.0%	-
CET1 minimum	8.5%	15.6%	16.7%	>11.5%
Additional Tier 1	1.5%	0.0%	0.0%	-
Tier 1 (minimum)	10.0%	15.6%	16.7%	-
Tier 2 (maximum)	2.5%	1.0%	0.9%	-
Total CAR minimum	12.5%	16.6%	17.6%	>14.0%

** Effective date 30 September 2024.*

In response to the Covid-19 pandemic the Bank of Namibia introduced BID 33 that provided capital relief and relaxed the single obligor limit by keeping it at 30%. The regulatory provisions in BID 33 came to an end on 1 April 2024 and as a result the single obligor limit is now 25%. The Bank of Namibia will engage industry on the way forward regarding the phase-in of the capital conservation buffer.

Capital adequacy of Banking Operations and Regulated consolidated group:

	Banking operations Year end 30 June		Regulated consolidated group Year end 30 June	
N$'000	2024	2023	2024	2023
Risk weighted assets				
Credit risk	30 368 874	28 826 566	30 445 432	28 898 330
Market risk	109 471	104 141	109 471	104 141
Operational risk	6 394 567	5 628 704	6 607 014	5 818 033
Total risk weighted assets	36 872 912	34 559 411	37 161 917	34 820 504
Regulatory capital				
Share capital and share premium	1 142 792	1 142 792	282 148	282 148
Retained profits	4 643 681	4 468 011	6 037 683	5 760 643
Other disclosure reserves	4 603	10 913	-	-
Capital impairments*	(59 533)	(63 428)	(101 391)	(118 976)
Total tier 1	5 731 543	5 558 288	6 218 440	5 923 815
Eligible subordinated debt	-	-	-	-
General risk reserve, including portfolio impairment	379 611	360 332	379 749	360 491
Capital impairments*	-	-	(50 831)	(50 707)
Total tier 2	379 611	360 332	328 918	309 784
Total tier 1 and tier 2 capital	6 111 154	5 918 620	6 547 358	6 233 599
Consolidated group				
Capital adequacy ratios				
Tier 1	15.6%	16.1%	16.7%	17.0%
Tier 2	1.0%	1.0%	0.9%	0.9%
Total	16.6%	17.1%	17.6%	17.9%
Tier 1 leverage ratio	9.0%	9.1%	10.2%	10.2%

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

5 Year review

Summary consolidated statement of **comprehensive income**

for the year ended 30 June 2024

N$'000	2024	2023	2022	2021	2020
Net interest income before impairment of advances	3 082 367	2 696 197	2 202 575	1 877 257	2 013 439
Impairment and fair value of credit on advances	(425 570)	(213 572)	(95 365)	(238 250)	(559 672)
Net interest income after impairment of advances	2 656 797	2 482 625	2 107 210	1 639 007	1 453 767
Non-interest revenue	2 441 790	2 207 775	1 980 980	1 954 096	1 905 019
Insurance service result	20 670	13 892	58 959	62 678	83 625
Income from operations	5 119 257	4 704 292	4 147 149	3 655 781	3 442 411
Operating expenses	(2 652 443)	(2 388 488)	(2 238 323)	(2 125 956)	(2 173 695)
Net income from operations	2 466 814	2 315 804	1 908 826	1 529 824	1 268 716
Share of losses/profit of associates after tax	-	-	-	-	(14 248)
Indirect tax	(55 049)	(53 944)	(41 359)	(38 070)	(44 724)
Profit before tax	2 411 765	2 261 860	1 867 467	1 491 755	1 209 744
Direct tax	(708 247)	(700 687)	(594 621)	(459 527)	(376 388)
Profit for the year	1 703 518	1 561 173	1 272 846	1 032 228	833 356
Other comprehensive income for the year					
Items that may not be subsequently reclassified to profit and loss	(6 310)	6 024	(1 445)	248	2 553
Total comprehensive income for the year	1 697 208	1 567 197	1 271 401	1 032 476	835 909
Profit attributable to:					
Equity holders of the parent	1 703 518	1 557 712	1 265 292	1 021 909	819 326
Non-controlling interests	-	3 461	7 554	10 319	14 440
	1 703 518	1 561 173	1 272 846	1 032 228	833 356
Total comprehensive income for the year attributable to:					
Equity holders of the parent	1 697 208	1 563 736	1 263 847	1 022 157	821 879
Non-controlling interests	-	3 461	7 554	10 319	14 030
	1 697 208	1 567 197	1 271 401	1 032 476	835 909
Reconciliation of earnings attributable to ordinary shareholders and headline earnings					
Earnings attributable to ordinary shareholders	1 703 518	1 557 712	1 265 292	1 021 909	819 326
Headline earnings adjustments	12 311	44	3 817	985	48 183
Headline earnings	1 715 829	1 557 756	1 269 109	1 022 894	867 509

5 Year review continued

Summary consolidated statement of **financial position**
as at 30 June 2024

N$'000	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	3 163 516	1 809 926	2 395 398	1 299 341	1 115 109
Due from banks and other financial institutions	9 591 662	9 468 311	9 231 486	2 958 108	4 442 442
Derivatives financial instruments	349 809	375 784	93 610	314 626	519 294
Advances	37 745 001	35 449 607	31 962 554	30 206 674	29 993 738
Investment securities	8 661 149	9 949 026	7 416 757	7 185 761	8 534 477
Other assets	1 282 241	1 278 688	1 342 392	1 477 041	1 262 611
Total assets	60 793 378	58 331 340	52 442 196	43 441 551	45 867 671
Equity and liabilities					
Liabilities					
Deposits	44 672 808	42 752 375	37 114 206	35 663 763	38 427 237
Due to banks and other financial institutions	7 548 800	7 503 075	7 229 779	132 661	117 948
Derivative financial instruments	430 715	404 096	227 448	317 192	534 035
Other liabilities	1 909 170	1 687 654	1 598 536	1 682 254	1 788 215
Total liabilities	54 561 493	52 347 200	46 169 969	37 795 870	40 867 435
Equity					
Equity attributable to equity holders of the parent	6 231 885	5 984 140	6 230 659	5 586 187	4 937 831
Non-controlling interests	-	-	41 568	59 494	62 405
Total equity	6 231 885	5 984 140	6 272 227	5 645 681	5 000 236
Total equity and liabilities	60 793 378	58 331 340	52 442 196	43 441 551	45 867 671

5 Year review continued

Ratios and selected financial information

as at 30 June 2024

	2024	2023	2022	2021	2020
Ratios:					
Return on assets (earnings on average assets) (%) - normalised	2.9	2.8	2.7	2.3	1.9
Return on equity (headline earnings on average equity) (%)	27.8	25.5	21.5	19.4	16.0
Cost to income ratio (%)	47.8	48.6	52.8	54.6	52.6
Share statistics:					
Closing share price - ordinary (cents)	4 650	5 039	3 050	2 730	3 178
Price / Earnings ratio	7.3	8.7	6.3	7.1	10.1
Earnings yield (%)	13.7	11.7	15.8	14.0	9.9
Price to Book	2.0	2.2	1.3	1.3	1.7
Basic earnings per share (cents)	636.6	587.9	483.0	390.9	313
Headline earnings per share (cents)	641.2	587.9	484.5	391.2	332
Net asset value per share (cents)	2 329	2 240	2 355	2 136	1 888
Market capitalisation (N$ million)	12 443	13 484	8 162	7 305	8 504
Dividend information:					
Dividends per share - ordinary dividend declared (cents) *	353.68	577.84	472.84	212.00	154.00
* *Based on current year profits.*					
Dividends per share - ordinary dividend paid (cents) **	541.66	529.54	271.00	144.00	221.00
** *Based on dividends paid within financial year.*					
Dividend per share - special dividend (cents)	-	185.86	-	-	-
Dividend yield - ordinary dividend (%)	7.6	15.2	15.5	7.8	4.8
Dividend cover (times) based on total dividends	1.8	1.0	1.0	2.0	2.0
Capital adequacy:					
Banking group (%)	16.6	17.1	20.3	19.5	17.6
Consolidated group (%)	17.6	17.9	21.2	20.0	18.2
Number of staff	2 305	2 319	2 054	2 085	2 287

F

Supplementary **information**

Shareholder **information**

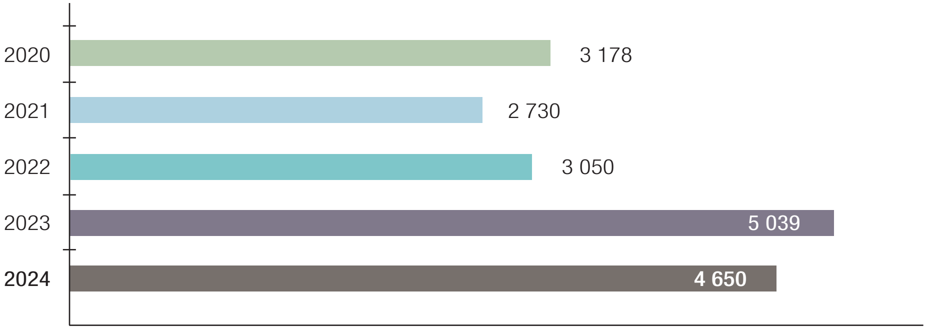
Shareholder's diary

Financial Year End	30 June 2024
SENS Announcement	12 September 2024
Last day to trade	04 October 2024
Ex-entitlement	07 October 2024
LDR / Record date	11 October 2024
Annual General Meeting	17 October 2024
Payment date	25 October 2024
Dividend Number	62

Stock exchange performance

	2024	2023
Share price (cents)		
- high for the year	5 200	5 039
- low for the year	4 649	2 976
- closing price per share	4 650	5 039
Number of shares traded ('000)	2 341	5 157
Value of shares traded (N$'000)	115 878	194 558
Number of shares traded as % of issued shares	0.87	1.93
Average price (cents)	4 950	3 773

Closing share price - Ordinary shares



Shareholder **information** continued

Simplified group structure

General public	FirstRand EMA Holdings (Pty) Ltd	GIPF
25.9%	58.4%	15.7%

FirstRand
NAMIBIA

Banking		Capital markets and investments		Other activities		Insurance	
100%	First National Bank of Namibia Ltd	**100%**	Ashburton Property Unit Trust Management Company Ltd	**100%**	FNB Fiduciary Namibia (Pty) Ltd	**100%**	FNB Short Term Insurance Company Ltd
100%	Swabou Investments (Pty) Ltd	**100%**	Ashburton Unit Trust Management Company Ltd	**100%**	FNB Nominees (Namibia) (Pty) Ltd		
		100%	Ashburton Investment Managers (Pty) Ltd	**100%**	FNB Insurance Brokers (Namibia) (Pty) Ltd		
		100%	RMB Investment (Pty) Ltd	**100%**	Talas Properties (Windhoek) (Pty) Ltd		
		100%	Pointbreak Wealth Management (Pty) Ltd	**100%**	Pointbreak Trust and Estates (Pty) Ltd		

Shareholder **information** continued

Share analysis - ordinary shares

Range of shareholders	Number of shareholders	%	Number of shares	%
1 - 999	1 205	45.0%	417 578	0.1%
1 000 - 1 999	398	14.9%	511 904	0.2%
2 000 - 2 999	195	7.3%	475 144	0.2%
3 000 - 3 999	102	3.8%	345 052	0.1%
4 000 - 4 999	65	2.4%	284 593	0.1%
5 000 - 9 999	225	8.4%	1 523 882	0.6%
over 10 000	487	18.2%	264 035 097	98.7%
	2 677	100%	267 593 250	100.0%
Shareholder type				
Corporate bodies	42	1.6%	163 586 090	61.1%
Nominee companies	99	3.7%	85 286 210	31.9%
Private individuals	2 488	92.9%	15 584 013	5.8%
Trusts	48	1.8%	3 136 937	1.2%
	2 677	100%	267 593 250	100.0%
Geographic ownership				
Namibian including unknown	2 566	95.8%	109 633 836	41.0%
Other Africa	88	3.3%	157 908 832	59.0%
International	23	0.9%	50 582	0.0%
Total	2 677	100%	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%
SOVEREIGN CAPITAL (PTY) LTD	3 738 490	1.4%
INVESTEC NAMIBIA TRUSTEE ACCOUNT (NAMAN)	3 663 721	1.4%
ALLAN GRAY NAMIBIA BALANCED FUND	3 444 882	1.3%
CHAPPA'AI INVESTMENTS FORTY TWO (PTY) LTD	3 018 199	1.1%
RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN NAMIBIA	2 494 453	0.9%
THE BANK OF NEW YORK MELLON	2 443 308	0.9%
MEMBERS OF PARLIAMENT AND OTHER OFFICE-BEARERS PENSION FUND	2 314 262	0.9%

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

Corporate **information**

REGISTERED OFFICE	**FirstRand Namibia Ltd** Registration number: 88/024 @Parkside, 130 Independence Avenue, c/o Fidel Castro 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
GROUP COMPANY SECRETARY	**Nelago Makemba** 2nd Floor, @Parkside 130 Independence Avenue, c/o Fidel Castro P O Box 195, Windhoek, Namibia Tel: +264 (61) 299 2111

EXTERNAL AUDITORS	**Ernst & Young Namibia** cnr Otto Nitzsche & Maritz Street Windhoek, Namibia PO Box 1857, Windhoek, Namibia E-mail: eynamibia@za.ey.com Tel: +264 (61) 289 1100 www.ey.com/en.na
SPONSOR	**Cirrus Securities (Pty) Ltd** Member of the NSX 35 Schanzen Road, Windhoek, Namibia P O Box 27, Windhoek, Namibia Registration No: 98/463 E-mail: sponsor@cirrus.com.na Tel: +264 (61) 256 666
TRANSFER SECRETARIES	**Transfer Secretaries (Pty) Ltd** 4 Robert Mugabe Avenue P O Box 2401, Windhoek, Namibia Registration No: 93/0713 E-mail: ts@nsx.com.na Tel: +264 (61) 227 647

Notice of **annual general meeting**

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

Notice is hereby given to all holders of ordinary shares in the company that the thirty seventh (37th) annual general meeting of the shareholders of FirstRand Namibia Ltd will be held via electronic media and in the Etosha Boardroom, FirstRand Namibia Ltd, 5th Floor, @Parkside, 130 Independence Avenue, c/o Fidel Castro, Windhoek, on 17 October 2024 at 14:00. Shareholders are advised that should they wish to attend the annual general meeting via electronic media, an e-mail request should be sent to **shareholder@fnbnamibia.com.na**. Shareholders will be provided with a registration document, and subsequently a link to the event.

Kindly take note that the voting will be by proxy only and the AGM will deal with the following business:

1. Ordinary resolution number 1: Annual Financial Statements

THAT the Annual Financial Statements for the year ended 30 June 2024 as approved by the board of directors on 22 August 2024, including the report of the external auditors, Audit Committee, and Directors' report be approved. The Annual Financial Statements were made available via the Securities Exchange News Service (SENS), have been distributed electronically, and are available on the company's website: **https://www.firstrandnamibia.com.na**

2. Ordinary resolution number 2: Confirmation of dividends

TO confirm the ordinary dividends of the financial year 353.68 (2023: 577.84) cents per share.

3. Ordinary resolution number 3: Re-election of Directors

Markus Lubbe, Libertha Kapere and Rajendra Makanjee retire as directors of the company in terms of the company's Articles of Association. The directors who, being eligible, offer themselves for re-election. Biographical information of the three (3) directors to be re-elected is set out on pages 18 to 21 of the annual report.

Ordinary resolution number 3.1

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

Ordinary resolution number 3.2

TO re-elect Libertha Dewina Kapere as an independent non-executive director of the company.

Ordinary resolution number 3.3

TO re-elect Rajendra Makanjee as a non-executive director of the company.

4. Ordinary resolution number 4: Vacancies filled by Directors

Vacancies on the board are filled by the appointment of directors during the year, upon the recommendation of the Directors Governance Committee and the board. Lizette Petra Smit was appointed by the board effective 24 July 2023 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 Lizette Petra Smit as an executive director of the company.

The abridged curriculum vitae of the director standing for election for ordinary resolution number 4.1 is set out on page 19 of the annual report.

5. Ordinary resolution number 5: Audit Committee Member vacancies filled

On the recommendation of the of the Directors Governance Committee, Jan Coetzee was appointed to the Audit Committee to fill a vacancy in accordance with the Audit Committee Charter, Articles of Association, the Companies Act, and the Banking Institutions Act; and is now recommended by the board for election by the shareholders.

Ordinary resolution number 5.1

To elect Jan Coetzee as a member of the Audit Committee.

Notice of **annual general meeting** continued

6. Ordinary resolution number 6: Re-appointment of Audit Committee Member

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

Ordinary resolution number 6.1

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

Ordinary resolution number 6.2

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

7. Ordinary resolution number 7: Appointment of Auditors

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

8. Ordinary resolution number 8: Control of Unissued Shares

THAT that the directors be and are hereby authorised, to allot or issue all or any of the authorised but unissued shares in the capital of the company on such terms and conditions as they deem fit, subject to the provisions of the Banking Institutions Act 13 of 2023, Companies Act 28 of 2004 (the Act), the Articles of Association of the company and the Listings Requirements of the Namibia Stock Exchange (NSX).

9. Ordinary resolution number 9: Non-Executive Director Remuneration

TO approve the remuneration of the non-executive directors or members, as reflected below for the 2025 financial year:

	No of meetings per annum	2025 remuneration per meeting (N$)	Proposed 2025 annual remuneration (N$)
FirstRand Namibia Ltd Board			
Member	4	19 099	76 396
Deputy Chair	4	28 649	114 596
Chair	4	33 423	133 692

	No of meetings per annum	2025 remuneration per meeting (N$)	Proposed 2025 annual remuneration (N$)
Audit Committee			
Member	4	27 978	111 912
Chair	4	66 847	267 388
Risk Capital and Compliance Committee			
Member	4	23 315	93 260
Chair	4	34 973	139 892
Talent and Remuneration Committee			
Member	3	19 585	58 752
Chair	3	29 376	58 755
Directors Governance Committee			
Member	3	18 007	54 021
Chair	3	31 513	94 539
Senior Credit Risk Committee			
Member	As required	10 913	-
Chair	As required	11 349	-
Information Technology Risk and Governance Committee			
Member	4	17 367	69 468
Chair	4	22 120	88 480
Asset Liability and Capital Committee			
Member	4	11 286	45 144
Chair	4	19 268	77 072
Social, Ethics & Transformation Committee			
Member	4	17 367	69 468
Chair	4	20 946	83 784
First National Bank of Namibia Ltd Board			
Member	4	38 198	152 792
Deputy Chair	4	57 297	229 188
Chair	4	76 396	305 584
Ad-hoc work			

Standard hourly rate for ad hoc work including attending director interviews, board training and board strategy session is N$2 728

Notice of **annual general meeting** continued

10. Ordinary resolution number 10: Remuneration Policy

TO approve the Remuneration Policy as set out in the Talent and Remuneration Committee report.

11. Ordinary resolution number 11: Authority to sign documents

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

Voting:

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

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

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

Proof of identification required:

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

Proxies:

Each member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need to be a member of the company) to attend, speak and, on a poll, to vote in his/her stead. The Form of Proxy for the annual general meeting, which sets out the relevant instructions for its completion, accompanies this notice. In order to be effective, duly completed forms of proxy must be received at the office of the transfer secretaries of the company by no later than 15:00 on Monday, 14 October 2024.

By order of the board
FirstRand Namibia Limited

Nelago Makemba
Group Company Secretary
12 September 2024

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

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

Notes

Form of **Proxy**

FirstRand
NAMIBIA

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 Ltd in preparation for the 2024 annual general meeting of the Company taking place on Thursday, 17 October 2024 at 14:00 (the annual general meeting).

I/We...
(name in full)

Holder Number .... being the holder(s) of ....ordinary shares in FirstRand Namibia Ltd do hereby appoint:

1. ....
   or failing him/her

2. ....
   or failing him/her

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

		Insert an X		
		For*	Against*	Abstain*
Resolutions				
Ordinary Resolution 1	Approval of Annual Financial Statements for 30 June 2024			
Ordinary Resolution 2	Confirmation of dividends			
Ordinary Resolution 3	Re-election of directors by way of separate resolutions:			
	3.1 Markus Johannes Lubbe (Independent Non-Executive Director)			
	3.2 Libertha Dewina Kapere (Independent Non-Executive Director)			
	3.3 Rajendra Makanjee (Non-Executive Director)			
Ordinary Resolution 4	Vacancies filled by Director during the year by way of separate resolutions:			
	4.1 Lizette Petra Smit (Executive Director)			
Ordinary Resolution 5	Election of Audit Committee Members by way of separate resolution:			
	5.1 Jan Coetzee			
Ordinary Resolution 6	Re-appointment of Audit Committee Member:			
	6.1 Markus Johannes Lubbe			
	6.2 Libertha Dewina Kapere			
Ordinary Resolution 7	Appointment of external auditors and authority to determine their remuneration			
Ordinary Resolution 8	Control of unissued shares			
Ordinary Resolution 9	Approval of Non-Executive Director Remuneration			
Ordinary Resolution 10	Approval of the Remuneration Policy			
Ordinary Resolution 11	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 2024

Signature ....

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

Form of **Proxy** continued

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

Notes:

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

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

1. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of the member's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.

2. Forms of proxy must be received at the Company's transfer secretaries, Transfer Secretaries (Proprietary) Limited, 4 Robert Mugabe Avenue (entrance on Dr. Theo-Ben Gurirab Street), Windhoek (PO Box 2401) Windhoek, Namibia by no later than 15:00 on Monday, 14 October 2024. Alternatively, forms of proxy may be sent to the Company's transfer secretaries by way of telefax (+264 61 248531), provided that such telefaxes are received by the transfer secretaries by no later than 15:00 on Monday, 14 October 2024.

3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chair of the annual general meeting.

5. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.

6. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.

7. The chair of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chair is satisfied as to the manner in which the member wishes to vote.

8. Where there are joint holders of ordinary shares:

   i. any one holder may sign the form of proxy:

   ii. the vote of the senior (for that purpose seniority will be determined by the order in which the names of the member appear in FirstRand Namibia Limited's register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.

Building a Globally Competitive Namibia, providing access to opportunities

FirstRand
NAMIBIA

www.firstrandnamibia.com.na