FirstRand
NAMIBIA

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months ended 31 December 2024

About this report

This report covers the reviewed condensed consolidated financial results of FirstRand Namibia Limited (FirstRand or the group) based on IFRS® Accounting Standards as issued by the International Accounting Standards Board for the six months ended 31 December 2024.

The results include a condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and selected notes.

The group chief financial officer supervised the preparation of the condensed consolidated financial results, and it has been reviewed by our auditors, Ernst & Young (EY Namibia). Copies of the review report of EY Namibia are available for inspection at the registered office of the group. Any forward-looking information contained in this announcement has not been reviewed or reported on by the Group's external auditor.

Contents

Highlights

▲ 11.0%

Profit before tax (N$m)

1 314

2023: 1 184

▲ 14.2%

NAV per share (cents)

2 495

2023: 2 185

▲ 10.7%

Headline earnings (N$m)

925

2023: 836

▲ 6.5%

Return on equity (%)

29.6

2023: 27.8

▲ 10.8%

Interim dividends per share (cents)

192.32

2023: 173.52

▲ 9.0%

CET 1 ratio (%)

16.9

2023: 15.5

Key financial performance features of the group results

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
	2024	2023	2024
Financial statistics			
Headline earnings per share (cents)	345.7	312.9	641.2
Diluted headline earnings per share (cents)	346.3	312.9	642.4
Ordinary dividends per share (cents) - declared	192.32	173.5	180.2
Number of shares in issue ('000) - ordinary	267 593	267 093	267 593
Weighted number of shares in issue ('000) - ordinary*	267 093	267 093	267 093
* *after consolidation of share trust*			
Net asset value per share (cents)	2 495	2 185	2 329
Closing share price (cents)	4 650	4 901	4 650
Market capitalisation (millions)	12 443	13 115	12 443
Price earnings ratio	6.7	7.8	7.3
Price to book ratio	1.9	2.2	2.0
Return on equity (%)	29.6	27.8	27.8
Return on average assets (%)	3.0	2.9	2.9
Cost to income ratio (%)	46.5	48.3	47.8

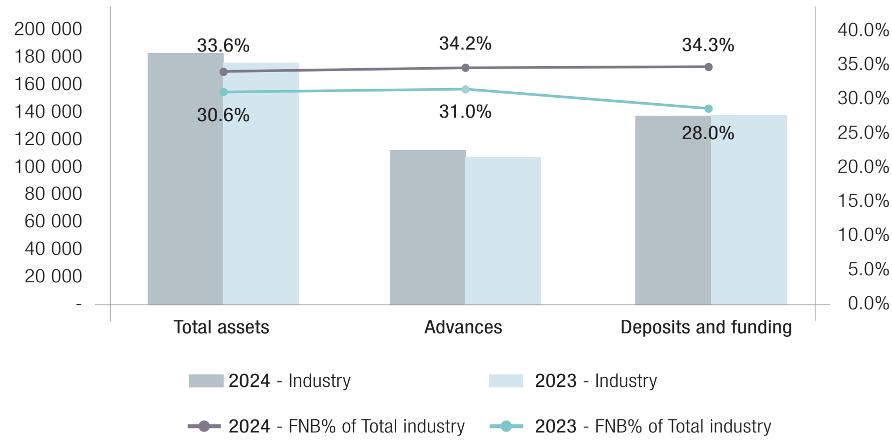
Market and economic indicators

The six months ended 31 December 2024 activity has remained positive with the country experiencing 14 consecutive quarters of GDP growth with the latest quarterly growth being slower than initially expected while inflation has experienced a faster-than-expected disinflationary trend.

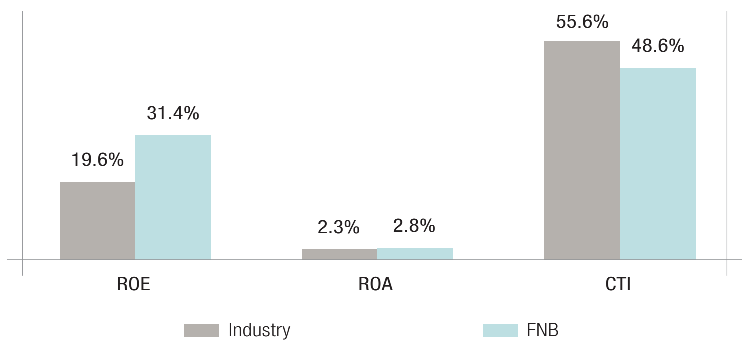
In terms of monetary policy, the Bank of Namibia implemented its first rate cut of 25 basis points in August 2024, followed by two additional 25 basis point reductions in October 2024 and December 2024, respectively. As of 31 December 2024, the repo rate differential between Namibia and South Africa stood at 75 basis points, with Namibia maintaining a lower repo rate of 7.00%.

These rate cuts should provide some relief to consumers, particularly in managing debt obligations, although, we anticipate a lag before noticeable improvements in non-performing loans (NPLs).

The banking sector in Namibia will continue to be shaped by both global economic dynamics and the country's internal development needs. Despite the changing and evolving dynamics, First National Bank of Namibia Limited market share remains strong, holding 34.2% and 34.3% of the advances and deposits of the market respectively and leading well across most industry metrics as depicted in Bank of Namibia's September 2024 publication.



Banking operations
(source: Bank of Namibia Sept 24 publication)



Banking operations
(source: Bank of Namibia Sept 24 publication)

Overview of financial results

Operating environment

The Namibian financial system continues to play a vital role in supporting economic stability and growth amidst global and domestic challenges. Key sectors such as mining, driven by investments in oil exploration and uranium production, remain central to Namibia's growth. While, severe drought conditions intensify economic challenges, with the agriculture and water sectors being particularly affected.

Private Sector Credit Extension (PSCE) growth in December reach 4.0% year on year (y/y), significantly above the 1.9% y/y growth recorded in December 2023. This was the highest growth observed in two years and is mainly due to corporate credit demand which increased 5.4% y/y. Household demand increased 3.1% y/y in December, subdued by low growth in mortgage credit.

Financial performance

The six months ended 31 December 2024 FirstRand Namibia profit for the period increased by 10.8% to N$926 million. The financial performance of FirstRand Namibia reflected resilience while these results underscore the group's strategic focus on sustainable growth, prudent cost management with credit remaining within appetite.

FirstRand Namibia achieved a revenue growth of 3.2%, with the return on equity improving year-on-year to 29.6% from 27.8%. The increase in headline earnings reflects strong operational performance and strategic growth initiatives, resulting in a notable rise from N$836 million in 2023 to N$925 million.

Interest income

Net interest income (NII) increased by 13.0%, from N$1 464 million at December 2023 to N$1 655 million, despite the repo rate dropping by 75 basis points for the period. The NII increase is attributable to a strong balance sheet growth as well as the result of the Asset Liability Management (ALM) strategy. Post period ended 31 December 2024 a decision was taken to exit the structural ALM hedge. Management continues to actively monitor ALM risk, and where desirable will engage in ALM management activities that align with ALM frameworks, risk appetite and Banking regulations. Gross advances increased by 8.5% and totaled N$41 185 million (2023: N$37 957 million). Interest earned on advances is up with 6.0% from N$2 192 million to N$2 324 million. While deposits grew by 6.6% and totaled N$47 881 million (2023: N$44 926 million). Deposit holders earned N$867 million (2023: N$897 million) in interest across all deposit accounts for the period, reflecting a decline of 3.4%. This decrease was primarily driven by the lower repo rate, which led to a reduction in interest rates offered on deposit accounts.

Impairments

Total impairment charges increased year-on-year to N$263 million (2023: N$191 million), while the credit loss ratio (CLR) is up at 0.7% (2023: 0.5%).

This increase is attributable to specific impairments and was anticipated in the deteriorating economic climate and continuation on from the previous financial year.

Non-performing loans (NPL) increased to N$2 482 million (2023: N$1 995 million) with an NPL ratio of 6.0% which is an improvement from 6.1% reported as at 30 June 2024.

All provisions recognised reflect the groups best estimates against available data and scenario analysis and are measured prudently given the prevailing risks in the economy as well as taking any regulatory changes into account that might impact the provisioning and write-offs required. Maintaining an adequate level of provisions remains a key focus area for the bank's risk management strategy. A downward trend in NPLs is anticipated as the lag to rate cuts align.

Non-interest revenue

Non-interest revenue (NIR) (including insurance service result) increased by 9.8%, to N$1 344 million from N$1 224 million, reflecting a fee and commission income growth of 11.3%, supported by strong growth in our customer base and increase in transaction volumes. The bank seeks to maintain an optimal balance between NII and NIR to foster a diversified revenue stream coupled with its strategic focus on its insurance and investment and wealth management offerings that further support diversification. As of 31 December 2024, NII accounted for 55.2% (2023: 54.5%) of revenue, while NIR made up 44.8% (2023: 45.5%). Net fee and commission income represents 84.7% (2023: 83.8%) of group NIR. Overall active customers stood at 787 294 for December 2024 (2023: 734 270), up 7.2% from previous year and overall volumes increased by 8.3%, reaching 26 million (2023: 24 million).

The below two initiatives were launched during the period under review that is aligned with our financial inclusion strategy:

- The H.E.R (Helping Every Women Rise) Banking product, which is a tailored banking solution designed to empower women in business.
- Effective 1 July 2024 Senior lifestyle accounts pay zero monthly account fees and require no minimum balance.

Overview of financial results continued

Operating expenses

Effective cost management strategies are key for FirstRand Namibia as it aims to optimise its operating expenses and enhance profitability. Operating expenses grew 8.1% to N$1 392 million from N$1 287 million, landing the group's cost-to-income ratio at 46.4% (2023: 48.3%), maintaining it comfortably below 50%.

Salary costs are integral to maintaining high service standards and achieving strategic goals and is up 5.0% to N$791 million and accounts for 56.8% of total operating expenses. The increase in staff cost is due to the annual salary increase, effective August 2024, that averaged 5.8%. Headcount increased by 2.9% from 2 288 staff members to 2 335. Growth in staff expenditure is driven by strategic hiring for key roles aligned with segment objectives and ensuring alignment with long-term organisational goals and due to PSD 9 regulatory requirements that necessitated the hiring of additional staff.

Demonstrating our dedication to advancing Namibian sports at all levels, FNB Namibia proudly took on the role of official naming sponsor for the cricket stadium and associate sponsor for the cricket national team.

Total IT spend, including staff, amortisation and depreciation, increased by 6.7% from N$423 million to N$452 million making up 31.9% of group expenses. Investing in digital technologies, data, information technology and automation processes continues to be a key priority for the group. These efforts are focused on operational efficiency, driving innovation, and elevating customer experiences.

FirstRand Namibia contributed 1% of the group's headline earnings amounting to N$17 million to the FirstRand Namibia Foundation.

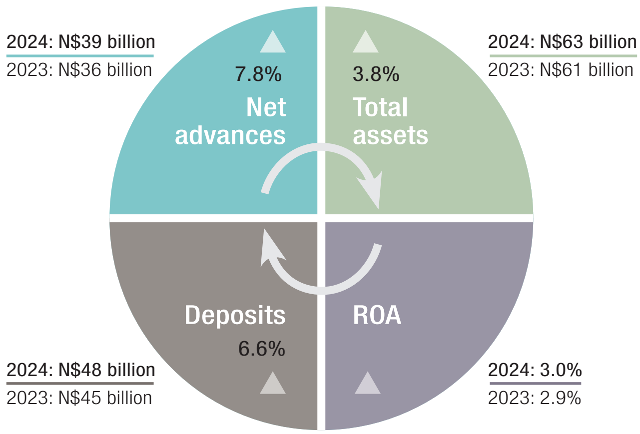
Balance sheet

The structure of the balance sheet reflects the group's long-term strategy to increase balance sheet resilience, diversify credit exposures across sectors and segments, increase asset marketability, and reduce reliance on institutional funding.

Net advances to customers grew by 7.8% to N$39 352 million which was supported by FirstRand Namibia's innovative product offerings across all segments and mainly driven by increase in term loans and vehicle asset finance that grew by 25.0% and 21.3% respectively. The year-on-year view also highlights an increase of 2.2% in retail, 8.8% in commercial, and 31.2% in RMB, respectively.

The increase in deposits of 6.6% was mainly driven by growth in savings accounts and fixed & notice deposits accounts of 26.3% and 15.7% respectively.

The entities return on asset (ROA) increased indicating effective use of assets and a strong profitability.



Overview of financial results continued

Capital and regulation

During the period ended December 2024, the Group through FNB Namibia Limited, raised N$500 million in Tier 2 capital notes on the Namibia Securities Exchange (NSX). This issuance represents the first Basel III compliant note to be placed in the Namibian market, with its success paving the way for future issuances. The final orderbook was oversubscribed by 1.5 times, demonstrating strong investor confidence for the credit.

As of December 2024, the capital adequacy ratio stood at 19.1% (2023: 16.4%), while the Tier 1 capital ratio was 16.9% (2023: 15.5%). The group maintained a strong capitalised position throughout the period, consistently exceeding the minimum regulatory requirements. Our conservative capital position provides a solid foundation for sustainable growth, ensuring resilience while seizing new opportunities.

The board declared an interim dividend of 192.32 cents per share, to continue our long-term strategy of growing a sustainable balance sheet and building a globally competitive Namibia. The long-term dividend cover range remains unchanged at 1.5x to 2.5x.

Board and leadership changes during the period

During the period under review the following changes took place in respect of FirstRand Namibia Ltd:

Name	Position	Effective date
	Appointment	
SL Balsdon	Non-executive	15 July 2024
	Change	
ON Shikongo	Chairperson appointment Independent non-executive	17 October 2024
	Resignation	
R Makanjee	Non-executive	31 December 2024
	Retirement	
P Grüttemeyer	Chairperson Independent non-executive	17 October 2024

Events subsequent to the reporting date

Apart from the interim dividend declared, the directors are not aware of any material events, as defined in IAS 10, occurring between 31 December 2024 and the date of authorisation of the results announcement.

Prospects

While the Namibian economy faces some near-term challenges, there are strong reasons for optimism heading into 2025. Certain key sectors in the primary industry such as oil and gas exploration, uranium, copper and agriculture coupled with supportive policy measures, should lay the foundation for sustained economic growth in the medium term. The group remains well positioned to participate in opportunities in the oil and gas sector as they emerge.

In the period under review, the business has delivered solid results but is expecting growth in the second half of the year to be more muted. The impact of the rate cutting cycle (a total of 75 bps from August 2024 up to December 2024) will continue to lower endowment and impact NII growth. Also, the period under review benefited from base effects in the comparative period that do not manifest for the second half. Changes in the credit write off policy will also result in a higher overall cost of credit for the year versus the first half.

Despite the above, the group's strategy and customer franchise is well-positioned to navigate the evolving and dynamic economic landscape, as reflected in the strong operational performance achieved during the first six months of the 2025 financial period. Combined with prudent financial management, a robust risk management framework, and ongoing investments in human capital and technology, the group's strategic priorities enable it to deliver exceptional client service while driving sustainable growth and shareholder value.

Condensed consolidated statement of comprehensive income

for the six months ended 31 December 2024

		Reviewed		Audited
		Six months ended 31 December		Year ended 30 June
N$'000	Notes	2024	2023	2024
Interest and similar income		3 069 352	2 975 587	6 048 214
Interest expense and similar charges		(1 414 186)	(1 511 095)	(2 965 847)
Net interest income before impairment of advances	3	**1 655 166**	**1 464 492**	**3 082 367**
Impairment and fair value of credit advances	13	(263 358)	(190 980)	(425 570)
Net interest income after impairment of advances		**1 391 808**	**1 273 512**	**2 656 797**
Non-interest revenue	4	1 339 400	1 217 338	2 441 790
Insurance service result*	5	4 647	6 703	20 670
Income from operations		**2 735 855**	**2 497 553**	**5 119 257**
Operating expenses*	6	(1 391 717)	(1 287 191)	(2 652 443)
Income before indirect tax		**1 344 138**	**1 210 362**	**2 466 814**
Indirect tax	7	(29 932)	(26 400)	(55 049)
Profit before tax		**1 314 206**	**1 183 962**	**2 411 765**
Income tax expense	7	(387 879)	(348 190)	(708 247)
Profit for the period		**926 327**	**835 772**	**1 703 518**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurements on net defined benefit post-employment plan		-	-	(9 145)
Deferred income tax		-	-	2 835
Total Items that will not be reclassified to profit or loss		**-**	**-**	**(6 310)**
Total comprehensive income for the period		**926 327**	**835 772**	**1 697 208**
Earnings per share (cents)				
Basic earnings per share (cents)	8	**346.2**	**312.9**	**636.6**
Diluted earnings per share (cents)	8	**346.8**	**312.9**	**636.6**

** To align with the IFRS 17 costing framework, for the December 2023 financial year N$24.4 million of operating expenses have been reclassified to insurance service expenses. This reclassification has not impacted the overall profit previously reported. Previously, the insurance service result was reported at N$31.1 million, but after reclassification, it has been adjusted to N$6.7 million. In the current year insurance service results has been disaggregated from non-interest revenue to allow for enhanced disclosure.*

Condensed consolidated statement of financial position

for the six months ended 31 December 2024

		Reviewed		Audited
		Six months ended 31 December		as at 30 June
N$'000	Notes	2024	2023	2024
Assets				
Cash and cash equivalents	9	3 735 430	4 318 798	3 163 516
Due from banks and other financial institutions	10	8 512 126	9 992 402	9 591 662
Derivative financial instruments		392 917	373 217	349 809
Investment securities	11	9 689 105	8 244 848	8 661 149
Advances	12	39 351 803	36 488 022	37 745 001
Other assets		454 369	403 170	277 288
Current tax asset		360	724	539
Non-current asset held for sale*		53 000	-	53 000
Reinsurance assets		11 220	17 843	11 643
Property and equipment		868 510	904 514	866 298
Intangible assets		43 134	63 647	50 609
Deferred tax asset		22 458	24 366	22 864
Total assets		**63 134 432**	**60 831 551**	**60 793 378**
Equity and liabilities				
Liabilities				
Short trading position		80 851	27 432	34 085
Derivative financial instruments		449 284	397 983	430 715
Creditors and accruals		722 062	754 322	759 677
Current tax liability		104 972	403 700	346 998
Deposits and current accounts	14.1	47 880 584	44 925 882	44 672 808
Due to banks and other financial institutions	14.2	6 030 916	7 756 783	7 548 800
Employee liabilities		224 896	223 602	285 621
Other liabilities		109 838	150 762	128 565
Insurance liabilities		40 495	39 764	44 350
Reinsurance liabilities		5 478	20 526	5 731
Deferred tax liability		304 169	294 173	304 143
Tier 2 liabilities	15	503 870	-	-
Total liabilities		**56 457 415**	**54 994 929**	**54 561 493**
Equity				
Capital and reserves attributable to ordinary equity holders of parent		6 677 017	5 836 622	6 231 885
Total equity		**6 677 017**	**5 836 622**	**6 231 885**
Total equity and liabilities		**63 134 432**	**60 831 551**	**60 793 378**

* *During December 2024, the group reassessed the liquidity order in the statement of financial position, moving non-current assets held for sale above reinsurance assets line due to its higher liquidity. This change had no impact on the amounts in these line items and was applied to the prior year as well.*

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2024

N$'000	Total share capital	Defined benefit post employment reserve**	Retained earnings	Total equity
Balance at 1 July 2023	279 358	10 913	5 693 869	5 984 140
Total comprehensive income for the period	-	-	835 772	835 772
Dividends	-	-	(983 290)	(983 290)
Reviewed balance at 31 December 2023	279 358	10 913	5 546 351	5 836 622
Balance at 1 July 2023	279 358	10 913	5 693 869	5 984 140
Total comprehensive income for the year	-	(6 310)	1 703 518	1 697 208
Opening balance IFRS 17 transition adjustment*	-	-	(2 713)	(2 713)
Dividends	-	-	(1 446 750)	(1 446 750)
Audited balance at 30 June 2024	279 358	4 603	5 947 924	6 231 885
Balance at 1 July 2024	279 358	4 603	5 947 924	6 231 885
Total comprehensive income for the period	-	-	926 327	926 327
Dividends	-	-	(481 195)	(481 195)
Reviewed balance at 31 December 2024	279 358	4 603	6 393 056	6 677 017

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

** *The following heading have been renamed to more accurately describe the amounts. "Defined benefit post employment reserve' was previously named "Total reserves".*

Condensed consolidated statement of cash flows

for the six months ended 31 December 2024

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Net cash generated from operations	1 299 277	3 579 616	3 447 199
Tax paid	(653 464)	(21 683)	(482 691)
Net cash flow from operating activities	**645 813**	**3 557 933**	**2 964 508**
Acquisition of property and equipment	(68 238)	(37 482)	(115 176)
Acquisition of intangible asset	(3 749)	(3 724)	(3 706)
Proceeds from the disposal of property and equipment	5 976	1 739	4 275
Proceeds from disposal of subsidiary	-	-	200
Net cash flow from investing activities	**(66 011)**	**(39 467)**	**(114 407)**
Dividends paid	(481 195)	(983 290)	(1 446 750)
Principal payments of other liabilities	(15 643)	(15 643)	(27 049)
Principal payments of lease liabilities	(11 050)	(10 661)	(22 712)
Proceeds from the issue of tier 2 liabilities	500 000	-	-
Net cash flow from financing activities	**(7 888)**	**(1 009 594)**	**(1 496 511)**
Net increase in cash and cash equivalents	**571 914**	**2 508 872**	**1 353 590**
Cash and cash equivalents at beginning of the period*	3 163 516	1 809 926	1 809 926
Cash and cash equivalents at end of the period	**3 735 430**	**4 318 798**	**3 163 516**

* *Includes mandatory reserve deposits with central bank*

Condensed notes to the consolidated financial results

for the reporting period ended

1. Basis of preparation

The group prepares its reviewed condensed consolidated interim financial report in accordance with:

- IFRS® Accounting Standards IAS 34;
- Framework concepts and the recognition and measurement requirements of IFRS accounting standards as issued by the International Accounting Standards Board;
- Interpretations issued by the IFRS Interpretation Committee (IFRS-IC);
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council;
- The Namibian Companies Act:
- Banking Institutions Act (BID2) with regards to assets classification, suspension of interest and provisioning; and
- Banking Institutions Act (BID18) with regards to public disclosures by banking institutions.

The condensed consolidated interim results for the six months ended 31 December 2024 have been independently reviewed by the group's external auditor, EY Namibia. Any reference to future financial performance has not been reviewed or reported on by the group's auditors.

2. Accounting policies

The accounting policies and methods of computation applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied for the year ended 30 June 2024, with the exception of the tier 2 debt instruments issued during the six month ended 31 December 2024 . The group classifies a financial liability in accordance with the substance of the contractual agreement. Tier 2 liabilities are measured at amortised cost using the effective interest rate method. Refer to note 15 for details. The condensed consolidated interim financial report is prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS. There is no new or amended IFRS standards that became effective for the six months ended 31 December 2024 that impacted the group's reported earnings, financial position or reserves or the accounting policies.

2.1 Significant estimates, judgements and assumptions

The table below provides an overview of the areas where additional judgement has been applied and includes references to the relevant sections in the notes to the annual financial statements, where additional information has been included. Unless stated otherwise, the judgements applied by management in applying the accounting policies are consistent with the prior year. There have been no material changes to the significant judgments and estimates for expected credit losses. The assumptions in respect of forward looking information including the number of scenarios, weightings of scenarios and other macro-economic forecasts have not materially changed since the previous reporting period. For an overview on the changes to impairments, refer to page 4.

Description	Additional information
Impairment provisions on advances	
Incorporating forward-looking information	
Forward-looking information has been incorporated into expected loss estimates through the application of quantitative modelling and expert judgement based post-model adjustments. Both quantitative models and expert judgment-based adjustments consider a range of forecast macroeconomic scenarios as inputs. The macroeconomic scenarios are defined by taking global and domestic macroeconomic considerations into account, and forecasts are developed for various scenarios. To arrive at the macroeconomic forecasts teams of economists, assess the micro- and macroeconomic developments to formulate the macroeconomic forecasts. A number of internal and external economists are then requested to assign a probability to each scenario.	Refer to note 13
Significant increase in credit risk (SICR)	
SICR triggers continue to be determined based on client behaviour, client-based behaviour scores, the internal FirstRand client rating or risk score, as well as judgemental factors, which include triggers for industries in distress, potentially resulting in the client being added to the watchlist through the group's ongoing risk management process. These triggers are determined at a deal and client level and are calibrated over time to determine what level of deterioration is reflective of a SICR.	Refer to note 13

Condensed notes to the consolidated financial results

for the reporting period ended continued

3. Analysis of interest income and interest expense

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Analysis of interest and similar income			
Instruments at amortised cost	3 069 352	2 975 587	6 048 214
Interest and similar income	3 069 352	2 975 587	6 048 214
Advances	2 323 827	2 191 870	4 488 179
Investment securities	384 672	377 605	723 089
Due from banks, other financial institutions and cash and cash equivalents	360 853	406 072	836 906
Accrued off-market advances	-	40	40
Interest and similar income	3 069 352	2 975 587	6 048 214
Analysis of interest expense and similar charges			
Instruments at amortised cost	1 414 186	1 511 095	2 965 847
Interest expense and similar charges	1 414 186	1 511 095	2 965 847
Deposits from customers	866 599	897 493	1 770 754
Debt securities	277 054	276 539	534 824
Deposits from banks and other financial institutions	254 127	325 654	646 877
Other liabilities	11 298	9 985	10 577
Lease liabilities	1 238	1 424	2 815
Tier 2 liabilities	3 870	-	-
Interest expense and similar charges	1 414 186	1 511 095	2 965 847
Net interest Income	1 655 166	1 464 492	3 082 367

Condensed notes to the consolidated financial results

for the reporting period ended continued

4. Non-interest revenue

N$'000	Notes	Reviewed Six months ended 31 December 2024	Reviewed Six months ended 31 December 2023	Audited as at 30 June 2024
Fee and commission income:				
- Instruments at amortised cost		1 242 641	1 135 450	2 223 155
- Non financial instruments		69 463	43 313	148 426
Fee and commission income	4.1	1 312 104	1 178 763	2 371 581
Fee and commission expenses		(173 959)	(150 305)	(308 779)
Net fee and commission income		1 138 145	1 028 458	2 062 802
Fair value gains and losses		149 504	102 853	194 416
Gross gains less losses from investing activities		32 926	33 514	95 714
Other non-interest revenue		18 825	52 513	88 858
Total non-interest revenue		1 339 400	1 217 338	2 441 790

4.1 Fee and commission income

N$'000	Notes	Reviewed Six months ended 31 December 2024	Reviewed Six months ended 31 December 2023	Audited as at 30 June 2024
- Card commissions		222 149	182 045	361 091
- Cash deposit fees		60 770	51 981	99 900
- Commissions: bills and drafts*		24 606	17 223	44 239
- Bank charges*		935 116	884 201	1 717 925
Banking fee and commission income		1 242 641	1 135 450	2 223 155
- Brokerage income		26 013	19 683	54 405
- Management, trust and fiduciary service fees		43 450	23 630	94 021
Non banking fee and commission income		69 463	43 313	148 426
Fee and commission income		1 312 104	1 178 763	2 371 581

* *In the current year commissions: bills and drafts has been disaggregated from bank charges to allow for enhanced disclosure.*

Condensed notes to the consolidated financial results
for the reporting period ended continued

5. Insurance service result

		Reviewed		Audited
		Six months ended 31 December		as at 30 June
N$'000	Notes	**2024**	2023	2024
Insurance revenue		85 133	70 610	161 688
Insurance service expense*		(76 931)	(59 593)	(131 318)
Insurance service result before reinsurance contracts held		**8 202**	**11 017**	**30 370**
Allocation of reinsurance premium		(12 484)	(9 007)	(23 611)
Amounts recoverable from reinsurers for incurred claims		8 929	4 693	13 911
Net expense from reinsurance contracts held		**(3 555)**	**(4 314)**	**(9 700)**
Insurance service result		**4 647**	**6 703**	**20 670**

* *To align with the IFRS 17 costing framework, for the December 2023 financial year N$24.4 million of operating expenses have been reclassified to insurance service expenses. This reclassification has not impacted the overall profit previously reported. Previously, the insurance service result was reported at N$31.1 million, but after reclassification, it has been adjusted to N$6.7 million.*

Condensed notes to the consolidated financial results

for the reporting period ended continued

6. Operating expenses

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Auditors' remuneration			
- Audit fees	7 993	6 418	19 878
- Fees for other services	52	307	1 843
Auditors' remuneration	**8 045**	**6 725**	**21 721**
- Short-term leases	4 809	3 516	7 578
- Low-value lease charges	1 871	1 650	3 323
Total non-capitalised charges	**6 680**	**5 166**	**10 901**
Staff costs	790 619	753 136	1 470 816
Amortisation of intangible assets	11 224	11 051	24 070
Depreciation of property and equipment	62 820	54 851	112 488
Directors fees	10 915	6 607	23 717
Other operating costs	526 852	474 017	1 032 178
Less: Insurance acquisition/service cash flows*	(25 438)	(24 362)	(43 448)
Total operating expenses	**1 391 717**	**1 287 191**	**2 652 443**

* *To align with the IFRS 17 costing framework, for the 2023 financial year N$24.4 million of operating expenses have been reclassified to insurance service expenses. This reclassification has not impacted the overall profit previously reported.*

Condensed notes to the consolidated financial results

for the reporting period ended continued

7. Taxation

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Indirect tax			
Stamp duties	4 748	3 831	8 651
Value added tax (net)	25 184	22 569	46 398
Total indirect tax	**29 932**	**26 400**	**55 049**
Direct tax			
Current	386 479	356 721	709 906
Deferred	1 400	(8 531)	(1 659)
Total direct tax	**387 879**	**348 190**	**708 247**
Taxation rate reconciliation			
Standard rate of Namibian normal taxation	**31%**	**32%**	**32%**
Dividend income	(1.21%)	(2.08%)	(2.41%)
Other non-taxable income	(0.08%)	(0.04%)	(0.48%)
Disallowed expenditure	0.37%	0.39%	0.45%
Rate adjustment	0.00%	(0.79%)	(0.39%)
Other	(0.57%)	(0.07%)	0.20%
Effective tax rate	**29.51%**	**29.41%**	**29.37%**

Condensed notes to the consolidated financial results

for the reporting period ended continued

8. Earnings per share

8.1 Headline earnings per share

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

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

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
	2024	2023	2024
Headline earnings (N$'000)	924 998	835 740	1 715 829
Number of ordinary shares in issue	267 593 250	267 093 250	267 593 250
Headline earnings per share (cents)	**345.7**	**312.9**	**641.2**
Headline earnings (N$'000)	924 998	835 740	1 715 829
Diluted weighted average number of ordinary shares in issue	267 093 250	267 093 250	267 093 250
Diluted headline earnings per share (cents)	**346.3**	**312.9**	**642.4**
Earnings attributable to ordinary shareholders (N$'000)	926 327	835 772	1 703 518
Gains and losses on sale of property and equipment (N$'000)	(2 732)	(47)	285
Impairment of building (N$'000)	556	-	3 820
Loss on disposal of subsidiary (N$'000)	-	-	3 177
Impairment of assets (N$'000)	-	-	5 120
Tax effect (N$ 000)	847	15	(91)
Headline earnings (N$'000)	**924 998**	**835 740**	**1 715 829**

Condensed notes to the consolidated financial results

for the reporting period ended continued

8. Earnings per share continued

8.2 Earnings per share

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

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
	2024	2023	2024
Earnings attributable to ordinary shareholders (N$'000)	926 327	835 772	1 703 518
Weighted average number of ordinary shares in issue	267 093 250	267 093 250	267 093 250
Weighted average number of ordinary shares in issue before shares held by trust	267 593 250	267 593 250	267 593 250
Less: weighted average shares held by share trust	(500 000)	(500 000)	(500 000)
Basic earnings per share (cents)	**346.2**	**312.9**	**636.6**
Diluted earnings per share (cents)	**346.8**	**312.9**	**636.6**

Condensed notes to the consolidated financial results

for the reporting period ended continued

9. Cash and cash equivalents

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Coins and bank notes	663 885	686 618	648 981
Balances with other banks	44 825	10 285	14 382
Balances with central bank	3 026 720	3 621 895	2 500 153
	3 735 430	**4 318 798**	**3 163 516**
Mandatory reserve balances included above:	565 947	547 728	559 922

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

ECL for cash and cash equivalent are immaterial.

10. Due from banks and other financial institutions

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Namibian dollar	8 512 126	9 992 402	9 591 662

Condensed notes to the consolidated financial results
for the reporting period ended continued

11. Investment securities

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Treasury bills	3 409 613	3 046 687	3 099 656
Other government and government guaranteed stock	6 061 452	5 061 781	5 362 877
Unlisted equities	17 905	9 576	37 079
Other undated securities	204 628	130 853	165 424
Total gross carrying amount of investment securities	**9 693 598**	**8 248 897**	**8 665 036**
Loss allowance on investment securities	(4 493)	(4 049)	(3 887)
Total investment securities	**9 689 105**	**8 244 848**	**8 661 149**

N$10 302 million (2023: N$9 955 million) of the financial instruments form part of the group's liquid asset portfolio in terms of the Banking Institutions Act, 2023 (Act No. 13 of 2023) and other foreign banking regulators' requirements.

The loss allowance on investment securities measured at amortised cost is N$4.5 million (2023: N$4.0 million).

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

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	2024	2023	2024
Notional value of advances	41 184 911	37 957 173	39 416 717
Gross value of advances	**41 184 911**	**37 957 173**	**39 416 717**
Category analysis			
Overdrafts and cash management accounts	4 176 874	4 325 964	3 429 502
Card loans	530 222	554 418	566 451
Instalment sales	4 289 461	3 915 095	4 136 879
Lease payments receivable	115 390	95 090	138 068
Property finance	16 727 619	16 674 510	16 788 949
Term loans	13 387 215	10 711 967	12 714 943
Investment bank term loans	305 565	-	302 759
Preference share agreements	1 181 447	1 332 309	964 464
Assets under agreement to resell	19 825	16 865	78 954
Invoice finance	154 916	22 295	11 729
Other	296 377	308 660	284 019
Gross advances	**41 184 911**	**37 957 173**	**39 416 717**
Impairment	(1 833 108)	(1 469 151)	(1 671 716)
Net advances	**39 351 803**	**36 488 022**	**37 745 001**
Portfolio analysis			
Designated at fair value through profit or loss	324 427	16 865	380 750
Amortised cost	39 027 376	36 471 157	37 364 251
Net advances	**39 351 803**	**36 488 022**	**37 745 001**

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
%	2024	2023	2024
Loans and advances to customers			
FNB	79%	83%	82%
RMB	21%	17%	18%
FCC and other	0%	0%	0%
	100%	100%	100%

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Analysis of advances per class

December 2024

N$'000	Amortised cost	Fair value through profit or loss	Loss allowance	Total
Residential mortgages	16 727 619	-	(569 771)	16 157 848
Wesbank VAF	2 024 018	-	(54 842)	1 969 176
Total retail secured	**18 751 637**	**-**	**(624 613)**	**18 127 024**
Credit card	515 108	-	(24 935)	490 173
Personal loans	3 574 044	-	(329 314)	3 244 730
Retail other	617 187	-	(117 436)	499 751
Total retail unsecured	**4 706 339**	**-**	**(471 685)**	**4 234 654**
FNB Commercial	6 796 895	-	(560 649)	6 236 246
Wesbank commercial VAF	2 677 210	-	(122 571)	2 554 639
RMB Corporate and Investment banking	7 927 440	325 390	(53 590)	8 199 240
Total corporate and commercial	**17 401 545**	**325 390**	**(736 810)**	**16 990 125**
Total advances	40 859 521	325 390	(1 833 108)	39 351 803

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Analysis of advances per class continued

December 2023

N$'000	Amortised cost	Fair value through profit or loss	Loss allowance	Total
Residential mortgages	16 558 169	-	(454 590)	16 103 579
Wesbank VAF	1 889 771	-	(56 475)	1 833 296
Total retail secured	**18 447 940**	**-**	**(511 065)**	**17 936 875**
Credit card	499 594	-	(47 579)	452 015
Personal loans	3 339 339	-	(371 076)	2 968 263
Retail other	671 646	-	(49 190)	622 456
Total retail unsecured	**4 510 579**	**-**	**(467 845)**	**4 042 734**
FNB Commercial	6 277 584	-	(371 076)	5 906 508
Wesbank commercial VAF	2 429 280	-	(65 952)	2 363 328
RMB Corporate and Investment banking	6 274 925	16 865	(53 213)	6 238 577
Total corporate and commercial	**14 981 789**	**16 865**	**(490 241)**	**14 508 413**
Total advances	37 940 308	16 865	(1 469 151)	36 488 022

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Analysis of advances per class continued

June 2024

N$'000	Amortised cost	Fair value through profit or loss	Loss allowance	Total
Residential mortgages	16 788 707	-	(552 248)	16 236 459
Wesbank VAF	1 904 655	-	(59 628)	1 845 027
Total retail secured	**18 693 362**	**-**	**(611 876)**	**18 081 486**
Credit card	548 070	-	(67 655)	480 415
Personal loans	3 426 686	-	(309 627)	3 117 059
Retail other	553 305	-	(102 727)	450 578
Total retail unsecured	**4 528 061**	**-**	**(480 009)**	**4 048 052**
FNB Commercial	6 513 002	-	(422 930)	6 090 072
Wesbank commercial VAF	2 651 924	-	(103 338)	2 548 586
RMB Corporate and Investment banking	6 648 655	381 713	(53 563)	6 976 805
Total corporate and commercial	**15 813 581**	**381 713**	**(579 831)**	**15 615 463**
Total	39 035 004	381 713	(1 671 716)	37 745 001

Condensed notes to the consolidated financial results
for the reporting period ended continued

12. Advances continued

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

	Gross advances			
N$000's	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Total retail	19 299 945	2 483 588	1 674 443	23 457 976
FNB Commercial	5 493 845	579 579	723 471	6 796 895
Commercial vehicle asset finance	2 346 107	247 330	83 773	2 677 210
RMB Corporate and Investment banking	7 793 801	459 029	-	8 252 830
	34 933 698	3 769 526	2 481 687	41 184 911
31 December 2023				
Total retail	19 751 796	1 739 731	1 466 992	22 958 519
FNB Commercial	5 390 744	411 531	475 309	6 277 584
Commercial vehicle asset finance	2 262 832	113 487	52 960	2 429 279
RMB Corporate and Investment banking	6 214 934	76 857	-	6 291 791
	33 620 306	2 341 606	1 995 261	37 957 173
30 June 2024				
Total retail	19 438 697	2 128 130	1 654 596	23 221 423
FNB Commercial	5 258 290	609 129	645 583	6 513 002
Commercial vehicle asset finance	2 415 358	143 020	93 546	2 651 924
RMB Corporate and Investment banking	6 598 303	432 065	-	7 030 368
	33 710 648	3 312 344	2 393 725	39 416 717

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

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

	Loss allowance			
N$000's	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Total retail	147 622	188 266	760 410	1 096 298
FNB Commercial	47 808	89 557	423 284	560 649
Commercial vehicle asset finance	12 059	33 324	77 188	122 571
RMB Corporate and Investment banking	18 174	35 416	-	53 590
	225 663	**346 563**	**1 260 882**	**1 833 108**
31 December 2023				
Total retail	126 800	176 408	675 702	978 910
FNB Commercial	55 614	67 038	248 424	371 076
Commercial vehicle asset finance	13 275	21 335	31 342	65 952
RMB Corporate and Investment banking	38 598	14 605	10	53 213
	234 287	**279 386**	**955 478**	**1 469 151**
30 June 2024				
Total retail	177 292	206 446	708 147	1 091 885
FNB Commercial	47 236	77 238	298 456	422 930
Commercial vehicle asset finance	11 868	34 591	56 879	103 338
RMB Corporate and Investment banking	21 156	32 407	-	53 563
	257 552	**350 682**	**1 063 482**	**1 671 716**

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 31 December 2024

	Gross advances			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2024	33 710 648	3 312 344	2 393 725	39 416 717
Transfer between stages	(441 440)	266 121	175 319	-
Transfer from Stage 1 to Stage 2	(1 454 408)	1 454 408	-	-
Transfer from Stage 1 to Stage 3	(152 197)	-	152 197	-
Transfer from Stage 2 to Stage 3	-	(252 864)	252 864	-
Transfer from Stage 2 to Stage 1	1 106 262	(1 106 262)	-	-
Transfer from Stage 3 to Stage 2	-	170 839	(170 839)	-
Transfer from Stage 3 to Stage 1	58 903	-	(58 903)	-
Opening balances of back book after transfer	**33 269 208**	**3 578 465**	**2 569 044**	**39 416 717**
Other current period charges / (releases)	**1 664 490**	**191 061**	**90 645**	**1 946 196**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	-	171 752	-	171 752
- Other current year change in exposure/net movement on GCA	(1 737 502)	(188 602)	63 730	(1 862 374)
Total new book exposure				
- Change in exposure due to new business in the current year	3 401 992	207 911	26 915	3 636 818
Bad debts written off	-	-	(178 002)	(178 002)
Amount as at 31 December 2024	**34 933 698**	**3 769 526**	**2 481 687**	**41 184 911**
Amortised cost	34 608 308	3 769 526	2 481 687	40 859 521
Fair value	325 390	-	-	325 390

Condensed notes to the consolidated financial results
for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 31 December 2024 continued

	Loss allowance			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2024	257 552	350 682	1 063 482	1 671 716
Transfer between stages	46 892	(53 282)	6 390	-
Transfer from Stage 1 to Stage 2	(12 931)	12 931	-	-
Transfer from Stage 1 to Stage 3	(1 645)	-	1 645	-
Transfer from Stage 2 to Stage 3	-	(34 901)	34 901	-
Transfer from Stage 2 to Stage 1	53 924	(53 924)	-	-
Transfer from Stage 3 to Stage 2	-	22 612	(22 612)	-
Transfer from Stage 3 to Stage 1	7 544	-	(7 544)	-
Opening balances of back book after transfer	**304 444**	**297 400**	**1 069 872**	**1 671 716**
Other current period charges / (releases)	**(78 781)**	**49 163**	**369 012**	**339 394**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	-	7 280	-	7 280
- Other current year impairment charge/(release)	(105 170)	23 193	343 218	261 241
Total new book exposure				
- Change in exposure due to new business in the current year	26 389	18 690	25 794	70 873
Bad debts written off	-	-	(178 002)	(178 002)
Amount as at 31 December 2024	**225 663**	**346 563**	**1 260 882**	**1 833 108**
Amortised cost	224 700	346 563	1 260 882	1 832 145
Fair value	963	-	-	963

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 31 December 2023

	Gross advances			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2023	32 059 275	2 948 269	1 771 362	36 778 906
Transfer between stages	(264 934)	41 190	223 744	-
Transfer from Stage 1 to Stage 2	(479 888)	479 888	-	-
Transfer from Stage 1 to Stage 3	(88 264)	-	88 264	-
Transfer from Stage 2 to Stage 3	-	(144 393)	144 393	-
Transfer from Stage 2 to Stage 1	300 057	(300 057)	-	-
Transfer from Stage 3 to Stage 2	-	5 752	(5 752)	-
Transfer from Stage 3 to Stage 1	3 161	-	(3 161)	-
Opening balances of back book after transfer	**31 794 341**	**2 989 459**	**1 995 106**	**36 778 906**
Other current period charges / (releases)	**1 825 965**	**(647 853)**	**104 863**	**1 282 975**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	(551)	(41 122)	-	(41 673)
- Other current year change in exposure/net movement on GCA	(2 730 935)	(746 105)	84 592	(3 392 448)
Total new book exposure				
- Change in exposure due to new business in the current year	4 557 451	139 374	20 271	4 717 096
Bad debts written off	-	-	(104 708)	(104 708)
Amount as at 31 December 2023	**33 620 306**	**2 341 606**	**1 995 261**	**37 957 173**
Amortised cost	33 603 441	2 341 606	1 995 261	37 940 308
Fair value	16 865	-	-	16 865

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 31 December 2023 continued

	Loss allowance			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2023	248 014	274 096	807 189	1 329 299
Transfer between stages	16 755	(31 581)	14 826	-
Transfer from Stage 1 to Stage 2	(5 289)	5 289	-	-
Transfer from Stage 1 to Stage 3	(1 739)	-	1 739	-
Transfer from Stage 2 to Stage 3	-	(18 176)	18 176	-
Transfer from Stage 2 to Stage 1	21 572	(21 572)	-	-
Transfer from Stage 3 to Stage 2	-	2 878	(2 878)	-
Transfer from Stage 3 to Stage 1	2 211	-	(2 211)	-
Opening balances of back book after transfer	**264 769**	**242 515**	**822 015**	**1 329 299**
Other current period charges / (releases)	**(30 482)**	**36 871**	**238 171**	**244 560**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	(8)	26 856	-	26 848
- Other current year impairment charge/(release)	(59 948)	(3 632)	224 472	160 892
Total new book exposure				
- Change in exposure due to new business in the current year	29 474	13 647	13 699	56 820
Bad debts written off	-	-	(104 708)	(104 708)
Amount as at 31 December 2023	**234 287**	**279 386**	**955 478**	**1 469 151**
Amortised cost	234 287	279 386	955 478	1 469 151
Fair value	-	-	-	-

Condensed notes to the consolidated financial results

for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 30 June 2024

	Gross advances			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2023	32 059 275	2 948 269	1 771 362	36 778 906
Transfer between stages	(1 263 575)	235 757	1 027 818	-
Transfer from Stage 1 to Stage 2	(3 009 400)	3 009 400	-	-
Transfer from Stage 1 to Stage 3	(568 117)	-	568 117	-
Transfer from Stage 2 to Stage 3	-	(527 287)	527 287	-
Transfer from Stage 2 to Stage 1	2 264 447	(2 264 447)	-	-
Transfer from Stage 3 to Stage 2	-	18 091	(18 091)	-
Transfer from Stage 3 to Stage 1	49 495	-	(49 495)	-
Opening balance after transfers	**30 795 700**	**3 184 026**	**2 799 180**	**36 778 906**
Other current period charges / (releases)	**2 914 948**	**128 318**	**(224 019)**	**2 819 247**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	-	(20 859)	-	(20 859)
- Other current year change in exposure/net movement on GCA	(3 828 048)	(95 845)	(367 542)	(4 291 435)
Total new book exposure				
- Change in exposure due to new business in the current year	6 742 996	245 022	143 523	7 131 541
Bad debts written off	**-**	**-**	**(181 436)**	**(181 436)**
Amount as at 30 June 2024	**33 710 648**	**3 312 344**	**2 393 725**	**39 416 717**
Amortised cost	33 328 935	3 312 344	2 393 725	39 035 004
Fair value	381 713	-	-	381 713

Condensed notes to the consolidated financial results
for the reporting period ended continued

12. Advances continued

Reconciliation of the gross advances and loss allowance on total advances as at 30 June 2024 continued

	Loss allowance			
N$000's	Stage 1	Stage 2	Stage 3	Total
Amount as at 1 July 2023	248 014	274 096	807 189	1 329 299
Transfer between stages	56 394	(110 965)	54 571	-
Transfer from Stage 1 to Stage 2	(13 930)	13 930	-	-
Transfer from Stage 1 to Stage 3	(5 661)	-	5 661	-
Transfer from Stage 2 to Stage 3	-	(59 509)	59 509	-
Transfer from Stage 2 to Stage 1	69 187	(69 187)	-	-
Transfer from Stage 3 to Stage 2	-	3 801	(3 801)	-
Transfer from Stage 3 to Stage 1	6 798	-	(6 798)	-
Opening balance after transfers	**304 408**	**163 131**	**861 760**	**1 329 299**
Other current period charges / (releases)	**(46 856)**	**187 551**	**383 158**	**523 853**
Changes in exposure of back book in the current period				
- Exposures with a change in measurement basis from 12 months to LECL	-	27 964	-	27 964
- Other current year impairment charge/(release)	(91 931)	139 096	287 034	334 199
Total new book exposure				-
- Change in exposure due to new business in the current year	45 075	20 491	96 124	161 690
Bad debts written off	**-**	**-**	**(181 436)**	**(181 436)**
Amount as at 30 June 2024	**257 552**	**350 682**	**1 063 482**	**1 671 716**
Amortised cost	256 589	350 682	1 063 482	1 670 753
Fair value	963	-	-	963

Condensed notes to the consolidated financial results

for the reporting period ended continued

13. Impairment of advances

	Reviewed		Audited
	December		June
N$000's	**2024**	2023	2024
Increase in loss allowance	339 394	244 560	523 853
Interest in suspense	(58 247)	(41 853)	(76 671)
Recoveries of bad debts	(17 789)	(11 727)	(21 612)
Impairment of advances recognised during the period	**263 358**	**190 980**	**425 570**
Specific / stage 3 impairments	323 709	223 219	360 998
Portfolio / stage 1 and stage 2 impairments	(60 351)	(32 239)	64 572
	263 358	**190 980**	**425 570**

Condensed notes to the consolidated financial results

for the reporting period ended continued

14. Deposits

14.1 Deposits and current accounts

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Category analysis			
Deposits from customers			
- Current accounts	17 895 441	17 096 214	17 713 757
- Call deposits	11 377 970	11 402 470	10 355 447
- Savings accounts	1 041 959	825 237	833 192
- Fixed and notice deposits	11 200 705	9 678 664	9 892 381
Debt securities			
- Negotiable certificates of deposit	6 010 696	5 569 897	5 524 360
- Fixed and floating rate notes	353 813	353 400	353 671
Total deposits	47 880 584	44 925 882	44 672 808

14.2 Due to banks and other financial institutions

To banks and other financial institutions	6 030 916	7 756 783	7 548 800

FNB Namibia (FNBN) entered into a series of fully collateralised repo/reverse trades with FirstRand Bank (FRB) in the 2022 financial year. The total value of the transaction amounted to N$6 billion. The repo transaction is disclosed under due to banks and other financial institutions.

Post period ended 31 December 2024 a decision was taken to exit the structural ALM hedge. Management continues to actively monitor ALM risk, and where desirable will engage in ALM management activities that align with ALM frameworks, risk appetite and Banking regulations.

Condensed notes to the consolidated financial results

for the reporting period ended continued

15. Tier 2 Liabilities

Subordinated debt instruments	Interest rate	Final maturity date	2024
FNB34 (T2) floating rate notes (N$'000)	Three-month JIBAR + 1.95%	3-Dec-34	503 870
Accrued interest (N$'000)			3 870

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

The South African Reserve Bank (SARB) designated the South African Rand Overnight Index Average (ZARONIA) as the successor rate to replace the Johannesburg interbank rate (JIBAR). The observation period for ZARONIA ended on 3 November 2023 and the SARB has indicated that market participants may use the published ZARONIA as a reference rate in pricing financial contracts going forward. The transition from JIBAR to ZARONIA is a multi-year initiative, the group is busy engaging market participants on how the possible transition of the interest benchmark reform could work for JIBAR linked instruments before the cessation occurs at the end of 2026.

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

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

The notes are unsecured, subordinated Tier 2 Notes, the proceeds of which qualify as Tier 2 capital for First National Bank of Namibia Limited.

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

Refer to note 18 fair value of financial instruments for the methodologies used to determine the fair value of the tier 2 liabilities.

Tier 2 liabilities reconciliation

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Opening balance	-	-	-
Cash flow movement			
- Proceeds	500 000	-	-
Non-cash flow movement			
- Interest accrued	3 870	-	-
Closing balance	503 870	-	-

Condensed notes to the consolidated financial results

for the reporting period ended continued

16. Related parties

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

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

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Related party balances:			
Deposits			
FirstRand SA group companies	61 377	95 059	58 328
Key management personnel	4 789	5 138	2 228
Balances due to banks and other financial institutions			
FirstRand SA group companies	5 774 737	7 442 583	7 255 149
Advances			
FirstRand SA group companies	1 933 992	1 874 777	1 742 669
Key management personnel	25 769	10 111	19 984
Balances due from banks and other financial institutions			
FirstRand SA group companies	5 781 512	7 417 699	7 236 323
Derivative assets			
FirstRand SA group companies	32 091	78 725	49 955
Derivative liabilities			
FirstRand SA group companies	341 655	306 345	291 923
Other assets			
FirstRand SA group companies	42	11 459	-
Other liabilities			
FirstRand SA group companies	671	164	-

Condensed notes to the consolidated financial results

for the reporting period ended continued

16. Related parties continued

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Related party transactions:			
Interest received from related parties:			
FirstRand SA group companies	276 815	334 547	672 702
Interest paid to related parties:			
FirstRand SA group companies	250 746	321 690	631 968
Non-interest expenditure (Information, platform and other support services)			
FirstRand SA group companies	301 923	269 824	572 983

17. Contingent liabilities and capital commitments

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	**2024**	2023	2024
Contingent liabilities	4 682 145	4 156 163	3 700 915
Capital commitments	80 379	142 869	106 348

Contingent liabilities include letters of credit, non-financial guarantees, and committed undrawn facilities, all of which expose the group to credit risk.

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements

18.1 Valuation methodology

In terms of IFRS, the group is required to or elects to measure certain assets and liabilities at fair value. The group has established control frameworks and processes to independently validate its valuation techniques and inputs used to determine its fair value measurements. Technical teams are responsible for the selection, implementation and any changes to the valuation techniques used to determine fair value measurements. Valuation committees comprising representatives from key management have been established at an overall group level and are responsible for overseeing the valuation control process and considering the appropriateness of the valuation techniques applied in fair value measurement. The valuation models and methodologies are subject to independent review and approval by the required technical teams, valuation committees, relevant risk committees and external auditors annually or more frequently if considered appropriate.

18.2 Fair value hierarchy and measurements

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

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs level 2	Unobservable inputs level 3
		Loans and advances to customers		
Investment banking book *	Discounted cash flows	Certain of the group's investment banking advances do not meet the requirements to be carried at amortised cost and are measured at fair value through profit or loss. Credit risk is not observable and could have a significant impact on the fair value measurement of these advances. As such, these advances are classified as level 3 on the fair value hierarchy. Future cash flows are discounted using a market -related interest rate, adjusted for credit inputs.	Market interest rates	Credit inputs
Non-current asset held or for sale	Offer price	The fair value is based on a recent offer price received for the asset, assuming the offer is from a credible buyer and represents a price at which the asset could be sold in an orderly transaction between market participants at the measurement date.	Quoted prices	Not applicable
		Investment securities and other investments		
Equities/ bonds listed in an inactive market	Discounted cash flows	For listed equities and bonds, the listed price is used where the market is active (i.e. Level 1). However if the market is not active and the listed price is not representative of fair value, these are classified as Level 2 and a valuation technique is used, for example the discounted cash flow is used for listed bonds. This will be based on risk parameters of comparable securities and the potential pricing difference in spread and/or price terms with the traded comparable is considered. The future cash flows are discounted using a market related interest rate.	Market interest rates and curves	Credit inputs
Unlisted bonds	Price earnings ("P/E") model	Where the valuation technique incorporates observable inputs for credit risk or the credit risk is an insignificant input, level 2 of the fair value hierarchy is deemed appropriate.	Market transactions	Not applicable
Negotiable certificates of deposit	Discounted cash flows	The future cash flows are discounted using a market related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable
Treasury Bills	Discounted cash flows	The future cash flows are discounted using market related interest rates.	Market interest rates and curves	Not applicable

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Unobservable inputs
Derivative financial instruments				
Option and equity derivatives	Option pricing model and industry standard models	The models calculate fair value based on input parameters such as share prices, dividends, volatilities, interest rates, equity repo curves and, for multi-asset products, correlations. Unobservable model inputs are determined by reference to liquid market instruments and by applying extrapolation techniques to match the appropriate risk profile.	Strike price of the option, market-related discount rate, spot or forward rate, the volatility of the underlying, dividends and listed share prices	Not applicable
Forward rate agreements. Forwards and swaps	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market related discount curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates, credit and currency basis curves and spot prices	Market interest rates, credit and currency basis curves
Deposits				
Call and non-term deposits	None - the undiscounted amount is used	The undiscounted amount of the deposit is the fair value due to the short term nature of the instruments. These deposits are financial liabilities with a demand feature and the fair value is not less than the amount payable on demand i.e. the undiscounted amount of the deposit.	None - the undiscounted amount approximates fair value and no valuation is performed	Not applicable
Deposits that represent collateral on credit linked notes	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins is used. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs on related advance
Other deposits	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins is used. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs
Other				
Other liabilities and Tier 2 liabilities	Discounted cash flows	The future cash flows are discounted using a market related interest rate.	Market interest rates and curves	Not applicable
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Discounted cash flows	The future cash flows are discounted using a market related interest rate and curves adjusted for credit inputs.	Market interest rates and curves	Credit inputs

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

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

For non-recurring fair value measurements, the fair value hierarchy classification and valuation technique applied in determining fair value will depend on the underlying asset or liability being measured. Where the underlying assets or liabilities are those for which recurring fair value measurements are required as listed in the table above, the technique applied and the inputs into the models would be in line with those as set out in the table. Where the underlying assets or liabilities are not items for which recurring fair value measurements are required, for example property and equipment or intangible assets, the carrying value is considered to be equal to or a reasonable approximation of the fair value. This will be assessed per transaction and details will be provided in the relevant notes. There were no assets or liabilities measured at fair value on a nonrecurring basis in the current and prior period. However, there is a non-recurring fair value transactions in the current year. A building owned by Swabou Investments (Pty) Ltd was classified as asset held for sale at 30 June 2024. The building is subject to the IFRS 5 measurement criteria at fair value less costs to sell and classified as level 1 in the fair value hierarchy.

During the current reporting period there were no changes in the valuation techniques used by the group.

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

December 2024

N$'000	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Recurring fair value measurements				
Investment securities	-	997 296	27 551	1 024 847
Advances	-	19 825	304 602	324 427
Derivative financial instruments	-	392 917	-	392 917
Non-recurring fair value measurements				
Non-current asset held for sale	53 000	-	-	53 000
Total financial assets	**53 000**	**1 410 038**	**332 153**	**1 795 191**
Liabilities				
Recurring fair value measurements				
Short trading position	80 851	-	-	80 851
Derivative financial instruments	-	449 284	-	449 284
Total financial liabilities	**80 851**	**449 284**	**-**	**530 135**

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

December 2023

N$'000	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Recurring fair value measurements				
Investment securities	28 728	484 906	33 053	546 687
Advances	-	16 865	-	16 865
Derivative financial instruments	-	373 217	-	373 217
Total financial assets	**28 728**	**874 988**	**33 053**	**936 769**
Liabilities				
Recurring fair value measurements				
Short trading position	27 432	-	-	27 432
Derivative financial instruments	-	397 983	-	397 983
Total financial liabilities	**27 432**	**397 983**	**-**	**425 415**

June 2024

N$'000	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Recurring fair value measurements				
Investment securities	-	787 846	27 551	815 397
Advances	-	78 954	301 796	380 750
Derivative financial instruments	-	349 809	-	349 809
Non-recurring fair value measurements				
Non-current asset held for sale	53 000	-	-	53 000
Total financial assets	**53 000**	**1 216 609**	**329 347**	**1 598 956**
Liabilities				
Recurring fair value measurements				
Short trading position	34 085	-	-	34 085
Derivative financial instruments	-	430 715	-	430 715
Total financial liabilities	**34 085**	**430 715**	**-**	**464 800**

During the reporting period ending 31 December 2024 (31 December 2023), there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

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

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

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

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

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

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

Changes in the group's best estimate of the non observable inputs (Level 3) could affect the reported fair values recognised on the statement of financial position and the movement in fair values recognised in the statement of comprehensive income. However changing these inputs to reasonably possible alternatives would change the fair value using more positive reasonable assumptions to N$30 million (2023: N$36 million) and using more negative reasonable possible assumptions to N$25 million (2023: N$30 million) for investment securities and positive reasonable assumptions to N$335 million (2023: nil) and using more negative reasonable possible assumptions to N$274 million (2023: nil) for advances. These amounts are based on the assumptions without first tier margins and additional first tier margins respectively.

Condensed notes to the consolidated financial results
for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

Changes in level 3 fair value instruments

31 December 2024

N$000	Fair value on June 2024	Gains or losses recognised in profit or loss	Purchases/ (sales)/ issues/ (settlements)	Fair value on December 2024
Assets				
Advances	301 796	2 806	-	304 602
Investment securities	27 551	-	-	27 551
Total financial assets at fair value	329 347	2 806	-	332 153

31 December 2023

N$000	Fair value on June 2023	Gains or losses recognised in profit or loss	Net purchases/ (sales)/ issues/ (settlements)	Fair value on December 2023
Assets				
Investment securities	37 467	584	(4 998)	33 053
Total financial assets at fair value	37 467	585	(4 998)	33 053

30 June 2024

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

Condensed notes to the consolidated financial results

for the reporting period ended continued

18. Fair value measurements continued

18.2 Fair value hierarchy and measurements continued

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

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

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	2024	2023	2024
	Gains or losses recognised in profit or loss		
Advances	2 806	-	1 796
Investment securities	-	584	2 730
	2 806	584	4 526

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

	December				June	
	2024		2023		2024	
N$'000	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Assets						
Advances at amortised cost	39 027 376	39 639 370	36 471 156	36 561 599	37 364 251	37 438 532
Investment securities at amortised cost	9 331 500	8 789 793	7 989 678	8 098 853	7 845 752	7 906 720
Total	48 358 876	48 429 163	44 460 834	44 660 452	45 210 003	45 345 252
Liabilities						
Deposits	47 880 584	48 138 390	44 925 882	44 866 163	44 672 809	44 816 215
Tier 2 liabilities	503 870	501 471	-	-	-	-
Other liabilities	109 838	107 902	191 138	189 920	128 565	94 065
Total	48 494 292	48 747 763	45 117 020	45 056 083	44 801 374	44 910 280

Condensed notes to the consolidated financial results

for the reporting period ended continued

19. Segment information

Group's chief operating decision maker	Chief executive officer
Identification and measurement of operating segments	Aligned to internal reporting provided to the CEO and reflects the risks and rewards related to the segments' specific products and services offered in their specific markets. Operating segments with total revenue, absolute profit or loss for the period or total assets that constitute 10% or more of all the segments' revenue, profit or loss or total assets are reported separately.
Major customers	The FirstRand group has no major customer as defined (i.e. revenue from the customer exceeds 10% of total revenue) and is, therefore, not reliant on revenue from one or more major customers.

Reportable segments	Products and services
FNB	**Banking** FNB represents FirstRand's activities in the retail and commercial segments in Namibia. FNB offers a diverse set of financial products and services to market segments including retail (personal and private), SMEs, business, agriculture, medium corporate, and public sector entities. FNB's products cover the entire spectrum of financial services - transactional, lending, investment management and savings. Products include mortgage loans and commercial property finance; credit and debit cards (card issuing); personal loans; debtor and leveraged finance; securities-based lending; foreign exchange; funeral, credit life, and savings and investment products. Services include transactional and deposit taking, card-acquiring, credit facilities, trust and fiduciary services, rewards programme, merchant services (card acquiring) and cash management solutions. FNB's distribution channels include the branch network and other physical representation points, ATMs, call centres, an app, cellphone banking (USSD) and online banking. **Non-banking** FNB also represents FirstRand's activities in insurance involving short-term insurance products and policies (FNB short-term Insurance).
RMB	**Banking** RMB represents the group's activities in the corporate and institutional segments in Namibia RMB offers corporate finance, leveraged finance, resource sector solutions, infrastructure sector solutions, real estate finance, debt capital markets, debt trade solutions, sponsor services, corporate broking, loan syndications, coverage, advisory, corporate transactional banking and principal investments. From a markets perspective it offers market making, financial risk management and investment across interest rate, currency, commodity, equity and credit asset classes as well as execution, asset financing, custody and clearing services. **Non-banking** RMB also represents FirstRand's activities in asset management (Ashburton Investments).
Other (including Group Treasury and FCC)	The Centre represents group-wide functions, including Group Treasury, Group Finance, Group Tax, Enterprise Risk Management (ERM), Group Compliance and Group Internal Audit. The reportable segment includes all management accounting and consolidated entries.

Footprint
The group operates within the borders of Namibia and no segment operations are outside Namibia.

Condensed notes to the consolidated financial results
for the reporting period ended continued

19. Segment information continued

	Six months ended 31 December			
	2024			
N$'000	FNB	RMB	FCC and other	Total
Net interest income before impairments of advances	1 289 562	235 939	129 665	1 655 166
Impairment and fair value of credit advances	(263 358)	-	-	(263 358)
Net interest income after impairment of advances	**1 026 204**	**235 939**	**129 665**	**1 391 808**
Non-interest revenue	1 152 676	208 997	(22 273)	1 339 400
Insurance service result*	4 647	-	-	4 647
Income from operations	**2 183 527**	**444 936**	**107 392**	**2 735 855**
Operating expenses	(1 218 193)	(160 890)	(12 634)	(1 391 717)
Net income from operations	**965 334**	**284 046**	**94 758**	**1 344 138**
Indirect tax	(23 772)	(3 583)	(2 577)	(29 932)
Profit for the year before tax	**941 562**	**280 463**	**92 181**	**1 314 206**
Income tax expense	(277 896)	(82 777)	(27 206)	(387 879)
Profit for the year	**663 666**	**197 686**	**64 975**	**926 327**
The income statement include				
Depreciation	61 862	883	75	62 820
Amortisation	4 268	49	6 907	11 224
The statement of financial position include				
Advances	31 152 570	8 199 233	-	39 351 803
Investment securities	135 716	888 342	8 665 047	9 689 105
Non-current assets held for sale	53 000	-	-	53 000
Total assets	36 209 518	9 216 391	17 708 523	63 134 432
Deposits	29 940 644	10 884 747	7 055 193	47 880 584
Total liabilities	34 954 949	8 859 719	12 642 747	56 457 415

* In the current year insurance service results has been disaggregated from non-interest revenue to allow for enhanced disclosure.

Condensed notes to the consolidated financial results

for the reporting period ended continued

19. Segment information continued

	Six months ended 31 December			
	2023			
N$'000	FNB	RMB	FCC and other	Total
Net interest income before impairments of advances	1 185 941	234 353	44 198	1 464 492
Impairment and fair value of credit advances	(191 010)	30	-	(190 980)
Net interest income after impairment of advances	**994 931**	**234 383**	**44 198**	**1 273 512**
Non-interest revenue	1 050 605	184 277	(17 544)	1 217 338
Insurance service result*	6 703	-	-	6 703
Income from operations	**2 052 239**	**418 660**	**26 654**	**2 497 553**
Operating expenses*	(1 132 829)	(147 433)	(6 929)	(1 287 191)
Net income from operations	**919 410**	**271 227**	**19 725**	**1 210 362**
Indirect tax	(20 986)	(2 437)	(2 977)	(26 400)
Profit for the year before tax	**898 424**	**268 790**	**16 748**	**1 183 962**
Income tax expense	(264 006)	(79 247)	(4 937)	(348 190)
Profit for the year	**634 418**	**189 543**	**11 811**	**835 772**
The income statement include				
Depreciation	53 757	1 016	78	54 851
Amortisation	10 604	447	-	11 051
The statement of financial position include				
Advances	30 249 445	6 238 577	-	36 488 022
Investment securities	104 782	441 905	7 698 161	8 244 848
Non-current assets held for sale	-	-	-	-
Total assets	31 730 803	11 294 743	17 802 325	60 831 551
Deposits	25 545 561	12 839 344	6 540 977	44 925 882
Total liabilities	30 539 556	10 949 550	13 496 903	54 994 929

** To align with the IFRS 17 costing framework, for the December 2023 financial year N$24.4 million of operating expenses have been reclassified to insurance service expenses. This reclassification has not impacted the overall profit previously reported. Previously, the insurance service result was reported at N$31.1 million, but after reclassification, it has been adjusted to N$6.7 million. In the current year insurance service results has been disaggregated from non-interest revenue to allow for enhanced disclosure.*

Condensed notes to the consolidated financial results

for the reporting period ended continued

19. Segment information continued

	Year ended 30 June			
	2024			
N$'000	FNB	RMB	FCC and other	Total
Net interest income before impairments of advances	2 480 233	528 464	73 670	3 082 367
Impairment and fair value of credit advances	(425 239)	(331)	-	(425 570)
Net interest income after impairment of advances	**2 054 994**	**528 133**	**73 670**	**2 656 797**
Non-interest revenue	2 114 555	364 924	(37 689)	2 441 790
Insurance service result	20 670	-	-	20 670
Income from operations	**4 190 219**	**893 057**	**35 981**	**5 119 257**
Operating expenses	(2 300 410)	(331 271)	(20 762)	(2 652 443)
Net income from operations	**1 889 809**	**561 786**	**15 219**	**2 466 814**
Indirect tax	(42 793)	(5 478)	(6 778)	(55 049)
Profit for the year before tax	**1 847 016**	**556 308**	**8 441**	**2 411 765**
Income tax expense	(542 561)	(163 210)	(2 476)	(708 247)
Profit for the year	**1 304 455**	**393 098**	**5 965**	**1 703 518**
The income statement include				
Depreciation	110 194	2 147	147	112 488
Amortisation	7 599	2 656	13 815	24 070
The statement of financial position include				
Advances	30 768 196	6 976 805	-	37 745 001
Investment securities	164 061	650 547	7 846 541	8 661 149
Non-current assets held for sale	53 000	-	-	53 000
Total assets	34 917 782	8 746 492	17 129 104	60 793 378
Deposits	27 953 661	10 114 815	6 604 332	44 672 808
Total liabilities	33 000 114	8 116 135	13 445 244	54 561 493

Capital adequacy

Banking Operations - First National Bank of Namibia Limited

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
N$'000	2024	2023	2024
Risk weighted assets			
Credit risk	32 361 083	30 821 346	30 368 874
Market risk	112 128	70 520	109 471
Operational risk	6 845 134	5 984 188	6 394 567
Total risk weighted assets	39 318 345	36 876 054	36 872 912
Regulatory capital			
Share capital and share premium	1 142 792	1 142 792	1 142 792
Retained profits	5 093 044	4 294 445	4 643 681
Other disclosed reserve	4 603	10 913	4 603
Capital impairment*	(59 014)	(63 455)	(59 533)
Total tier 1	6 181 425	5 384 695	5 731 543
Eligible subordinated debt	500 000	-	-
General risk reserve, including portfolio impairment	404 514	385 267	379 611
Current board approved profits	-	-	-
Total tier 2	904 514	385 267	379 611
Total tier 1 and tier 2 capital	7 085 939	5 769 962	6 111 154
Banking group			
Capital adequacy ratios			
Tier 1	15.7%	14.6%	15.6%
Tier 2	2.3%	1.0%	1.0%
Total	18.0%	15.6%	16.6%
Tier 1 leverage ratio	9.2%	8.4%	9.0%

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

Capital adequacy continued

Regulated consolidated group

N$'000	Reviewed Six months ended 31 December 2024	Reviewed Six months ended 31 December 2023	Audited Year ended 30 June 2024
Risk weighted assets			
Credit risk**	32 439 346	30 928 022	30 523 334
Market risk	112 128	70 520	109 471
Operational risk	7 056 382	6 175 088	6 607 014
Total risk weighted assets	**39 607 856**	**37 173 630**	**37 239 819**
Regulatory capital			
Share capital and share premium	282 148	282 148	282 148
Retained profits	6 501 271	5 578 955	6 037 683
Capital impairments*	(93 715)	(112 095)	(101 391)
Total tier 1	**6 689 704**	**5 749 008**	**6 218 440**
Eligible subordinated debt	500 000	-	-
Current board approved profits	-	-	-
General risk reserve, including portfolio impairment	404 627	385 405	379 749
Capital impairments*	(50 582)	(50 707)	(50 831)
Total tier 2	**854 045**	**334 698**	**328 918**
Total tier 1 and tier 2 capital	7 543 749	6 083 706	6 547 358
Consolidated group			
Capital adequacy ratios			
Tier 1	16.9%	15.5%	16.7%
Tier 2	2.2%	0.9%	0.9%
Total	**19.1%**	**16.4%**	**17.6%**
Tier 1 leverage ratio	10.4%	9.5%	10.2%

* *Includes intangible assets, investment in deconsolidated entities and investment in significant minority & majority insurance entities.*
** *June 2024 aligned to final submission.*

Declaration of dividends

Notice is hereby given that a cash dividend of 192.32 cents (number 63) for the six months ended 31 December 2024 was declared on 20 February 2025. The last day to trade shares on a cum dividend basis will be on 20 March 2025 and the first day to trade ex-dividend will be 24 March 2025. The record date will be 28 March 2025 and the payment date 11 April 2025.

Simplified group structure

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

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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		

Corporate information

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