FirstRand
NAMIBIA

building a globally competitive Namibia - providing access to opportunities

2023 ANNUAL INTEGRATED REPORT

Reporting suite

We are committed to reporting transparently to our broad range of stakeholders. For our 2023 financial year (1 July 2022 to 30 June 2023), our reporting suite, which is available at www.firstrandnamibia.com.na consists of our:

- Integrated Report
  Our integrated report is the prime report to our stakeholders. It is designed to show the connection between the inter-reliant elements involved in our value creation.

- Consolidated Annual Financial Statements of FirstRand Namibia Limited group for 30 June 2023. Including FirstRand Namibia Limited (company) Annual Financial Statements for 30 June 2023.

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

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2 At a **glance**

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

3 **Value created** and preserved through **strong governance**

Overview of how our vigorous leadership and standup governance backs the creation and guarding of value while minimising the loss of value.

4 **Our strategy** to create value

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

5 Delivering promises and **creating value**

Assessment of value creation, protection and erosion for stakeholders

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About this **integrated report**

FirstRand Namibia (group) endeavours to include the principle of integrated thinking into our business and finally into our reporting. The objective of this integrated report is to represent the effects of the reciprocal relationships between FirstRand Namibia's strategy, governance, performance, and prospects within the economic, social, and environmental context in which it operates and will illustrate our impact and sustainable value creation. This integrated annual report is our primary report to stakeholders. It is mainly aimed at providers of financial capital, being our shareholders and debt providers; however, it reflects the information requirements of all our stakeholders.

FirstRand NAMIBIA

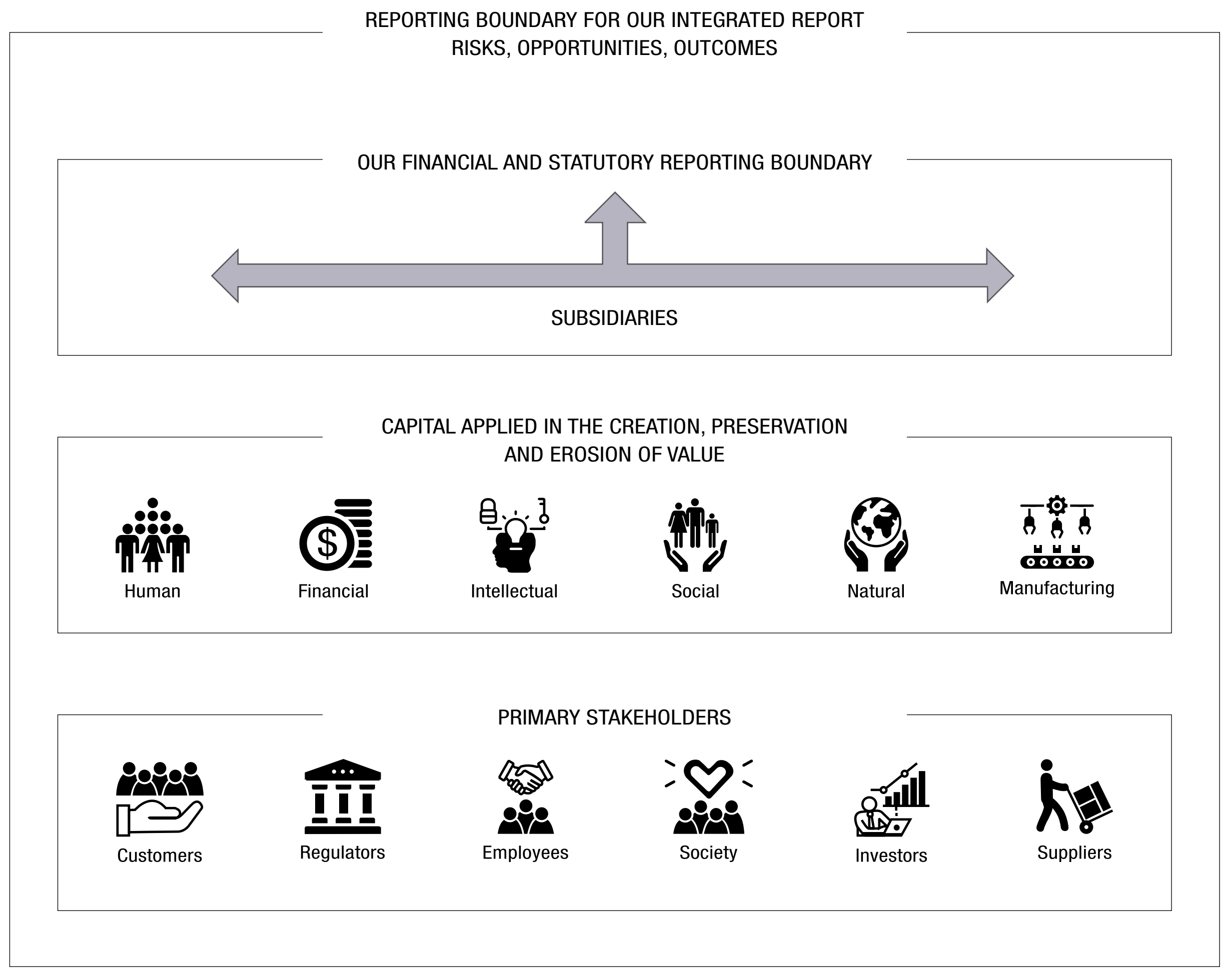
Forward looking statements

The report covers material information relating to the business model, strategy, material issues and related risks and opportunities, and performance for the period 1 July 2022 to 30 June 2023. The integrated report is supplemented by the annual financial statements which are also available on the group's website.

The financial reporting boundary covers the performance of the group's main operating businesses FNB and RMB, which collectively account for 96% of turnover, and focuses on the operations in Namibia where the revenue is generated. The group has 46 branches and also successfully rolled out alternative channels 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 our investors, who are our primary providers of capital, and the broader investment community, while we also acknowledge the role of our customers, employees, suppliers, industry regulators and funding institutions in the process of value creation, preservation and erosion.



About this **integrated report** continued

REPORTING PRINCIPLES

Integrated Annual Report (IAR) A review of the Group's strategy, material issues, risks and opportunities and our operational and financial performance for the period.

Annual Financial Statements (AFS) The audited Group and Company Annual Financial Statements for the FY23 financial year. The report includes our audit, risk and compliance committee and directors' reports.

Our report complies with the following reporting standards and frameworks:

	IAR	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 2 of 1998 as amended (Banking 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).

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While this report is not audited, it contains certain information that has been extracted from the group's audited consolidated annual financial statements, on which an unqualified audit opinion has been expressed by the group's external auditors, Deloitte.

Reporting element	Assurance status and provider
IAR	Reviewed by the directors and management but has not been externally assured.
Financial information	AFS were audited by Deloitte who expressed an unqualified audit opinion thereon.
Employee satisfaction	Engagement survey.
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 drafted 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.

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 objective of this integrated annual report is to provide an accurate, accessible, and balanced overview of the FirstRand Namibia group strategy, performance, and outlook in relation to material economic, financial, social, and environmental and governance issues. It concentrates on items of both a qualitative and quantitative nature that are material to the FirstRand Namibia group's ability to deliver on its strategy. The FirstRand Namibia group defines material issues as those which have the potential to substantially impact our ability to create and sustain value for our stakeholders.

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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 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 <IR> Framework and approved for publication on 23 August 2023.

P Grüttemeyer

C Dempsey

E van Zyl

R Makanjee

IN Nashandi

MJ Lubbe

ON Shikongo

LD Kapere

J Coetzee

LP Smit

2

At a **glance**

Who we are and what we do?

FirstRand
NAMIBIA

Established in 1907, FirstRand Namibia group is the largest financial services group in Namibia with an established presence across the country.

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 innovative, client-centric value propositions delivered through efficient channels and processes in a sorted out and sustainable manner.

our brand promise

FNB - How can we help you?
RMB - Traditional values. Innovative ideas.

FirstRand Namibia's **promises**

always **do the right thing.**

Question behaviours that are inconsistent with our beliefs.

be **deeply invested.**

Care for the business as if it were your own.

build **trust,** not territory.

Create a **culture** of sharing.

value our **differences.**

Continue to build an environment that **values differences**

stay **curious.**

Think differently.

have **courage.**

Nothing limits our imagination like **fear.**

Who we are and what we do? continued

FNB
- retail and commercial banking, also short term insurance

FNB represents FirstRand Namibia's activities in retail and commercial banking as well as short-term insurance in Namibia. It is growing its franchise on the back of a compelling customer offering that provides a broad range of innovative financial services products.

FNB's strategy is to:

- grow and retain core transactional accounts;
- provide market-leading digital platforms to deliver cost-effective and innovative propositions to its customers;
- use its deep customer relationships and sophisticated data analytics to effectively cross-sell and up-sell a broad range of financial services products;
- apply disciplined lending solutions;
- provide innovative savings products to grow its retail deposit franchise; and right-size its physical infrastructure to achieve efficiencies;
- affordable cover that meets your insurance needs.

RMB
- corporate and investment banking

RMB represents FirstRand Namibia's activities in the corporate and investment banking segments. The strategy leverages an entrenched origination franchise, a strong market-making and distribution product offering, and a competitive transactional banking platform to ensure delivery of an integrated corporate and investment banking value proposition to corporate and institutional clients.

FirstRand Namibia
- group-wide functions

Key activities include:
- Treasury and associated risk functions;
- Tax services;
- Financial and regulatory reporting;
- Enterprise risk management;
- Compliance;
- Internal audit.

Pointbreak
- wealth management

Pointbreak Wealth Management offers professional financial advice and investment services and products to suit the unique needs and aspirations of its clients.

Ashburton Investments Namibia
- asset management

Ashburton Investments Namibia aspires to become a leading provider of traditional and alternative asset management solutions.

WesBank Namibia
- vehicle asset finance

WesBank Namibia represents FirstRand Namibia's activities in vehicle asset finance in the retail and commercial segments of Namibia.

Overview of FirstRand Namibia Group

FirstRand Namibia is a portfolio of integrated financial services businesses and offers a universal set of transactional, lending, investment and insurance products and services.

FirstRand Namibia's objective is to build long-term franchise value and deliver superior and sustainable returns within acceptable levels of volatility.

FirstRand Namibia's range of comprehensive products and services, combined with a deep understanding of the customers and communities it serves through a country-wide network of branches and agencies, means it is uniquely positioned to provide financial services to every sector of the Namibian economy.

Deposits

N$ 43 billion

(2022: N$37 billion) ▲
Client savings entrusted to us

Total dividend declared

764.69 (cents)

(2022: 472.84 cents) ▲
The distributions made from profits to shareholders

Headline earnings

N$ 1 558 million

(2022: N$1 269 million) ▲
The profits we make for local and international shareholders

Return on equity

25.5 %

(2022: 21.4%) ▲
The return on capital that shareholders have invested into FirstRand Namibia

Advances

N$ 35 billion

(2022: N$32 billion) ▲
The credit we have extended to our clients

Market capitalisation

N$ 13 billion

(2022: N$8 billion) ▲
The value of FirstRand Namibia as a company listed on the NSX

Employees

2 319

(2022: 2 054) ▲
Our human capital

Tier 1

17.0 %

(2022: 20.2%) ▼
The strength of our balance sheet

Overview of FirstRand Namibia Group continued

What differentiates us?

While financial services have become gradually more commoditised, we have many characteristics that set us apart from our peers. These include the following:

Experienced financial services management

An effective leadership team that creates an enabling and conducive working environment in which our employees can maximise their full potential is non-negotiable and hence leadership development constitutes a key part of our talent curatorship strategy.

Sound risk management

Track record – ECL coverage at 0.58%, in line with pre-Covid-19 levels of 0.69%.

Environmental guardian

Committed to the future of environmental sustainability

Top-tier client satisfaction metrics

Net Promoter Score (NPS) on the scale of: -100 to +100

2023 - Retail: 46 / Commercial: 30
2022 - Retail: 44 / Commercial: 0

Purpose led business

FirstRand Namibia's purpose is to help build a globally competitive Namibia, providing access to opportunities where a future of shared prosperity is created through enriching the lives of its customers, employees and the societies it serves.

Strong balance sheet

To protect against risks – key ratios well above historical levels

Access to the largest banking network in Namibia

strong franchises | A strong Corporate and Investment Bank (RMB), a competitive Retail and Commercial Bank (FNB), that positions us well for future growth.

DO WHAT matters

Largest Banking Network

Branches (including digital service hub) – 46 (2022: 46)
Point of sale devices – 9 149 (2022: 6 972)
ATMs – 213 (2022: 231)
ADTs – 120 (2022: 102)
Cash@Till merchants – 932 (2022: 666)
CashPlus agents – 252 (2022: 177)

Recognition awards:

FNB

2023 PMR Awards:

PMR

Diamond Arrow Award: Business Banking
Diamond Arrow: Digital Banking Services
Golden Arrow: Personal Banking
Golden Arrow: Credit Cards
Golden Arrow: Agriculture

RMB

2023 Best Trade Finance Bank

2023 Best Bank in Namibia

2023 Best Treasury & Cash Management Bank in Namibia

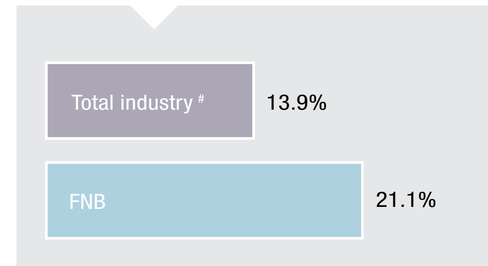
2022 Best Treasury & Cash Management Bank in Namibia

FirstRand Namibia Group - a **domestic, systemic important banking group**

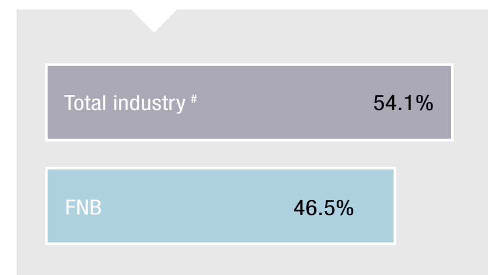
The Namibian banking industry encompasses a broad spectrum of local, regional, as well as **emerging fintechs** and **digital players** providing a diverse, competitive and **well regulated landscape.**

The Namibian banking sector has circa N$111 billion in advances, of which FirstRand Namibia has a 31% share. We have a 34% share of the c. N$125 billion Namibian deposit market, an important indicator of franchise strength. Our N$15 billion total assets under management (AUM) makes FirstRand Namibia one of the key asset managers in Namibia.

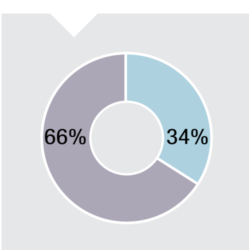
Return on equity (ROE %)



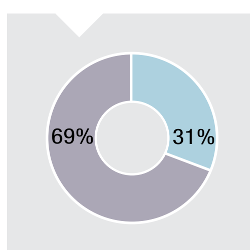
Cost-to-income (CTI %)



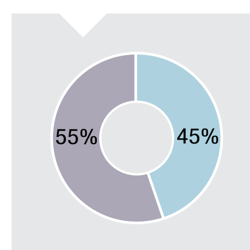
Total assets



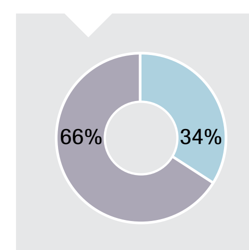
Total advances



Profit after tax



Total deposits



FNB *

Total industry #

* Banking Operations

including FNB

Source: Bank of Namibia Consolidated Returns, March 2023

Our **organisational structure, products** and **services**

Clients

Individuals; micro, small and medium enterprises with revenues < N$10 million; financial institutions; non-governmental organisations and public sector institutions.

Products and services

Comprehensive suite of banking and insurance offerings, including transactional banking, card solutions, lending solutions, deposit-taking, risk management, investment products, and card-acquiring services.

Areas of strengths and differentiation

- One of the largest distribution networks in Namibia
- Fully fletched bank offering with integrated insurance products and a clear focus on customer value management
- Strong brand recognition
- Enhanced digital capabilities
- A stable and growing customer base with improving retention and cross-selling capabilities
- Robust credit and collections capability
- Strong secured lending capabilities
- An engaged and energised workforce

Our organisational structure, products and services continued

Clients

Over 200 corporate relationships across a diversified mix of sectors including mining, energy, retail, manufacturing, business and financial services, public sector and telecoms.

Products and services

Full suite of wholesale banking solutions, including investment banking and corporate lending, global markets and treasury, deposit-taking, and transactional banking.

Areas of strengths and differentiation

- Market leader with strong expertise in corporate advances, advisory and renewable energy financing.
- Market-leading trading franchise with excellent trading and structuring capabilities across all asset classes.
- Leading industry expertise in public sector, mining and resources, infrastructure, retail and telecoms.
- Integrated model, delivering high levels of client service and better coverage.
- Capability to appeal and preserve high-quality intellectual capital.
- Resourceful franchise with excellent service and operational efficiencies.

Our **business model** for value creation

Our business model

Our business model enables us to manage our resources and relationships responsibly to deliver the best outcomes for all our stakeholders.

The availability and quality of our six capital **INPUTS** ...

... enable us to deliver on our strategy ...

OUTPUTS and OUTCOMES ...

Manufactured Capital

Aimed at enhanced service delivery through:

- Easy access to 45 branches, 1 digital service hub, and 9 482 self-service terminals
- Streamlining operational processes for greater efficiency through automation and digitalisation
- Strong internet and mobile banking platforms.

Social Capital

Our commitment to the communities we serve is underlined by:

- Channelling at least 1% of net profit towards our CSR.
- Constructive relationships and on-going dialogue with regulators, governments and other stakeholders.

Human Capital

Empowered by our PROMISES:

- Comprising a diversified workforce of over 2000 employees across the country
- A distinguishable culture that is client- and people-focused, innovative, and strong in compliance and governance
- Spent N$10.3 million on training and skills development to support our strategy (2022: N$8.4 million).

INPUTS

Natural Capital

Our Responsibility as guardians of natural resources considers the direct usage and effect we have on natural resources through our own operations, including energy, water and climate, and our influence through our business undertakings.

Financial Capital

Our resilient capital base, varied sources of deposits and funding from investors and clients are used to fund our clients, by the extension of credit and enabling payments and transactions and to provide a return to shareholders for the capital invested.

Intellectual Capital

Our intangible assets, including brand, value, innovation capacity, knowledge and expertise, as well as strategic partnerships that help us develop our business.

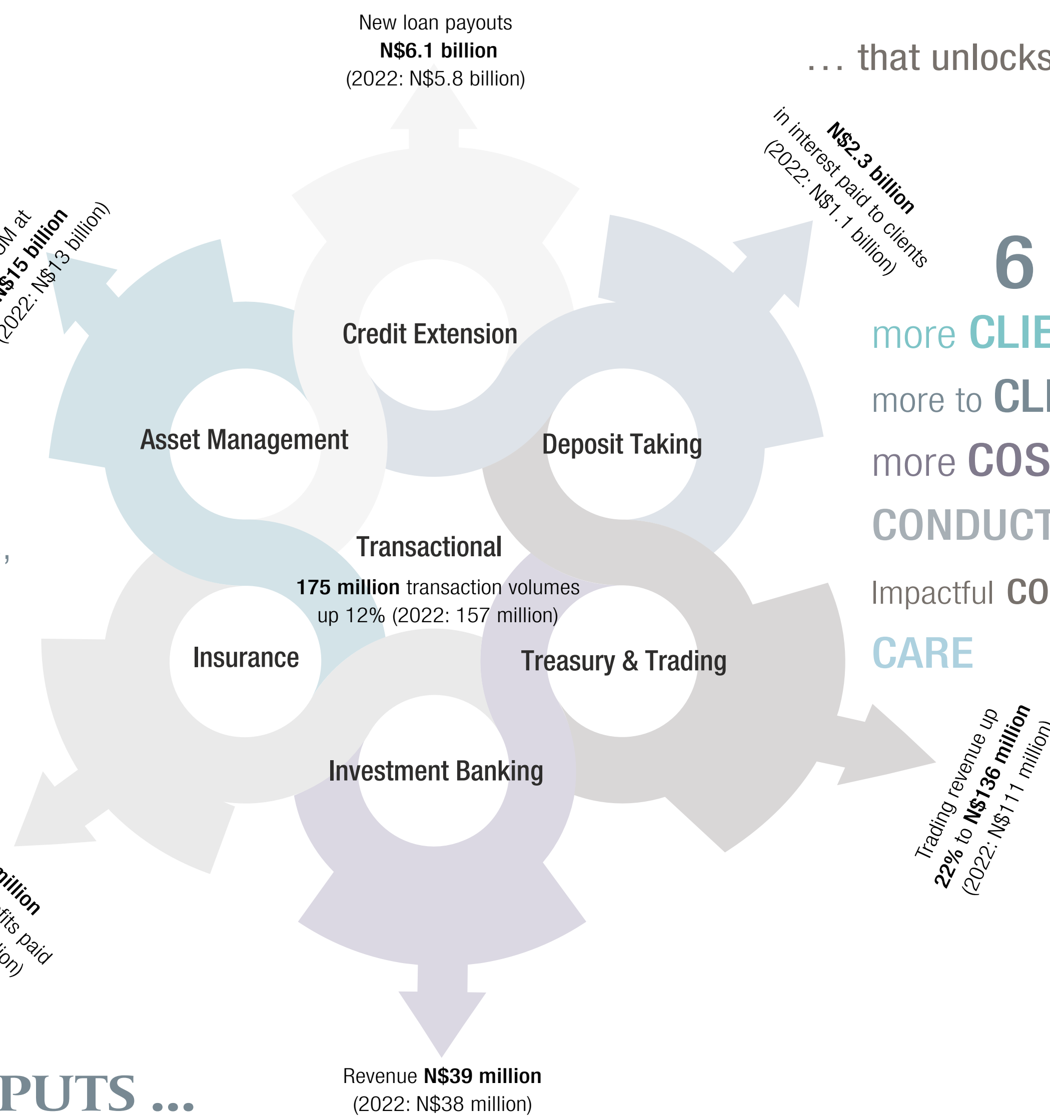
Our **business model** for value creation continued

by enabling business activities …

… that produce purpose-led products and services …

… that unlocks our strategic value ...

Our key activities include banking, insurance, and investment solutions, expanding into non-financial services and solutions over time.



6 Cs

more **CLIENTS**

more to **CLIENTS**

more **COST** efficiently

CONDUCT excellence

Impactful **COMMUNICATION**

CARE

BUSINESS ACTIVITIES
and its **OUTPUTS** ...

Our **business model** for value creation continued

and outcomes ...

... for long-term value for our stakeholders ...

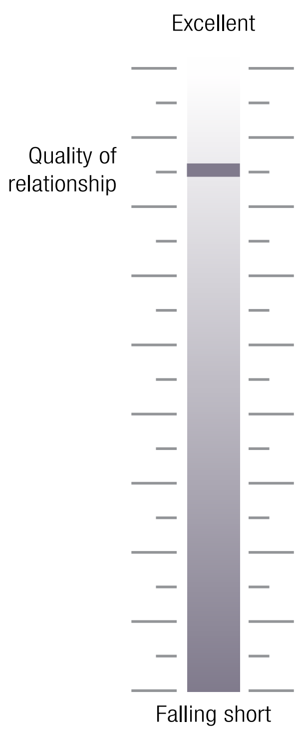
	customers	regulators	employees	society	investors	suppliers
Financial Capital						
√ Equity: N$6 billion (2022: N$6 billion); + 25.5% Return On Equity (2022: 21.4%); + Share price of N$50.39 (2022: N$30.50); + Dividends declared 764.69 cents (2022:472.84 cents).	+	+	+	+	+	+
Social Capital						
+ N$582 million direct and indirect tax paid; √ Compliance with regulatory requirements; √ N$13 million CSI contributions; • 87% localised procurement in Namibia (2022: 89%); + Number of customer complaints 916 (2022: 2 038); + N$85 million disbursed under SME rescue plan of the Bank of Namibia	√	+	+	+	√	√
Manufactured Capital						
+ Technology platform investment N$400 million; + Physical presence: Branches: 46 (covering more than 85% of Namibia), SSD: 333 and point-of-sale devices: 9 149 (2022: 46, 333 and 6 972 respectively); + Digital logins by customers up 6% year-on-year; + FNB app penetration by retail customers at 84% (2022: 81%).	+	√	√	√	√	√
Human Capital						
+ N$1 331 million paid in salaries and benefits; + N$10.3 million invested in training; + 45% women in senior management (2022: 43%); √ 47% black senior management. (2022: 47%).	√	√	+	+	√	√
Natural Capital						
+ All of the green bonds raised have been lent out; 82% on green building financing and 18% on renewable loans; √ Basin water is reused in the toilets, lights switch off at 6PM, motion sensors lights.	+	√	√	+	√	√
Intellectual Capital						
√ Availability of internet and mobile banking; + Refreshed FNB brand; + Recognised most valuable banking brand in the world (FNB).	+	√	+	√	√	√

• value erosion √ value preservation + value creation

Our stakeholders - their needs and expectations

Customers

As a financial services provider, we are genuinely linked to the environment we function in and the communities we serve. Our capability to generate and safeguard value is reliant on our relationship, our actions and the solutions we provide to our stakeholders. By providing for their needs and delivering on their expectations, we create and protect value for our stakeholders and for FirstRand, while finding ways to eliminate value destruction.



To provide solutions that suit their needs, we engage with customers via:

- Digital touchpoints, e.g. FNB App, FNB website, Mobile devices, branches, business centres, self-service terminals;
- Customer contact centers, sales representatives, e.g., Client advisors, relationship managers, personal advisors and client coverage teams;
- Reinforce awareness and education about the alternative banking options provided focusing on cash@till, eWallet@till and CashPlus;
- Social media platforms and Customer satisfaction surveys.

Their needs and expectations

- Quality products that provide value;
- Convenient access to products and services through their channel of choice;
- Better than expected service;
- A risk-free 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 retail banking relationship.

Key objectives and metrics we track

- NPS and client satisfaction ratings;
- Client complaints;
- Impactful solutions that make a difference.

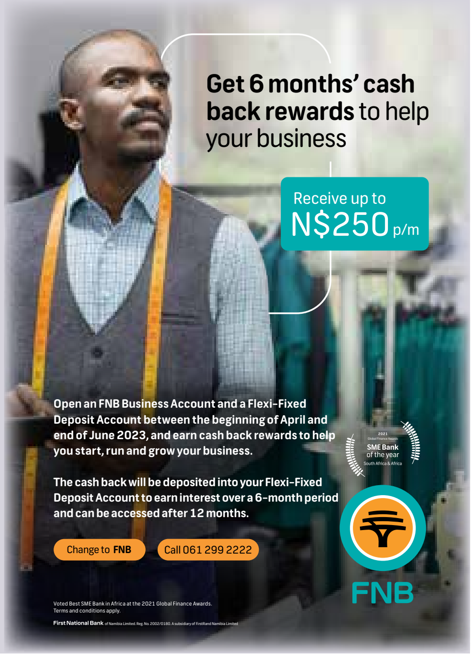
Relevant material matters

- Macroeconomic challenges;
- Digital innovation to meet customer needs;
- Enhancing the customer experience.

Capitals impacted:

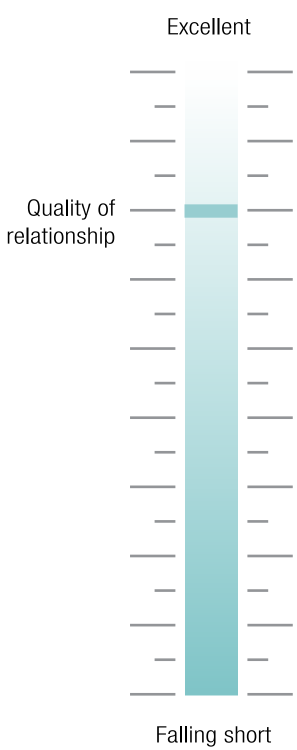
Intellectual

Social



Our stakeholders - their needs and expectations continued

Employees



To remain an employer of choice where employees can have exceptional career experiences, we reviewed and enhanced our Employee Value Proposition to provide additional benefits. As part of our Promises we continue to value our differences, and remain focused on driving employment equity. To understand and cater to our employees' diverse needs, we engage with them via:

- Dialogue sessions with Group EXCO and other engagement initiatives;
- Regular electronic communication as well as virtual channels;
- Feedback platforms.

Their needs and expectations

- 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 investing and supporting environment that embraces diversity and inclusivity.

Key objectives and metrics we track

- A culture that is people- and client-focused and innovative;
- Employee attrition;
- Employee satisfaction metrics;
- A diverse and inclusive employee profile.

Relevant material matters

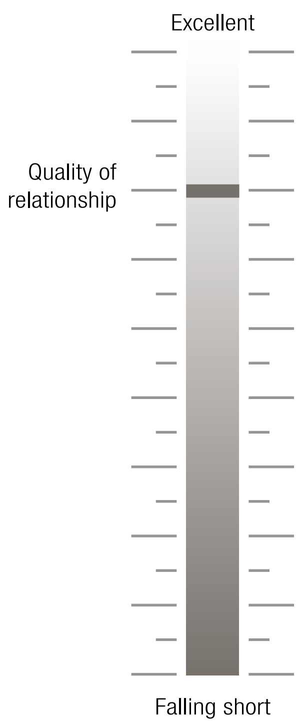
- Embodying sustainability within our workforce;
- Talent attraction, development and engagement;
- Diversity, equity and inclusion;
- Financial inclusion;
- Cyber crime.

Capitals impacted

- Human
- Intellectual
- Social

Our stakeholders - their needs and expectations continued

Regulators



The value of the relationship with our regulators was assessed by taking into account, among other things, our compliance with regulatory requirements and corrective actions where required.

Their needs and expectations

Local regulators:

- Compliance with all legal and regulatory requirements;
- Effective governance;
- Financial and operational stability;
- A responsible taxpayer;
- Transparent reporting and disclosure; and
- Active participation and contribution to industry and regulatory working groups.

International agencies and standard-setters:

- Sustainable and responsible banking practices.

Key objectives and metrics we track

- Financial and non-financial targets met;
- Timeous, regular and transparent reporting;
- Group CAR 17.9% (FY22: 21.2%).

Relevant material matters

- Regulatory constraints related to digital transformation;
- Responsible and ethical banking practices;
- Financial crime prevention.

Capitals impacted

Financial

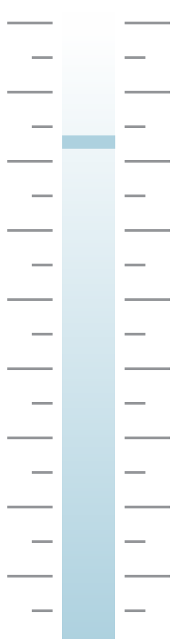
Intellectual

Social

Our stakeholders - their needs and expectations continued

Society

Excellent



Quality of relationship

Falling short

During 2023 we sustained good relationships with the communities within which we operate.

Their needs and expectations

- Providing access to expert financial advice, products and solutions that help to create a positive impact for individuals, their families, their businesses and their communities;
- Using our resources to promote social and environmental issues as well as other common agendas to build a thriving society.

Key objectives and metrics we track

- Supporting inclusive growth by supporting national development objectives and policies;
- CSI contributions aimed at alleviating the impact of economic conditions.

Relevant material matters

- Investing in our communities;
- Managing the environmental impact of our operations;
- Developing sustainability-focused products and services.

Capitals impacted: Human, Intellectual, Social

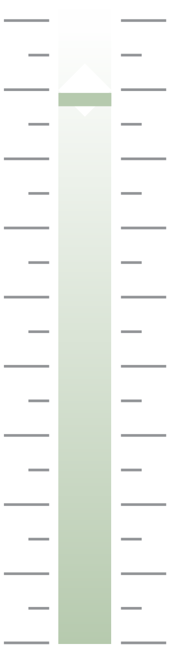
Namibia Economist
Business | Leaders | Connect

AFFORDABLE LAND AND HOUSING DELIVERY BOOSTED BY N$5 MILLION FIRSTRAND NAMIBIA INVESTMENT

Posted by Mandisa Rasmani | Sep 7.2022 | Community and Culture

Our stakeholders - their needs and expectations continued

Investors



The quality of our relationship with the investor community was evaluated in 2023 by considering, amongst others, the benefits to shareholders as a result of an improving financial performance and a promising balance sheet, share price out performance, striking dividend payments, and consummate investor relations.

Their needs and expectations

- Share price increase and a rewarding dividend stream;
- Sustainable growth in earnings, 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.

Key objectives and metrics we track

- NAV per share;
- ROE and cost-to-income ratios;
- Price-to-book ratios;
- Dividends paid and dividend cover;
- Relative share price performance.

Relevant material matters

- Operational and financial resilience;
- Partnerships and acquisitions for future growth;
- Integrated strategy, which is people-led and digitally enabled.

Capitals impacted: Human Intellectual Social

3

Value created and preserved through **strong governance**

Message from our **Chairperson**

Peter Grüttemeyer - Chairperson

Said by the Vice-President at the time of writing at the 2023 US-Africa Business Summit held in July this year, these positive sentiments augur well for Namibia. They certainly resonate with the FirstRand Namibian group's activities over the period under review, and with our ongoing commitment to help build a globally competitive Namibia.

"Namibia is ready to foster regional cooperation and support the sustainable development that will lead to the realisation of our collective plan for transforming Africa into the global powerhouse of the future."

~ Namibian Vice President Dr Nangolo Mbumba, July 2023

Over the past year, the FirstRand Namibia group has continued to increase its shared value activities as the country moved quickly into a post-pandemic optimism. However, a challenging operating environment prevailed as a backdrop to the green shoots we had started to see in the market, and key macro indicators showed little upward movement to merit the optimism at first. At the time of writing, ongoing interest rate hikes and decreasing employment figures continue to negatively impact business growth and individual living standards.

On the investment front, however, Namibia began to see increased investments over the last 12 months, primarily related to mining sector exploration activity, green hydrogen pilot projects and NamPower's renewable energy projects. While in the short to medium term, this heralds the opportunities the Vice President spoke to at the US-Africa Summit, the government's fiscal consolidation programme has kept public capital expenditure subdued.

At the same time, the group has long held the view that Namibia's legal framework policy requires attention to be ready for investor activity. Now that the country has garnered international interest it has never been more important to set the right tone, and access parameters, especially for potential partners and investors, especially when our young country still struggles with skills scarcity in the area of policy development and the legal international experience, and expertise needed, to both capitalise on and protect Namibia's resources.

Message from our **Chairperson** continued

Now, more than ever before, Namibia needs a decisive approach to its national growth strategy. Our government must move quickly and ethically on tough policy decisions. Given the scale and urgency of Namibia's opportunities, all sectors of the economy need to step up as partners and ensure that enablement is embedded throughout the value-chain to ensure the development outcomes to which we all aspire.

In this regard, the government recently and hurriedly pushed through a number of intended enabling laws that has an effect on foreign direct investment, also lowering expectations on its initial NEEEF 25% local ownership requirement for investors. However, there is concern about the level of consultation process on these new laws with private sector, and with limited transparency on these availed to the public for comment.

We understand that government sought to update and enact laws quickly to, amongst others, mitigate the threat of greylisting. This is indeed a necessary action, following this recently noted blow to the South African economy, bringing in turn a threat to all in the region. At the same time, the flurry of summits and conferences with international attendance over the past 6 months certainly also hastened the thinking around ensuring an enabling governance framework to allow for focused networking and subsequent negotiations in the energy sector.

I have no doubt that engaging with the talent and skills already in country, and securing through these, the commitment of international expertise in the new fields of opportunity, will help stabilise the current whirlwind of information gathering and networking and policy development. And it will take strong private and public sector partnerships to help lead Namibia into a clear plan for growth, housed within a useful and tested sustainability framework. The FirstRand Namibia group is certainly well-equipped to be this partner to government, and in ongoing engagements will continue to showcase its expertise and experience, as ready and willing to deliver to the country's globally competitive goals.

Even closer to home for the group, is the dependency on a strong local banking system, and the need for agile, visionary, and enabling engagement with its regulators. Considering that there is no credible plan for Namibia to prosper without the private sector playing a strong role and continuing to support state coffers, all industry stakeholders are obligated to work together for the greater good.

It is clear that economic recovery requires local investment into credit extension, housing, entrepreneurship, financial inclusion, and social upliftment, which in turn requires not only policy development but also political will and on-the-ground enablement.

The board is proud to note the group's leadership in PSCE, extending 63% of the total credit in the market, as well as the bank's leading support of small-medium enterprise development through credit guarantee partnerships, its affordable housing projects with local authorities and NGOs, and its annual commitment to double up on industry norms for CSR investment into communities.

More than only its position as a leading corporate taxpayer in Namibia, the group's commitment to 'doing what matters' brings with it a determination to partner government in its long-term goals, ensuring the issues of national concern, are our concern, too.

How the group fosters and attracts talent to ensure delivery to our local promises, is articulated in our Human Capital strategy, and is well-nurtured across our franchises. The group's drive to unlock opportunities for all, includes our own employees as we continue to extend our employee value proposition year on year, in our ongoing goal to remain an employer of choice.

For their great attitude and approach to living out our promises, the board thanks every employee, every team, every department, and every franchise. Passion, hard work, talent, energy, and delivery are the hallmarks of a strong culture of real care.

I am optimistic about the future. Having recently taken up the position of Chairperson, after three years on the board, I am particularly excited about the level of skills recently appointed as board directors. While this means we are mostly a young board again, the opportunity for skilled, targeted support to the FirstRand executive committee has increased, and I look forward to seeing these new skills applied.

Banks are increasingly subjected to more intrusive regulatory changes that will impact heavily on business models and practices. Although there is some understanding of the objectives of the regulator in this regard, there will undoubtedly be negative and unintended consequences at various levels, ranging from board level to information technology platforms and product offerings in general.

Nevertheless, for this now regulated short-term, I have committed to deliver to the legacy contribution of the past, while working with the energy and vision of our new board going forward. Along with the executive committee, we will continue delivering to our high performing, digitally focused, and future ready vision.

To our various executive committees, the board extends its gratitude for another year well-spent; and joins with our many stakeholders and local and international shareholders, to congratulate you all, and wish you well for the new financial year.

I am convinced that FirstRand Namibia will continue growing its portfolio of multi-branded businesses successfully. Innovative thinking and a solutions mindset, built out of an inclusive shared value commitment, has again stood us in good stead. Best wishes to all who make this happen daily.

P Grüttemeyer
Chairperson

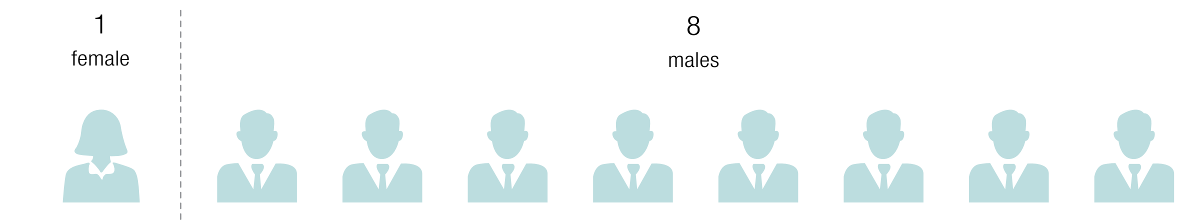
Board profiles, responsibilities and oversight areas

Board of directors

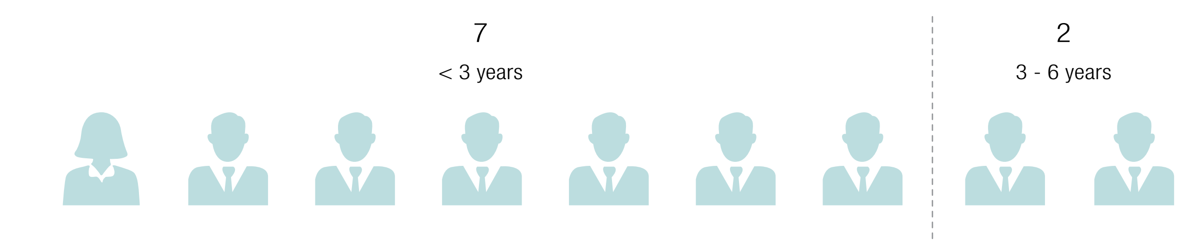
Our directors have profound experience and varied skills, empowering the board to deliver knowledgeable direction, rigorous oversight and liberated questioning in leading integrated thinking in the group. Non-executive directors offer independent and impartial decision-making insight. They positively challenge and monitor executive management's execution of strategy within the authorisation framework and risk landscape agreed by the board.

BOARD COMPOSITION AT 30 JUNE 2023

GENDER

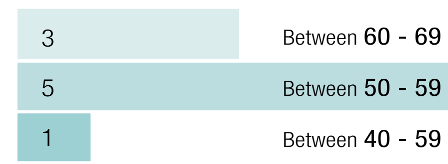


TENURE

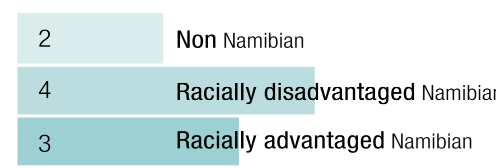


NATIONALITY

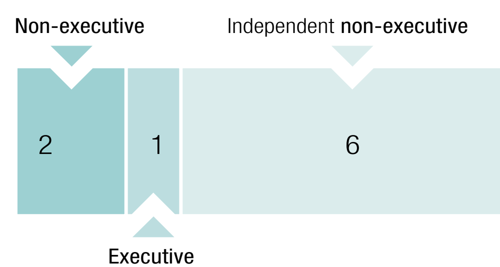
AGE



RACE



INDEPENDENCE



Board profiles, responsibilities and oversight areas continued

PETER GRÜTTEMEYER

(Independent Non-Executive Director)

Appointed: April 2020

Board meeting attendance: **4/4**

Qualifications: CA (NAM) (SA).

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd; First National Bank of Namibia Ltd; Risk, Capital and Compliance Committee; Talent and Remuneration Committee; Directors Governance Committee; FNB Employee Share Incentive Trust.

Other directorships, trusteeships and memberships: Ohlthaver & List Group of Companies; Goreangab Trust; Namibian Lloyds representative.

CONRAD DEMPSEY

(Chief Executive Officer)

Appointed: October 2020

Board meeting attendance: **4/4**

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

FirstRand Namibia 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; FirstRand Namibia Retirement Fund; FirstRand Namibia Foundation Trust.

Other directorships, trusteeships and memberships: Erf Four Nil Nine One Vogelstrand CC; Phillips, Robinson and Associates CC; African Wanderer Tours and Safaris.

OSCAR CAPELAO

(Chief Financial Officer)

Resigned: April 2023

Board meeting attendance: **4/4**

Qualifications: CA (NAM) (SA), Global MBA in Digital Business.

FirstRand Namibia group directorships and trusteeships: FirstRand Namibia Ltd, First National Bank of Namibia Ltd, FNB Short Term Insurance Company Ltd, FNB Staff Assistance Trust.

Other directorships, trusteeships and memberships: Namibian Stock Exchange, Member of the Public Office Bearers (Remuneration and Benefits) Commission (POBC)

Board profiles, responsibilities and oversight areas continued

LIZETTE SMIT

(Chief Financial Officer)

Appointment: July 2023

Board meeting attendance: **n/a**

Qualifications: CA (NAM)

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd; First National Bank of Namibia Ltd; FNB Staff Assistance Trust

CHRISTIAAN **RANGA** HAIKALI

(Independent Non-Executive Director)

Retired: October 2022

Board meeting attendance: **2/2**

Qualifications: BBA (Entrepreneurship)

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd, First National Bank of Namibia Ltd, FNB Insurance Brokers Namibia (Pty) Ltd, Talent and Remuneration Committee, Audit Committee, Directors Governance Committee, Senior Credit Risk Committee

Other directorships, trusteeships and memberships: Inexma Electrical Namibia (Pty) Ltd, Africa Personnel Services, Namibia Stevedoring Services, Hanu Investments, Tulongeni Family Trust, Gecko Holdings and Mining, Namibia Drum and Cladding,Okahandja Sink & Staal (Pty) Ltd, Chappa Ai Investments, Petronam Investments, Namibia Liquid Fuel New Frontiers Investments / Safland Property Services, Mertens Mining and Trading, Ndalonga Investments CC, Morgan Cargo Namibia, Tulonga Investments (Pty) Ltd, Oryx Investments (Pty) Ltd, Frontier Property Trust, PC Centre through Duiker Investments 175 (Pty) Ltd, Tulongeni Strategic Investments (Pty) Ltd, Tulongeni Mining (Pty) Ltd, Tualonga Investments (Pty) Ltd

INGE ZAAMWANI-KAMWI

(Chairperson)

Retired: November 2022

Board meeting attendance: **1/2**

Qualifications: LLB (Honours); LLM

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd, First National Bank of Namibia Ltd, FNB Share Incentive Trust, Directors Governance Committee

Other directorships, trusteeships and memberships: Swakop Uranium (Pty) Ltd, Tungeni Africa Investments (Pty) Ltd, Zantang Investments (Pty) Ltd, Farm Rimini, Feist Investments CC, Namdeb Holdings (Pty) Ltd, Debmarine Namibia Ltd, Tulongeni Strategic Investments (Pty) Ltd, Tulongeni Mining (Pty) Ltd, Tualonga Investments (Pty) Ltd

Board profiles, responsibilities and oversight areas continued

EMILE VAN ZYL

(Independent Non-Executive Director)

Appointed: March 2022

Board meeting attendance: **4/4**

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

FirstRand Namibia group directorships, trusteeships and memberships: First National Bank of Namibia Ltd; FirstRand Namibia Ltd; Talent and Remuneration Committee; Audit Committee; Risk, Capital and Compliance Committee; Senior Credit Risk Committee; Directors Governance Committee; FNB Employee Share Incentive Trust.

Other directorships, trusteeships and memberships: Nammed Investment Committee; Emla Trust; Cornerstone Body Corporate; LI Roans Farming CC.

I-BEN NASHANDI

(Non-Executive Director)

Appointed: January 2019

Board meeting attendance: **4/4**

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

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd; First National Bank of Namibia Ltd; FNB Fiduciary (Namibia) (Pty) Ltd; Social, Ethics and Transformation Committee.

LIBERTHA KAPERE

(Independent Non-Executive Director)

Appointed: December 2022

Board meeting attendance: **2/2**

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

FirstRand Namibia group directorships, trusteeships and memberships: FirstRand Namibia Ltd; First National Bank of Namibia Ltd; Audit Committee.

Other directorships, trusteeships and memberships: Debmarine Namdeb Foundation (Association not for gain); Namibia Evangelical Theological Seminary.

Board profiles, responsibilities and oversight areas continued

JAN COETZEE

(Independent Non-Executive Director)

Appointed: October 2021

Board meeting attendance: **4/4**

Qualifications: Certificate in Concepts of Data Processing; Diploma in Computer Literacy, Microsoft Certified Systems Engineer; COBIT®5 Implementation Approved Trainer; ITIL® Foundation Approved Trainer; Resilia Cyber Security Foundation; Service Desk Institute (SDI).

FirstRand Namibia 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.

Other directorships, trusteeships and memberships: Headway Business Consultants CC; Headway Business Systems CC; Headway Corporate Training CC; Headway Consulting (Pty) Ltd; ISACA Windhoek Chapter.

OTTO SHIKONGO

(Independent Non-Executive Director)

Appointed: February 2023

Board meeting attendance: **2/2**

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

FirstRand Namibia group directorships, trusteeships and memberships: First National Bank of Namibia Ltd; FirstRand Namibia Ltd.

Other directorships, trusteeships and memberships: Namibia Consulting Engineers (Pty) Ltd; Tsothi Investments (Pty) Ltd; Twine Investments (Pty) Ltd; Nitecall (Pty) Ltd; The Nakasole Shikongo Family Trust; Auctioneering Corporation of Namibia; Circuit Investments (Pty) Ltd; Intermix Investments (Pty) Ltd; Acasia Car Rentals (Pty) Ltd; National Petroleum Corporation of Namibia (Pty) Ltd

RAJENDRA MAKANJEE

(Non-Executive Director)

Appointed: August 2022

Board meeting attendance: **4/4**

Qualifications: CA (SA).

FirstRand Namibia group directorships, trusteeships and memberships: First National Bank of Namibia Ltd; FirstRand Namibia Ltd; Talent and Remuneration Committee, Directors Governance Committee.

Other directorships, trusteeships and memberships: Visa Cemea Business Council.

Board profiles, responsibilities and oversight areas continued

MARKUS LUBBE

(Independent Non-Executive Director)

Appointed: February 2023

Board meeting attendance: **2/2**

Qualifications: CA (Nam) (SA).

FirstRand Namibia group directorships, trusteeships and memberships: First National Bank of Namibia Ltd; FirstRand Namibia Ltd; Audit Committee.

Other directorships, trusteeships and memberships: Finkenstein Home Owners Association.

"To set aside one's prejudices, one's present needs, and one's own self interest in making a decision as a director for a company is an intellectual exercise that takes constant practice. In short, intellectual honesty is a journey and not a destination."

\- Mervyn King

Corporate governance report

FirstRand Namibia's overarching governance objective is to ensure that an adequate and effective process of corporate governance is established and maintained, one that is consistent with the nature, size, complexity, and risk inherent to the group and responds to changes in the group's environment and conditions. In addition, hereto, the Directors and management of FirstRand Namibia regard excellence in governance, transparency, fairness, responsibility, and accountability as essential for its long-term sustainability, helping to protect and enhance the interests of its stakeholders. FirstRand Namibia is committed to and accepts responsibility for applying these principles and objectives to ensure that the FirstRand Namibia Group is managed ethically within prudent risk parameters.

Corporate governance can be defined as an ethically driven business process that is committed to values aimed at enhancing an organisation's wealth generating capacity. This concept further means that companies are no longer profit driven but that they take the Triple P bottom line into action (Profit, Planet and People). In conducting business FirstRand Namibia ensures that good corporate governance is at the forefront, by taking ethical business decisions and conducting our business with a firm commitment to our values, while meeting stakeholders' expectations and by ensuring that our company affairs are always managed in a fair and transparent manner. This is imperative in ensuring that we gain and retain the trust of our stakeholders.

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 Government Gazette No. 139, the group supported and continues to apply the principles of The Corporate Governance Code of Namibia (NamCode).

The FirstRand Namibia Group's main business is diversified into banking and non-banking financial services. FirstRand Namibia is the duly registered controlling company of First National Bank of Namibia Limited pursuant to the Banking Institutions Act No. 2 of 1998, as amended. Additionally, FirstRand Namibia is listed on the NSX, and complies with the Stock Exchanges Control Act No. 1 of 1985, the NamCode, and the NSX Listings Requirements. As a response to protect value and as the custodian of corporate governance, the group has developed and complies with programmes, frameworks, policies, and standards which allow the company to maintain its value across the Board and in the society, including responsibility towards our stakeholders.

The short-term insurance, insurance brokerage, unit trusts, fund management, and asset management businesses are regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA) according to the existing applicable legislative instruments. These legislative instruments will be affected by the commencement of the Financial Institutions and Markets Act No. 2 of 2021. This is expected to come into operation and will consolidate and harmonise the laws regulating financial institutions, financial intermediaries, and financial markets in Namibia; and to provide for incidental matters. The Directors of FirstRand Namibia Limited ensure compliance with all applicable legislation and other industry best practices.

The three key aspects of the NamCode are highlighted as good governance being essentially about good leadership; the concept of corporate citizenship which flows from the fact that a company is a person and should operate in a sustainable manner and; that sustainability is the primary moral and economic imperative of the 21st century. FirstRand Namibia, in subscribing to the NamCode, ensures that all its decisions are influenced by ongoing evolvement of corporate governance standards.

We believe that 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 Board of Directors is at the core of our corporate governance practices and oversees how Management serves and protects 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. During the financial year the following training topics were covered:

- Compliance Training (including Regulatory Risk, Financial Crime, Ethics and Conduct, Data Privacy, Anti-Bribery and Corruption);
- Information Governance;
- Information Management;
- Access to Information Act;
- The Electronic Communications Transaction Act;
- Restrictive Business Practices in terms of Competition legislation; and
- Managing Interest Rate Risk in the Banking Book (IRRBB) and liquidity risk management.

During the financial year, and in line with the business strategy, the company adopted and renewed several frameworks, policies, standards, and charters relating to capital management, corporate governance, climate risk, information technology, various sub-committee charters, anti-bribery and corruption and all related matters.

CHIEF EXECUTIVE OFFICER

Conrad Dempsey was appointed as the Chief Executive Officer of FirstRand Namibia Limited and First National Bank of Namibia Limited by the respective boards on 01 October 2020 and 20 October 2020 respectively, where he also serves on the two boards 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.

Corporate governance report continued

GROUP COMPANY SECRETARY

Nelago Makemba was appointed as the Group Company Secretary of FirstRand Namibia Limited in May 2015. She is ultimately responsible for the FirstRand Namibia Limited Company and 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. The appointment and removal of the company secretary is a matter of the board. The Board is satisfied with the services provided by the Company Secretary in ensuring that the needs of the Boards are met.

COMPOSITION OF BOARD AND DEMOGRAPHICS

As at 30 June 2023, FirstRand Namibia Limited had a unitary board of nine directors with majority being independent non-executive directors. In complying with good corporate governance principles, FirstRand Namibia ensures that the Chairperson of the Board is an independent non-executive director and that the role of the Chief Executive Officer is separate from the role of the Chairperson as required by the NamCode and the relevant Banking Determination. The Board further conforms to the board composition as laid out therein, which requires that the board comprises a balance of power, with majority directors being non-executive directors and further that the majority of those non-executive directors be independent.

FirstRand Namibia Ltd Board

Record of Attendance

Director Name	FirstRand Namibia Ltd Board		Board Strategy Session		Directors Training		Directors Induction	
Number of Meetings/Training Sessions	4	%	1	%	4	%	1	%
Independent Non-Executive Directors								
II Zaamwani [1]	1/2	50	N/A	N/A	0/1	0	N/A	N/A
CLR Haikali [2]	2/2	100	N/A	N/A	N/A	N/A	N/A	N/A
P Grüttemeyer [3]	4/4	100	1/1	100	4/4	100	N/A	N/A
J Coetzee	4/4	100	1/1	100	3/4	75	N/A	N/A
E van Zyl	4/4	100	1/1	100	4/4	100	N/A	N/A
MJ Lubbe [4]	2/2	100	1/1	100	3/3	100	1/1	100
LD Kapere [5]	2/2	100	1/1	100	3/3	100	1/1	100
ON Shikongo [6]	2/2	100	1/1	100	3/3	100	1/1	100
Non-Executive Directors								
IN Nashandi	4/4	100	1/1	100	1/4	25	N/A	N/A
R Makanjee [7]	4/4	100	1/1	100	1/4	25	N/A	N/A
Executive Directors								
C Dempsey	4/4	100	1/1	100	4/4	100	N/A	N/A
OLP Capelao [8]	4/4	100	1/1	100	2/2	100	N/A	N/A

Notes:

[1] Retired 30 November 2022
[2] Retired 20 October 2022
[3] Appointed as Board Chairperson 1 December 2022
[4] Appointed 1 February 2023
[5] Appointed 1 December 2022
[6] Appointed 1 February 2023
[7] Appointed 1 August 2022
[8] Resigned 28 April 2023

Corporate governance report continued

KEY BOARD DISCUSSIONS

Besides the standing agenda items, such as detailed feedback from the Chief Executive, the Chairs of board committees on the committee deliberations, comprehensive submissions were received from the segment heads. In addition, the Chief Financial Officer presented the financial results at regular intervals.

The committee discharged its duties during the financial year:			
August 2022	October 2022	February 2023	April 2023

- **Approved** the Integrated Annual Report 2022.
- **Approved** the Annual Financial Statements 30 June 2022.
- **Approved** the Consolidated Financial Results for Interim Period 31 December 2022.
- **Resolved** to declare a final and interim dividend.
- **Approved** the release of the Stock Exchange News Service announcements relating to the availability of the interim and annual financial results.
- **Considered** and **approved** the release of Trading Statements in compliance with the Namibian Stock Exchange Listing Requirements.
- **Noted** the quarterly Intragroup Return in terms of Consolidated Supervision BCR 009.
- **Approved** Board Sub-Committee Charters.
- **Discussed** the proposed changes emanating from Bank of Namibia Determination 1 (BID-1).
- **Noted** the results of the annual Independence Assessment of non-executive directors.
- **Approved** the FirstRand Namibia Ltd Houseview.
- **Approved** Board Sub-Committee Charter(s).
- **Noted** the retirement and resignation of Directors.
- **Discussed** the Annual FirstRand Namibia Foundation Corporate Social Investment Report.
- **Approved** the rotation of External Auditors Deloitte & Touche with Ernst & Young Namibia for the 2024 FY.
- **Noted** the director recruitment and Board succession update.
- **Approved** the Internal Capital Adequacy Assessment (ICAAP).
- **Noted** various frameworks, policies, standards, and related documents, which were approved at the relevant governance forums.
- **Approved** the re-election of the Board Chairperson for the 2023 calendar year.
- **Approved** the appointment of Directors.
- **Approved** the Macroeconomic Scenarios.
- **Interrogated** and **approved** the Board Budget and Strategy Plan for the 2024 Financial Year.

Audit committee report

The Audit Committee assists the Board in fulfilling its oversight responsibilities in areas such as financial reporting, internal control systems, internal and external audit functions. 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 as necessary. The Committee is constituted as a statutory committee of the Board in respect of its duties. The objectives and functions of the Committee are detailed in its Charter.

The independence of the Audit Committee is paramount and thus is comprised of 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 included below:

Expertise and Adequacy of Finance Function

The Committee received and deliberated on the expertise, resources, and experience of the Company's finance function. The Committee confirmed satisfaction with the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function. The finance function follows the group structure in that each segment / brand has its own finance team reporting to the respective Executive Officers of the segment or support unit head.

The Committee opined and confirmed that they are satisfied that the newly appointed Group Chief Financial Officer and Executive Director. L Smit possesses the appropriate expertise and experience to perform her duties as the Chief Financial Officer following the resignation of OLP Capelao as Group Chief Financial Officer and Executive Director of the group, effective 28 April 2023.

Expertise and Adequacy of the 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 Limited and its subsidiaries. Group Internal Audit's purpose is to be a proactive business partner, providing integrated, risk-based, objective assurance, insight and related advisory services. The Internal Audit 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).

Member	Meeting attendance		Special Meeting		Appointment / resignation date
Number of meetings (% attendance)	4	%	1	%	
E van Zyl (Chair)	4/4	100	1/1	100	Appointed 06 April 2022
MJ Lubbe	2/2	100	1/1	100	Appointed 07 February 2023
LD Kapere	1/1	100	1/1	100	Appointed 14 March 2023
P Grüttemeyer	3/3	100	N/A	N/A	Resigned 07 February 2023
CLR Haikali	2/2	100	N/A	N/A	Retired 20 October 2022

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 for independent assurance. Group Internal Audit continually engages with combined assurance role players to obtain insights into business strategies and to ensure integration, coordination and alignment of assurance activities to maintain sufficient coverage of high-risk areas over the three lines of defence.

Group Internal Audit is headed by the Chief Audit Executive Silvia Rosado appointed on 17 July 2023 who reports administratively to the Chief Executive Officer and has unrestricted access to the Audit Committee Chairperson. 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 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 on weaknesses in controls that were identified, including financial controls, and considered corrective actions to be implemented by management.

External Audit Function

The Audit Committee has satisfied itself as to the performance and quality of the external audit and that the external auditors and lead partners were independent from the group. The Audit Committee confirmed satisfaction with the efficacy and independence of the independent auditor, Deloitte & Touche, who performed the audit for the financial year and further confirms that the appointment of Deloitte & Touche, together with that of the designated individual audit partner, was assessed in accordance with the NSX Listings Requirement, the Banking Institutions Act, 1998, and the Companies Act, 2004.

Audit committee report continued

External Audit Function continued

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 year ended June 2023.

The Committee has reviewed a documented assessment including key assumptions, prepared by management by 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 has recommended the entire Integrated Report to the Board for approval. 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, 1998, as amended. The Audit Committee confirms that the Company has established appropriate financial reporting procedures and that those procedures are operating.

Rotation of External Auditors

The Committee recommended for approval the appointment of Ernst & Young Namibia (EY Namibia) as the successful Audit Firm to replace Deloitte & Touche for the Financial Year 2024.

The application in terms of the Banking Institutions Determination-10 (BID-10) has been made and approved by the Bank of Namibia. The audit firm EY Namibia will be proposed to the shareholders at the upcoming Annual General Meeting for approval to be the group's auditors for the 2024 financial year.

The Audit Committee discharged its duties by, inter alia, complying with its legal and regulatory responsibilities, as well as:

August 2022	October 2022	February 2023	April 2023

- 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;
- Reviewing and approving the Audit Committee Charter;
- Reviewing legal and compliance matters that could have a significant impact on the Annual Financial Statements;
- Confirming and monitoring the internal audit process and assessing the effectiveness of the internal audit function;
- Reviewing the quality, independence and cost-effectiveness of the statutory audit and non-audit engagements;
- 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 from the previous Chief Audit Executive;
- Recommending the appointment of external auditors, who in the opinion of the Committee are independent of the Company, for approval by shareholders at the Annual General Meeting;
- Approving the remuneration of the external auditors and assessment of their performance;
- Performing an annual assessment of the independence of the external auditors;
- Setting the principles for recommending the use of external auditors for non-audit services;
- Advising and updating the board on issues ranging from accounting standards to published financial information;
- Providing independent oversight of the integrity of the Annual Financial Statements and other external reports issued and recommending the Annual Integrated Report to the Board for approval;
- Assessing combined assurance from the external auditors, internal auditors and management ensuring that the combined assurance received is adequate to address all material risks;
- Approving the appointment of the external auditors and recommending appointment to the Board for final approval;
- Approving the rotation of the external auditors and the process to be followed in appointing the incoming External Auditors; and
- Assessing the expertise, resources and experience of the Chief Financial Officer and finance function.

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 2023 financial year end.

E van Zyl
Chairperson

Risk, Capital and **Compliance** Committee (RCCC) report

The Risk, Capital and Compliance Committee's overall functions are to assist the FirstRand Namibia Group with discharging its responsibilities in terms of the management of risk, capital and compliance across FirstRand Namibia Group and subsidiaries. The committee oversees compliance of existing applicable legislative instruments and the global best practice guidelines applicable to the industry in which it operates.

The composition and attendance of the Committee is as follows:

Member	Meeting attendance		Appointment / resignation date
Number of Meetings / % Attendance	4	%	
J Coetzee (Chair)	4/4	100	Appointed 09 February 2022
P Grüttemeyer	4/4	100	Appointed 19 August 2020
E van Zyl	3/3	100	Appointed 19 October 2022

The committee discharged its duties during the financial year by:

August 2022	October 2022	February 2023	April 2023

- Approving Group frameworks, policies and process documents;
- Continuously reviewing the risk management progress and maturity of the company, the effectiveness of risk management activities, the key risks facing the company, and the responses to address key risks this included monitoring the risk management process;
- Monitoring, on an ongoing basis, and approving the overall effectiveness of the processes relating to corporate governance, internal controls, risk management, capital management and capital adequacy, capital targets, market risk and trading limits, and thresholds;
- Monitoring the various risks found within the enterprise risk management risks, being, strategic risk, capital risk, accounting and tax risk, market risk in the trading book, market risk in the banking book, liquidity risk, people risk, information technology risk, reputation risk, and credit risk;
- Ensure that the various risk types are adequately addressed through the risk management, monitoring and assurance processes;
- Reviewing the environmental and social risks, potential impact thereof and ensuring the Group aligns to on-going international best standards;
- Discussing the Compliance Strategy and approving the Compliance Annual Resource Adequacy Check;
- Aligning the Group's strategy to the risk appetite of the Group to ensure adequate performance and sustainability of the Group, the Committee ensures that business plans and the risks are thoroughly examined before decisions are made;
- Executing the requirements as provided in the Business Performance and Risk Management Framework, the Regulatory Risk Management Framework, the Internal Capital Adequacy Assessment Process (ICAAP), Liquidity Management and all related Frameworks by the Committee;
- Monitoring the implementation of Tax Framework and the management of tax risks across the Group by monitoring the risk exposures and the effectiveness of Tax Risk Management;
- Discussing the Internal Financial Control Assessment which ensures that management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide assurance regarding the reliability of the financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act;
- Approving, including monitoring the progress of the Regulatory and Conduct Risk Management Monitoring Plan and the Regulatory Risk Universe and Monitoring Plan;
- Forming part of the Liquidity simulation activities held in terms of BID-6 and all the processes that emanated from the plan, the simulation examined the appropriateness of the Group's liquidity risk assumptions and analysis; and
- Discussing matters received from the various sub-committees. Where necessary, the committee, noted/approved and escalated matters to FirstRand Namibia Ltd Board for noting/approval.

J Coetzee
Chairperson

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 overall 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

REMCO 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 two times during the 2023 financial year. Attendance of meetings held during the financial year are as follows:

Member	Meeting attendance		Appointment / resignation date
Number of meetings/ % attendance	2	%	
CLR Haikali (Chair)	1/1	100%	Retired 20 October 2022
P Grüttemeyer	2/2	100%	Appointed 07 April 2021
E van Zyl (Chair)	2/2	100%	Appointed 06 April 2022
R Makanjee	1/1	100%	Appointed 12 April 2023

3. REMUNERATION PHILOSOPHY

The group's remuneration philosophy is based on FirstRand founders long-held 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 developed 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 FirstRand 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 current economic environment.

Retirement contribution

All employees are contractually obliged to contribute to the FirstRand Namibia Retirement 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 maximising investment returns and minimising 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 the employer nominated fund. 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 during objectives and strategic priorities.

The STI pool for managerial employees of FirstRand Namibia Group is determined by FirstRand SA 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 such performance measures 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.

Pool determination

Individual short-term incentive awards up to N$650 000 are paid in full in August while those in excess of N$650 000 up to N$2 million are paid out in three tranches, providing for a 6-months and 12-months 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.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Pool determination continued

FirstRand Namibia pool determination

Financial measures

- Top-down: group performance (including earnings and NIACC over the business cycle), industry benchmarking

−

Downward adjustments

- Risk assessment with penalties for risk and compliance events

+

Non-financial measures

- diversification and quality of earnings;
- execution on strategic objectives;
- risk and control measures; and
- ESG measures, e.g. organisational culture, transformation, climate.

=

STI % rate applied to pre-tax profit to determine the FirstRand Namibia pool

Long-Term Incentive (LTI) Scheme

The group operates a Long-Term Incentive (LTI) Scheme which seek 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) in South Africa is utilized to achieve these objectives.

The total LTI award pool for the group is approved annually by the FirstRand 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 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 CIP 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.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

FirstRand 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 group strategic intent, the CIP is linked to the performance of the FirstRand SA share price (applicable to qualifying employees). For all qualifying employees, 100% of the award has the FirstRand share price as the underlying 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 a 3 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.

Employees who are dismissed are not deemed "good leavers" and as such, unvested awards are forfeited.

Corporate performance targets (CPT)

The FirstRand remuneration committee sets the CPTs for each award based on expected macroeconomic conditions, group earnings and returns forecasts over the performance period. These criteria vary from year to year, depending on the expectations for each of the aforementioned variables. For vesting to occur, the criteria must be met or exceeded. If the performance conditions are not met, the award fails. The awards have a graded vesting structure. The level of vesting is correlated to the earnings growth achieved relative to macroeconomic variables or set normalised earnings per share growth targets and minimum return on equity 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 pre-determined 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. 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.

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

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Expired schemes

2019 (Did not vest at the vesting date of September 2022) – The vesting conditions of the 2019 award are set out below, with the apportionment to vesting without conditions described below.

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 with the group and the remaining 50% of the award remains 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 super stretch target with linear grading correlated to normalised earnings per share growth between targets. If the minimum ROE and normalised earnings per share growth conditions are met, vesting will commence at 70% and if these are not met the award will lapse.

	Performance conditions		
	Vesting level should both conditions be met	ROE target (average over the 3-year performance period) *	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 performance period from the base year end, being 30 June 2019, as set out for each vesting level indicated below:
Minimum vesting, below which the award lapses	70%	≥ 20%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI
On target performance	100%	≥ 20.5%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 1.5% to <3%
Stretch target	120%	≥ 21%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus >5% to <7%
Super stretch target	120.1 to 150% (maximum vesting)	≥ 22%	Cumulative normalised earnings per share growth rate over 3 years of real GDP growth plus CPI plus 7% to 10%

* The ROE calculation is based on net asset value (NAV) taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or changes in volatile reserves.

** The event that the three-year compound annual growth rate (CAGR) of real GDP is negative, CPI will be referenced.

Linear vesting applies between each vesting level based on the achieved normalised earnings per share growth rate. The lower of the outcome based on the ROE or the outcome based on earnings growth will apply.

During the prior year, it was determined that the group failed to achieve the minimum ROE requirement over the performance period and Remco notified qualifying employees that the awards with market vesting conditions would consequently not vest. This has been included in the forfeiture awards for the prior year. For employees with 50% of the award subject only to continued employment, that portion of the award vested if the employee was still in the employment of the group.

Currently open

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 earnings per share growth between targets. If the minimum conditions are met, vesting will commence at 70% and if these are not met, the award will lapse. Remco has the right to adjust the vesting level down by up to 20% if material negative outcomes for the business occur that are within management control.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

2020 (Vesting date in September 2023) – continued
Examples would include:

- Issues that materially damaged the group's businesses, including its reputation;
- Material enterprise-wide risk and control issues, as recommended 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 earnings per share 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.

	Performance conditions	
Vesting level *	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. net income after capital charge (NIACC) positive	Grading based on minimum compound annual growth rate (CAGR) 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 for the higher vesting level, the vesting outcome will be constrained to the outcome relative to the ROE target even if the earnings growth outcome could result in higher vesting outcomes.

2021 (Vesting date in September 2024) – From 2021, all CIP awards have performance conditions applied to 100% of the award. The group implemented a DIP without performance conditions for certain employees and no longer issues CIP awards with only employment as a condition for vesting. 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 up to 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 the adherence to the liquidity and capital management strategies in place; and
- Lack of compliance over the three-year period with the group's climate roadmap.

The following table 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 is assessed. Both performance conditions must be met for vesting to occur.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

2021 (Vesting date in September 2024) – continued

		Performance conditions	
	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 2021, 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 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 ≥ 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.

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 down by up to 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 the adherence to the liquidity and capital management strategies in place; and
- Lack of compliance over the three-year period with the group's climate roadmap.

The following table 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 is assessed. Both performance conditions must be met for vesting to occur.

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

2022 (Vesting date in September 2025) - continued

		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.

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 shares)	
	2023	2022
Award life (years)	2 - 4	2 - 3
Risk-free rate (%)	8.58 - 9.45	5.03 - 8.44

	Conditional and deferred incentive plans (FirstRand shares)	
Share awards outstanding	**2023**	2022
Number of awards in force at the beginning of the year (millions)	2.242	1.828
Number of awards granted during the year (millions)	0.724	0.843
Number of awards transferred (within the group) during the year (millions)	(0.018)	(0.012)
Number of awards exercised/released during the year (millions)	(0.239)	(0.034)
- Market value range at date of exercise/release (cents) *	6 208 - 6 208	6 139 - 6 139
- Weighted average (cents)	6 208	6 139
Number of awards forfeited during the year (millions) **	(0.063)	(0.383)
Number of awards in force at the end of the year (millions)	**2.646**	**2.242**

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Currently open continued

	Conditional and deferred incentive plan (FirstRand shares)			
	2023		2022	
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.

** Scheme vesting during 2022 (i.e., the 2019 award) failed to vest due to the performance conditions attached to the scheme not being achieved.

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

For the most part, the group delivered on this strategy. Earnings recovered faster than expected, with ROE and NIACC improving strongly. The group's Tier 1 ratio increased to 17.0% (2022: 20.2%) and the group is in a position to pay a full-year dividend at the bottom end of its cover range.

A key focus for the group has been restoring the previous high watermark of earnings achieved in 2019. The progress in this period has taken us closer to it than we expected at the start. This reflects the quality of the group's portfolio, the strength of its customer franchise and its ability to benefit from the economic rebound that is taking place.

Key financial performance metrics for the year ended 30 June 2023 and the executive directors' remuneration. The committee believes that this increase and the underlying remuneration mix detailed in this report, is consistent with the group's remuneration governance framework.

The group understands that CIPs are a valuable long-term incentive tool for retaining its best and most promising talent and acknowledges that the reason the performance conditions were not met is completely outside of the control of the group.

Therefore, similar to the retention measures implemented in 2022, the remuneration committee has approved that discretionary payments for eligible employees will be considered during the annual salary review. Employees who are allocated a retention payment will be informed in the 2023 annual salary review letter.

	ROE (%)	NIACC (N$million)	NAV growth (%)	Dividends per share growth (%)	Headline earnings growth (%)
2023	25.5%	N$669	(4.8%)	62%	23%
2022	21.4%	N$413	10.3%	100%	24%

What retention measures are being considered?

The reduction in earnings impacted all outstanding LTIs (i.e. the 2018 and 2019 LTI awards) which presents a potential talent retention risk. Remco considered the risk of failed multiple year awards and therefore implemented a specific retention scheme (COVID-19 instrument) for certain senior and top management, as follows:

- For senior employees, including the FirstRand Namibia executive directors and prescribed officers, the retention condition is for three years (rolling every 12 months) in the form of an LTI with only timebased vesting and no performance conditions;
- This retention instrument was awarded in September 2020. The value will be converted to a FirstRand LTI on the award date and will vest in equal proportions (tranches) over the three years (September 2021, 2022 and 2023); and
- Should an employee who receives this award resign within 12 months of a tranche of the award vesting, they will be required to repay the full amount of the vested tranche. Thereby the instrument represents a retention period of up to four years.

In order to align better with market practices for share awards, FirstRand introduced three types of vesting conditions for the 2021 CIP (share) awards. Employees receiving a share award will be allocated into one of the three categories based on the role that they fulfil:

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

4. REMUNERATION POLICY AND STRUCTURES 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.

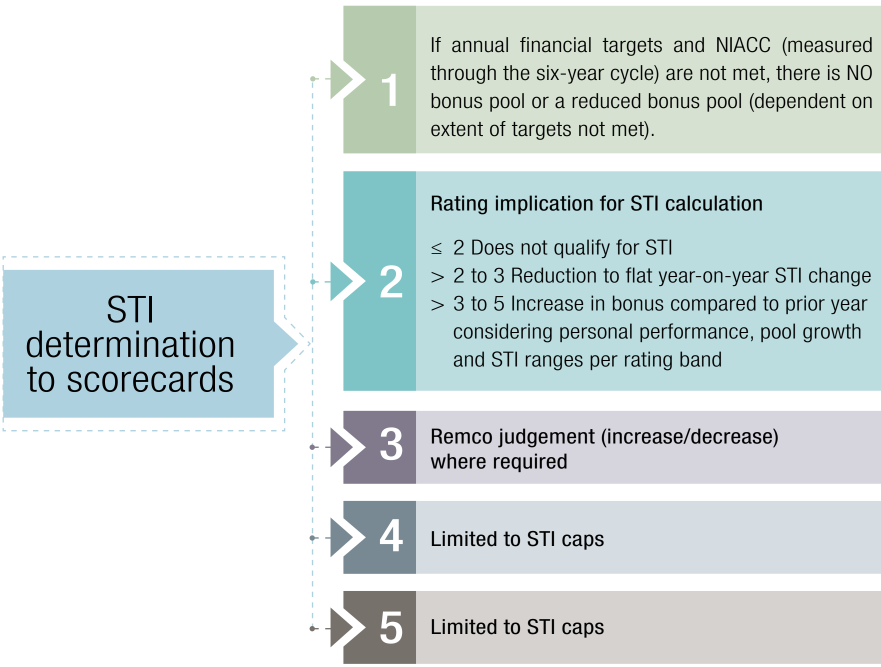
The Committee ensures an optimal balance between operational stability, superior value creation and sustaining appropriate alignment of employee performance with the medium-to long-term interests of the group's stakeholders.

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. Executives have no guaranteed termination payments.

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.



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

4. REMUNERATION POLICY AND STRUCTURES continued

Executive Directors continued

SECTION	CATEGORY	EXAMPLES OF KPIs	WEIGHT
FINANCIAL	FirstRand group earnings and returns	Growth in Pre-provision operating profit (PPOP)	35%
		Core Earnings measured against budget / business case	
		Normalised earnings measured against budget / business case	
		Year on Year NIACC growth	
STRATEGIC	Protect and grow banking business	Growth in active customers	25%
		Increase cross sell for FNB	
		Increase number of primary bank relationships	
		Grow deposit franchise	
		Targeted origination strategies in line with risk appetite	
		Cost management - Good control of run the bank cost	
	Sustainable Earnings	Diversify the offering and approach - sustainable earnings delinked from the macros	
	Grow and improve market leading businesses	Higher wallet share and higher profit pool participation	
	FirstRand Platform Journey	Building out a platform-based financial services business in line with the group's platform roadmap	
	BID 34	Proactive preparation and partnership of the Group in terms of Bid 34 implementation	
	Disciplined management of financial resources	Adherence to FRM guidelines	
	Enhanced quality of earnings	More efficient and cost-effective operating model	
	KYC	Execution of KYC refresh	
RISK AND CONTROL	Control environment	Audit issues per risk maturity scorecards	25%
	Market and business conduct	Regulatory, incl Conduct rating per risk scorecards	
	Risk appetite and volatility	Risk Maturity Rating per risk scorecards	
	Credit loss/impairments	Credit loss ratio	
	Reduce NPL ratio over time	NPL ratio	
	Operational, market and investment risks	Ops Losses Per Risk Maturity Scorecards	
		AML scored based on outstanding high risk EDDs, overall programme status	
SUSTAINABILITY, TALENT AND ESG	Ensuring the health of organisational culture and good corporate governance	Strong leadership and focus on the FirstRand Promises and people matters in the business, as well as focus on providing leadership and resources to FirstRand employees such that they can perform optimally.	15%
	Health of key relationships	Health of regulatory relationship, Feedback from Board Chair and Audit Committee Chair	
	Shared value	Effective operating model for social investing activities	
	Climate	Compliance with and progress made in line with FirstRand's climate roadmap Incorporation of climate risk into credit risk models and/or underwriting criteria.	
	Transformation (where applicable)	Measure progress on improvement in diversity at senior and top management level, taking consideration of the group's affirmative action (AA) plans and targets.	
	Talent management and succession planning	Ensure appropriate succession for critical roles (emergency, "ready now" and medium- to long-term). Appropriate processes in place to identify and develop diverse pool of candidates. Effective retention strategies for top talent. Evidence of growing talent internally.	

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Executive Directors continued

Remuneration Conrad Dempsey FirstRand CEO

N$ 000	2023	2022	% growth
Cost to company	3 343	3 243	3%
STI	2 756	2 382	16%
- Cash within 6 months	2 031	1 792	13%
- Cash within 1 year	725	590	23%
LTI award	619	864	(28%)
Total reward including LTIs	6 718	6 489	4%
Total guaranteed and variable pay (excluding LTIs)	6 099	5 625	5%

Remuneration Oscar Capelao FirstRand CFO

N$ 000	2023*	2022	% growth
Cost to company	2 029	2 122	(4%)
STI	1 121	945	19%
- Cash within 6 months	1 121	845	33%
- Cash within 1 year	-	100	(100%)
LTI award	-	654	(100%)
Total reward	3 150	3 721	(15%)
Total guaranteed and variable pay (Excluding LTIs)	3 150	3 067	3%

* Pro rata 2023 remuneration disclosed to reflect the period of the year he was executive director. Resigned 28 April 2023. All outstanding incentives were forfeited at date of resignation.

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.

Outstanding incentives

O Capelao *	Share trust	Opening balance June 2022	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 2023	FV as at June 2023 (N$)
FirstRand SA Ltd shares	CIP	42 813	-	9/21/2020	9/25/2023	1 679 977	(2 813)	-	-	-	-
FirstRand SA Ltd shares	CIRP (COVID)	10 619	-	9/21/2020	9/25/2023	416 690	(10 619)	-	-	-	-
FirstRand SA Ltd shares	CIP	9 738	-	9/28/2021	9/23/2024	600 000	(9 738)	-	-	-	-
FirstRand SA Ltd shares	Deferred Incentive Plan (DIP)	9 738	-	9/28/2021	9/23/2024	600 000	(9 738)	-	-	-	-
FirstRand SA Ltd shares	CIRP (COVID)	10 618	-	9/16/2019	9/26/2022	416 650	(10 618)	-	-	-	-
FirstRand SA Ltd shares	CIP	-	10 470	9/26/2022	9/26/2025	650 000	(10 470)	-	-	-	-
FirstRand SA Ltd shares	Deferred Incentive Plan (DIP)	-	10 471	9/26/2022	9/26/2025	650 000	(10 471)	-	-	-	-
Totals		83 526	20 941			5 013 317	(64 467)	-	-	-	-

Talent and Remuneration Committee report continued

4. REMUNERATION POLICY AND STRUCTURES continued

Outstanding incentives

C Dempsey	Share trust	Opening balance June 2022	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 2023	FV as at June 2023 (N$)
FirstRand SA Ltd shares	CIP	61 161	-	9/21/2020	9/25/2023	2 399 973	-	-	-	61 161	4 189 529
FirstRand SA Ltd shares	CIRP (COVID)	9 982	-	9/21/2020	9/25/2023	391 694	-	-	-	9 982	683 767
FirstRand SA Ltd shares	Bonus Deferral (CIP)	2 435	-	9/28/2021	9/23/2023	150 000	-	-	-	2 435	166 798
FirstRand SA Ltd shares	CIP	43 821	-	9/28/2021	9/23/2024	2 700 000	-	-	-	43 821	2 877 265
FirstRand SA Ltd shares	CIRP (COVID)	9 981	-	9/16/2019	9/26/2022	391 654	-	(9 981)	(619 620)	-	-
FirstRand SA Ltd shares	Bonus Deferral (CIP)	-	5 437	9/26/2022	9/26/2024	337 500	-	-	-	5 437	356 991
FirstRand SA Ltd shares	CIP	-	48 325	9/26/2022	9/26/2025	3 000 000	-	-	-	48 325	3 042 131
Totals		127 380	53 762			9 370 821	-	(9 981)	(619 620)	171 161	11 316 480

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.

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

Actual remuneration paid to non-executive directors is detailed in the note 6 to the consolidated 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 2022/2023 school cycle the trust assisted employees to the value of N$1.8 million.

Annual General Meeting (AGM)

In line with NamCode, King IV and the NSX Listings Requirements, the 2022 remuneration policy and implementation report were tabled at the AGM for separate non-binding advisory votes by shareholders. The group's remuneration policy and report received an endorsement of 86%.

The committee is comfortable that it has rewarded FirstRand Namibia employees appropriately in the year under review. The committee is thus satisfied that it has executed its duties during the past financial year in accordance with its charter, relevant legislation, regulation and governance practices. The effectiveness of the committee is assessed annually by the board. The Chairperson attends the annual general meeting.

E van Zyl
Chairperson

Social, Ethics and Transformation Committee report

The Social, Ethics and Transformation Committee's is constituted as a sub-committee of the FirstRand Namibia Risk Capital and Compliance Committee (RCCC) and is appointed as a standing committee, whose mandate is to ensure compliance with the Namibia Stock Exchange (NSX) Gazette No 159, the committee charter and other legal requirements or prevailing codes of best practice in respect of social, transformation and economic development matters.

The Committee composition is depicted below, with invitees from business areas or disciplines who are responsible for the various functions or significantly affected by the nature of the FirstRand Namibia Ethics & Conduct Committee's deliberations:

Member	
I Nashandi (Chair)	Non-Executive Director
C Dempsey	Chief Executive Officer
P Chapman	CEO: RMB Namibia
E Tjipuka	CEO: FNB Namibia

Ethical Culture

The board has endorsed the FirstRand Namibia code of ethics, which represents a very important framework for the business. The code provides guidance on ethical decision-making and behaviour. It creates a common understanding of how the group expects its people to behave. As a financial services group, looking after the financial interests, personal and other information of customers is a responsibility that requires the highest standards of integrity and confidentiality. The board promotes ethical conduct and directors hold each other accountable for decision-making and acting in a way that is consistent with the code. The group ethics office is the custodian of the code with employees who are required to adhere to the code.

The Committee discharged its duties during the financial year			
August 2022	October 2022	February 2023	April 2023

- Advise on and escalate to the FirstRand Namibia Board of Directors and RCCC on matters related to social, environmental, governance, organisational ethics, conduct, responsible corporate citizenship, sustainable development and transformation.
- Coordinate critical events of an ethical or reputational importance within the FirstRand Namibia Group.
- Provided oversight and received reports on:
  - Reputational risk.
  - Ethics audits.
  - Market Conduct and the fair treatment of FirstRand Namibia customers.
  - Sustainable development initiatives.
  - Stakeholder relationships.
  - Transformation, Culture and People risk.
  - The management of ESG-related risks and opportunities.
- Ensuring the integration of Environmental Social and Governance (ESG) factors into business strategy, organisational culture and operational practices in a way that supports the long-term profitability and viability of FirstRand Namibia.
- Analysing Declaration of Interests for the Group including assisting the Board of Directors with approval of all Principal Officers/ the Executive Officer: Points of Presence, all Area Managers and Branch Managers with the provisions of section 41(9)(b) of the Banking Institutions Act, 1998 as amended, in as far as engaging in commercial activity falling outside the scope of banking, financial services and any other activities or related thereto are concerned to the Chief Executive Officer; and
- Reviewing and approving the FirstRand Namibia Ethics and Conduct Risk Management Programme.
- Corporate Social Investment and monitoring the group's progress on corporate social investment activities, principally undertaken through the FirstRand Namibia Foundation and the FNB Staff Assistance Trust.

I Nashandi
Chairperson

Directors Governance Committee report

The purpose of the Directors Governance Committee (DGC) is to evaluate the adequacy, efficiency and appropriateness of the corporate governance practices of the group and assist the board in discharging its duties in respect of governance, Board continuity and Board succession planning.

Committee Composition and Attendance

Member	Meeting Attendance		Director Interviews		Appointment/ Resignation Date
Number of Meetings	4	%	3	%	
II Zaamwani-Kamwi (Chair)	1/2	50	1/1	100	Retired 30 November 2022
P Grüttemeyer (Chair)	2/2	100	1/1	100	Appointed 8 February 2022
CLR Haikali	2/2	100	N/A	N/A	Retired 20 October 2022
E van Zyl	4/4	100	N/A	N/A	Appointed 17 August 2022
R Makanjee	2/3	67	N/A	N/A	Appointed 19 October 2022

Induction and ongoing board development programme

New directors were subject to an appropriate induction programme to ensure maximum contribution as quickly as possible. Other ongoing training and education courses allow directors to familiarise themselves with FirstRand Namibia's operations, its business environment, fiduciary duties and responsibilities, and the board's expectations in respect of a director's commitment, ethical behaviour and keeping abreast of regulatory changes and trends. The Directors Governance Committee oversaw directors' induction and ongoing training programmes, and will continue to make the professional development of its members a priority. Directors have full and unrestricted access to management, group information and property. They are entitled to seek independent professional advice in support of their duties at the group's expense.

Committee Members Attendance

The Committee is satisfied that committee members duly attended the committee meetings of a banking institution or controlling company in both years. This is to ensure that they will discharge their duties and responsibilities effectively.

Board Evaluations

An external service provider was engaged to conduct the Board Evaluations for the FY2022-2023. The purpose was to measure the success of the board, identify any problems and highlight areas where performance can be enhanced. The evaluation 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, which results were reviewed by the committee.

Director Succession

The committee ensures that a formal process for the appointment of directors, including the identification of suitable board members is followed, taking cognizance of its need for appropriate skills and diversity, while maintaining a balance between non-executive and executive directors and independent non-executive directors.

Tenure principles and the need for refreshing the board have come to the fore as part of succession planning. The committee continues to identify a sufficiently broad population of candidates to be nominated as potential board members, focusing on targeted skills, diversity and gender inclusion.

Governance Review

FirstRand Namibia Limited underwent a governance review. The desired outcome of the project is to produce a framework that adequately documents the prudent management and oversight of the business within the group and to adequately protect the interests of all stakeholders. This framework will describe the governance structures and decision-making processes applicable, including articulating the corporate governance arrangements within the entities and segments.

Chairperson Succession

In line with on-going succession plans, the Committee reviewed and deliberated the Chairperson succession plan, having due regard to the legislative considerations contained in the Banking Institutions Determination 1, NamCode and all applicable legislation. Due process was followed in proposing a succession plan for the Board Chairperson, with ongoing transitional arrangements made to ensure that there is an orderly transition process to apply the duty of care appropriate for the business's size, complexity and systemic importance of FirstRand Namibia. The succession plan included the composition of the Board Committees.

Directors Governance Committee report continued

The Committee discharged its duties during the financial year by:

August 2022	October 2022	February 2023	April 2023

- Discussing and monitoring the progress in resolving any audit or compliance findings relating to governance.
- Advising the Board on the ongoing director and chairperson succession planning and board continuity.
- Monitoring any adverse media in relation to any of the Directors.
- Managing any possible conflicts of interests in relation to any of the Directors before they arose.
- Overseeing and considering the outcome of the annual assessments of the group processes relating to Corporate Governance structures and practices.
- Overseeing the board induction training and development programme. Considering and opining on group nominations, group committee changes, including appointments and retirements.
- Considering and assessing the independence of the non-executive directors.
- Conducting annual board evaluations in order to review the effectiveness of the board and board committees; the performance and independence of the board chair, individual non-executive directors and the company secretary.
- Monitoring compliance with applicable laws relating to governance, including the Banking Institutions Determination 1 (BID-1), the Namibian Stock Exchange Listing Requirements and the NamCode.
- Monitoring the re-election of directors retiring by rotation in terms of the articles of association and the Companies Act.
- Ensuring the fitness and probity of the Directors were reviewed.
- Ensuring succession planning for the Board Committees.
- Ensuring compliance with applicable legislation insofar as it relates to Directors.

The Directors Governance Committee will continue to focus on the following areas:

- Board effectiveness and continuity.
- Ongoing Board training and induction.
- Review of the governance structures within the group.
- On-going board succession planning.

P Grüttemeyer
Chairperson

Board evaluations

An external service provider was engaged to conduct the Board Evaluations for the financial year. The purpose was to measure the success of the board, identify any problems and highlight areas where performance can be enhanced. The evaluation 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, which results were reviewed by the committee.

An overview of the board evaluation results are as follows:

- It was commonly remarked that the board's understanding of the organisation's mission statement is very well aligned.
- The board satisfactorily identified and communicated to management the board's informational needs, including appropriate benchmarks to monitor results and to identify potential areas of performance concern.
- The board receives clear and concise background information before board meetings that help it to understand and evaluate board agenda items.
- The board's makeup is diverse in experience, knowledge, skills, ethnicity, gender, resources, size, age group, and demographics. The board has the right mix of characteristics, knowledge, experiences, and skills to accomplish its role. The board size is adequate to effectively govern the company.
- The board strategically directs, controls, set the values, aligns management to the latter, and promotes the stakeholder-inclusive approach to governance.
- The board effectively ensures the company's ethics are managed effectively through building an ethical culture, setting ethics into its risk management, operations, performance management and disclosure.
- The board found that succession planning for the Chief Executive Officer and other management positions requires attention and can be improved on.
- Despite the short tenure to date the directors confirm that, the board has participated fully and positively.
- The board maintains healthy independence in its relationship with management, maintains an arm's length relationship.
- Board Committees function properly, Committees address the issues of substance, important issues are escalated to the Board in writing, which solidifies the appropriateness in reporting.

The Chairman, duly assisted by the Company Secretary will develop concrete action plans to address highlighted areas where the Board can improve, inclusive of the following:

- The Board leading the agenda on customer-centric service.
- The Board being aware of regulatory changes and effects, and where possible engagement with the regulator where detrimental regulations with unintended consequences are proposed.
- The Board enhancing and maintaining its corporate citizenship.
- The Board monitoring and maintaining sustainability.
- The Board considering a diversification strategy.

4 Our strategy to **create value**

Reflections from our **Chief Executive Officer**

CONRAD DEMPSEY

Namibia remains a good place to do business and add meaningful value for investors and society alike. We know that FirstRand Namibia is also an enabler of economic growth and social upliftment. As a group we are intentional about doing what matters. Using our core business to deliver shared value broadly in the economy, to society, the environment, and our shareholders. We believe that through solving for societal constraints within our mandate and improving the financial wellbeing of our customers, we will naturally also be successful, and by extension achieve sustainable bottom-line growth as an outcome. It remains our professional duty to deliver sustainable returns at any point in the economic cycle.

Through continuous development and reach of our digital platforms we have been able to make financial services more accessible everywhere, more affordable and this significantly enhances national financial inclusion.

As a leading corporate citizen, we actively participate in protecting and developing our economy and democracy. We understand that the much-needed job creation is a factor of meaningful domestic and foreign investment and as such, our ability to compete for financial capital and human capital remains important. Our purpose statement of helping to ***build a globally competitive Namibia by providing access to opportunities*** drives the decisions we make, the scenarios we consider and the talent we recruit and develop.

Our journey of broad financial inclusion, while deepening the capital markets and offering world class solutions to our entire client base, continues.

We made great strides on financial inclusion this past year. Through continuous development and reach of our digital platforms we have been able to make financial services everywhere more accessible, more affordable, and significantly enhance national financial inclusion. Removing the need for physical proximity to a bricks and mortar branch through digital capabilities, increases access to banking, saving, insurance and general financial services.

With our CashPlus solution we are seeing the results of how intentional solutions to societal constraints are benefiting our retail and commercial customers by removing transactional friction to be more efficient and cost effective. FNB launched DigiPlus, a disruptive and market-leading fully digital bank account that is acquired and serviced via USSD and intended to significantly enhance financial inclusion in the country. DigiPlus allows customers seamless entry to formal banking, providing customers with access to basic financial services. This suite of products continues to build on our commitment for national financial inclusion. True financial inclusion is only possible with technological inclusion and as such solving for both in parallel remains important.

Reflections from our **Chief Executive Officer** continued

Our people remain the heartbeat of the organisation. Growing our talent pool is one of our best future investments and as such we've significantly scaled up our internships, graduate programme, bursaries and leadership development programs.

Our people remain the heartbeat of the organisation. Growing our talent pool is one of our best future investments and as such we've significantly scaled up our internships, graduate programme, bursaries and leadership development programs. Beyond our traditional skill sets we are investing in technology related skills and believe that this is a catalyst investment to create new knowledge-based industries in Namibia.

Turning to the year under review, the group's large lending and transactional franchises, together with our loyal customer base and improved trading conditions, have resulted in good earnings over the past financial year. Being able to grow our customer base as well as deliver more to our customers, with more efficiency and convenience, is enabled through an in-depth understanding of our customers and their needs.

Our lending franchises were very successful with unique market opportunities that presented itself and the businesses were ready to extend meaningful credit. More than half of all net credit extended in the economy by banks during the year under review was extended by FNB and RMB.

At a client segment level, the bulk of our growth during the year came from activity in the corporate and commercial space with our markets business growing fast on the back of corporate activity. Our retail and SME business activity grew very strongly in volumes and remains an important underpin to our overall business.

The diversification of our market offering progressed well during the financial year. Ashburton Investments Namibia remains a market leader in fixed income investments and will soon be coming to market offering solutions to clients beyond the traditional asset management offering in Namibia.

We also acquired the remaining stake in OUTsurance Namibia to bring our insurance offering fully into the fold of our client value proposition and rebranded it to FNB Insurance. FNB Insurance is now a fully Namibian insurer and set to grow from strength to strength on the leading service model.

Looking towards the future we see opportunities presenting plausible scenarios for meaningful growth. The economy will however remain multi-speed for the foreseeable future and while certain areas are set to flourish, the burden of high interest rates and high inflation will undoubtedly place stress on disposable money and debt servicing. Across our businesses we are making meaningful investment into the future, planting business trees for others to sit under, many years from now.

Our earnings profile afforded us the opportunity to support many social, environmental and cultural projects across the entire country. We were able to significantly scale these investments up this year and look forward to continuing this rewarding responsible journey going forward.

In conclusion, I'd like to extend a very special word of thanks to each and every member of the FirstRand Namibia family. It is the work of this group of remarkable women and men, who daily do what matters, to build a remarkable business that's meaningfully contributing to an ever more globally competitive Namibia.

C Dempsey
Group Chief Executive Officer

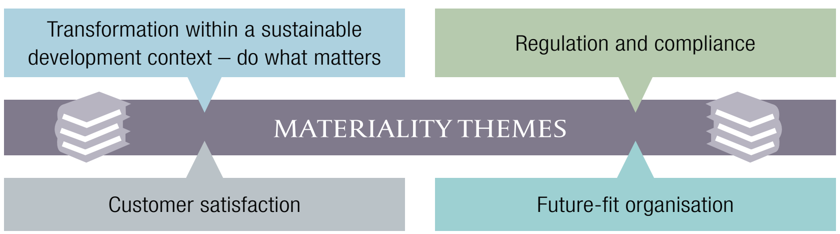
The economy will remain multi-speed for the foreseeable future and while certain areas are set to flourish, the burden of high interest rates and high inflation will undoubtedly place stress on disposable money supply and debt servicing.

Material matters

OUR MATERIALITY THEMES AND TOP RISKS

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

Our materiality themes, the detailed materiality determination approach and our risk and opportunity management process are outlined in this report. We also explain how the materiality themes influenced our group strategy review process, informed adjustments to our business model and our short- and medium-term targets.



OUR MATERIALITY DETERMINATION PROCESS

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

Our material matters are shaped by our internal and external context, the expectations and concerns of our stakeholders, as well as the social, economic, governance and environmental conditions in which we operate.

Our material matters are then categorised into materiality themes. Our group EXCO assesses the material matters and the proposed materiality themes and recommends these to our Board for approval.

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

Our materiality determination process is summarised in this infographic.

	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 group 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 and BU goals are incorporated into balanced scorecards which align to the overarching organisational scorecard	The group EXCO and Board groups the material matters into materiality themes and ensure they remain pertinent in the rapidly changing operating environment

Material matters continued

Transformation within a sustainable development context – doing what matters

WHY IS THIS MATERIALITY THEME IMPORTANT FOR US?

Last year we were focusing on how The Covid-19 pandemic has affected how business is steered, what customers and employees anticipate and where and how personnel work, calling for business operations and people practices to be adapted. This year transformation arose as a material matter that is influencing our economic and strategic momentum. "Transformation requires attacking the root causes that generate and reproduce economic, social, political and environmental problems and inequities, not merely their symptoms" - UNRISD

Material matters related to this theme

- Macroeconomic challenges
- Financial stability
- Embedding sustainability within our workforce
- Diversity, equity and inclusion
- Talent attraction, development and engagement
- Managing the environmental impact of our operations
- Investing in our communities
- Developing sustainability-focused products and services

Our responses

- Developing a culture of doing what matters within the organisation, ensuring sustainability and shared prosperity is integrated in all we do. This is done through intentional solutions, product and service design, training programmes, incentive systems and volunteerism opportunities, so that our employees are empowered to drive sustainable change.
- Ensuring that diversity, equity and inclusion is reflected throughout our culture, by maintaining a workplace where all employees are treated fairly, with dignity and without discrimination.
- Diversified solutions, products and services that enable financial inclusion and generational wealth creation across the spectrum, from the traditionally underserved market to high net worth individuals.
- Solutions, products and services that increase access to financial services – decreasing the distance between the customer and the nearest banking services provision and the resources required to make use of it.
- 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 our extensive digital capability
- Responsible financial resource management.
- Efforts to optimise resource consumption with the aim of managing our own environmental footprint (e.g. 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.

Medium to longer-term actions

- Continued solutions, products and services design that is intentional about societal, environmental and economic impact
- Optimised resource management as concerned with the environmental and societal impact
- Prioritising wellbeing to ensure high levels of engagement of staff
- Enhancing business continuity management
- Aligning CSI initiatives to address societal needs as these evolve

Key performance indicators

- Uptake of diversified product set
- Increased interactions fulfilled via digital channels
- Increased access to financial services through alternative channels
- Staff engagement score
- Growth in advances
- Retention, talent management, succession
- Return on Assets
- Economic profit

Material matters continued

Customers satisfaction

WHY IS THIS MATERIALITY THEME IMPORTANT FOR US?

With greater than before competition in the banking sector, customers are better educated and have wide-ranging choices requiring us to successfully adapt to the moving market trends and evolving customer needs. Ensuring customers receive relevant solutions, products and services that enable them to create and take on the opportunities presented to them.

Material matters related to this theme

- Enhancing the customer experience
- Digital innovation to meet customer needs
- Data as a differentiator
- Security and fraud awareness
- Competitiveness of our customer value proposition
- Customer complaints' resolution

Our responses

- A future-fit repositioning of the FNB brand.
- Improvement in our ability to increase customer acquisitions and activations, as well as capitalise on cross-selling and customer retention opportunities.
- Building relationships with clients across all the brands and financial services offered through the group
- Improved positive customer interactions
- Using robust data metrics to create relevant products and services that enable financial inclusion, wealth management and transactional capabilities.
- Launched ongoing security, cybersecurity and fraud awareness campaigns
- Implemented process optimisation projects to remove pain-points and reduce customer friction across the digital channel including document management system enhancements
- Ongoing investment to ensure continued system stability

Medium to longer-term actions

- Keeping pace with the accelerated digital revolution and need to remain competitive
- Enhancing new digital ways of working
- Working with product designers to remove friction points for better customer experience
- Integrating effectively 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

Key performance indicators

- NPS score 50+
- Progress individualised digital interactions
- Fulfil real-time interactions
- Consumer financial education programmes
- Develop a small, medium and micro enterprise (SMME) customer base
- 25% more customers by FY26
- Minimise fraud

Material matters continued

Regulation and compliance

WHY IS THIS MATERIALITY THEME IMPORTANT FOR US?

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

Material matters related to this theme

- Legal and regulatory requirements
- Regulatory constraints related to digital transformation
- Privacy
- Financial crime prevention
- Responsible and ethical banking practices
- Customer fair treatment
- Reputation management

Our responses

- Supported government and regulators to mitigate the 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
- Interacted regularly with our regulators to assess and comment on emerging legislation
- Contributed through industry bodies during regulation formulation

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

- Strict compliance with all legislation and regulation
- Implementing regulated business processes and projects to meet regulatory effective dates and deadlines
- Ensuring that all compliance reports to regulators continue to be satisfactory
- Implementing ongoing compliance training and awareness programmes
- Improving early identification management processes around compliance risks
- Further enhancing relationships with regulators

Material matters continued

Future-fit organisation

WHY IS THIS MATERIALITY THEME IMPORTANT FOR US?

Given the faster and exceptional change to the way we live, work and intermingle we re-evaluated our strategy, strategic objectives and business model, taking account of the evolving requirements of our current and prospect customers and the capitals, skills and abilities vital to be resilient and effective within the banking sector.

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

Our responses

- Reassessed our strategy through extensive engagement; ensuring organisation-wide buy-in and alignment as to what a future-fit Bank entails and how we are to work together to achieve it
- Ensured organisational and financial sustainability and building resilience; exploring acquisition and partnership opportunities to serve as a springboard for future growth, aligned to our strategy
- Adopted our sustainability levers as part of our organisational strategy, which balances financial and non-financial targets
- Continued to place our customers at the centre of everything we do; using data analytics to better understand their needs and wants, looking to 2026 and beyond
- Defined future skills and capabilities required to continue to excel
- Continued to prioritise transformation imperatives (within the organisation and the board)
- Redeployed skills and capabilities where needed in the organization
- Maximised the use of digital platforms to deliver training for our people

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 range 21% - 24%
- Cost to income ratio
- 25% more customers by FY26

Our operating environment: FNB

Introduction

Reflecting on the period under review, the FNB franchise made great strides in advancing our strategy to deliver shared prosperity to all. Despite the lingering economic and social headwinds following the COVID-19 pandemic, optimism started to emerge on the back of early signs of recovery. With a clear focus on being a responsible catalyst in the Namibian economy we continued to facilitate growth and increase inclusion in the formal financial sector.

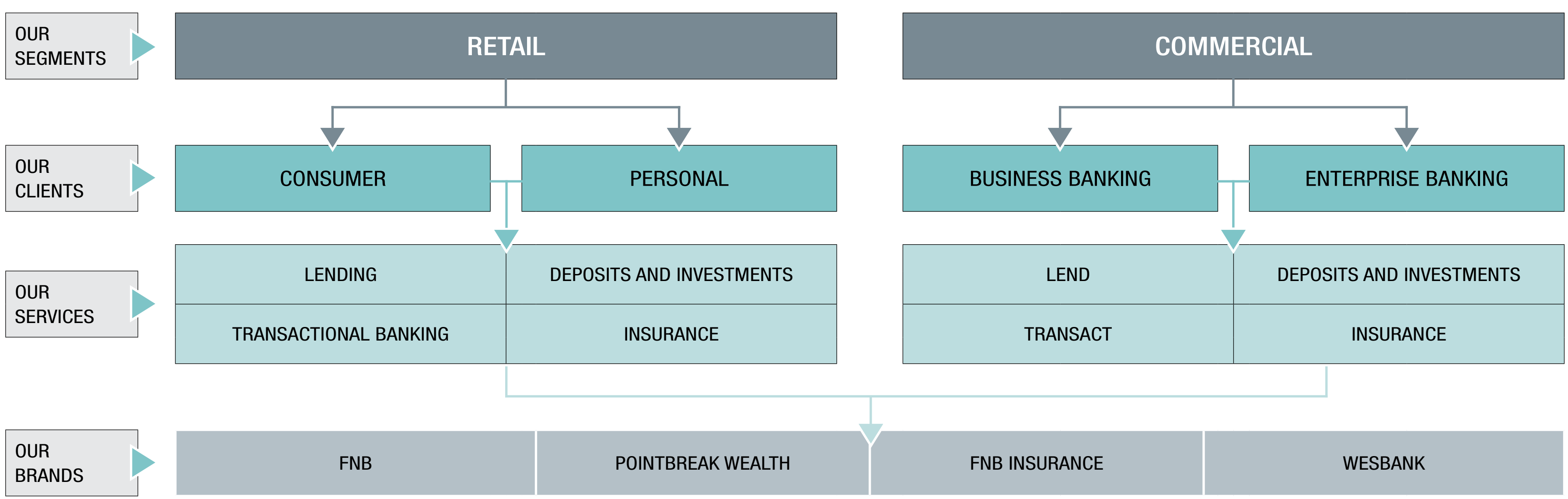
Keeping the principles of shared prosperity at the centre of our strategy, the business has delivered excellent financial and non-financial results.

Outcomes such as these cannot be achieved without significant investment in the critical areas of our people, innovation, business-as-usual technology and regulatory compliance. Furthermore, the investment that FNB makes in its research and development (R&D) capability to ensure continuous development and transformational innovation is critical to the business' long-term sustainability.

Achieving any of this would be impossible without the contributions of our employees and we remain appreciative of their commitment and hard work that have delivered the results for 2023.

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 current financial period, with profit before tax increasing by 20% year-on-year, representing 76% of FirstRand Namibia group profit. The primary drivers for this growth were:

> **27% increase in Net interest income before impairments (NII)** attributable to growth in the balance sheet and improvements in margins due to pricing adjustments and interest rate hikes.

> **10% increase in Non-interest revenue (NIR)** as due to growth in our customer base and the resultant increase in transaction volumes.

> **Impairment losses increased by 123%** mainly due to the interest rate hikes during the year which put customers under further strain, and a lower prior year base which included releases in portfolio impairments.

> **Operating cost increased by 11%** mainly due to investments in systems and compliance related programs, however, **the cost to income ratio reduced from 56% to 52%.**

Advances increased by 6%. 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 13%. Growth in the customer base and targeted initiates to attract franchise deposits were main contributing factors.

PBT:
N$1 724 million
▲ 20%

ROE:
38%
▲ 13%

NII:
N$2 128 million
▲ 27%

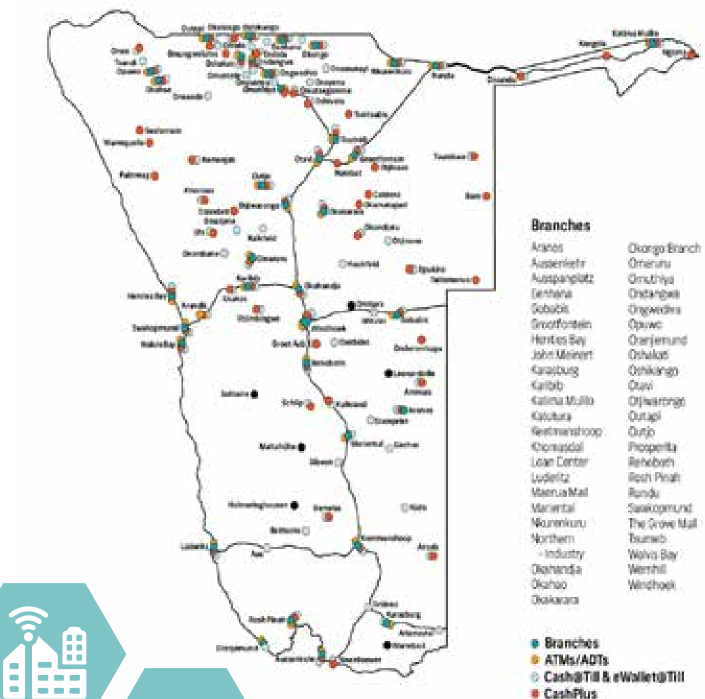
NIR:
N$1 984 million
▲ 9%

Impairments:
N$213 million
▲ 123%

Advances:
N$30.5 billion
▲ 6%

Deposits:
N$24.2 billion
▲ 13%

Strategic progress



NPS
FY23: 47%
FY22: 37%

Access Points
FY23: 10 712
FY22: 8 133

Customers
FY23: 708 669
FY22: 670 590

Business digital penetration
FY23: 95%
FY22: 82%

Retail digital penetration
FY23: 84%
FY22: 81%

DigiPlus Users
FY23: 16 996

Number of policies
FY23: 22 658
FY24: 22 546

Employees
FY23: 1 988
FY24: 1 952

Our operating environment: FNB continued

Delivery on strategy

FNB's strategy contains **four pillars**, which continue to set the business apart as a market leader in Namibia. For the period under review, we have continued with our focus on the strategic pillars of having a **high performance culture, delighted customers, contextual solutions underpinned by platform**, and a **sustainability mindset.**

High performance culture

We continued to lead a culture of high performance, centred on purpose, care and accountability across the retail and commercial segments. 1 988 people were provided employment and contract work, demonstrating our commitment to enabling people to participate formally in the economy. FNB's commitment to attracting, growing and retaining talent saw the business maturing its succession planning and talent management.

Significant investments were made in the growth of our people through meaningful learning and development (L&D) interventions. A deliberate focus was applied to nurturing skills and capabilities that will become increasingly relevant and future-fit as the world as we know it continues to evolve. In addition to critical thinking and solutions orientation, we noted a considerable increase in scarce and critical areas of expertise, such as data scientists, engineers and coders in the employ of FNB across both the retail and commercial segments.

FNB deeply embraces diversity and we firmly believe that a diverse and inclusive workforce is a key enabler of our entrepreneurial and innovative culture. We therefore continue to build an environment that is inclusive and values diversity. During the period under review, we conducted a diversity, equity and belonging through inclusion ('DEBI") survey. The results of the survey have provided us with valuable insights and feedback which will now be incorporated in the human capital strategies accordingly.

Delighted customers

The retail and commercial segments listened actively to the feedback our customers provided during the year, informing the actions FNB took in response. Closed-loop feedback practices enabled management to utilize proactively sought and reactively received customer insights to inform the discipline of continuously improving and innovating to solve for customers needs, wants and pain points in the multiple value propositions offered.

Several processes were re-engineered and automated during the current year to ensure frictionless customer experience. We have also increased the number of call center agents in our contact center from 51 to 78 which resulted in a marked reduction in abandon calls and improvement in calls answering time. In addition, we finalized the piloting of the Q-man system in our branches in the current year with the launch of the system in 13 other branches across the country which has resulted in the reduction in queuing time in branches in the period under review.

The 6% growth in our customer base is a key indicator that FNB's strategy of putting customers at the centre of our business continued to yield tangible results.

This was further evidenced by customers saying that they would highly recommend FNB to their family and friends, with a Net Promoter Score (NPS) of 41 for the year. Our customers' satisfaction with their day-to-day channel interactions increased from a MyService2U rating of 89% to 91% year-on-year.

Contextual solutions underpinned by platform

The journey to a platform-based business continued to make strides. Beyond delivering delightful experiences to our customers, FNB maintained the pace in creating and providing relevant solutions that meet a diverse set of needs for both individuals and businesses, offered in a meaningful way and at the time that customers required.

Acknowledging the weighty role that credit extension plays in a recovering and growing economy, FNB availed credit to retail and commercial customers, finding solutions-oriented ways to provide credit to them, both in terms of temporary relief and investment in growth. This growth of advances beyond PSCE substantiates our commitment to aiding customers with responsible lending.

In the current year we proudly relaunched FNB Insurance following our acquisition of the remaining 49% shareholding previously owned by OUTsurance South Africa. We also launched our new funeral policy product in the market. Both these initiatives will now enable us to provide innovative contextual insurance solutions to our retail customers.

Extending the unrivalled offering of digitally-enabled products and services that FNB is known for, remained a critical priority. Some of the new solutions that were launched included automated credit scoring, extension of our enterprise sales platform into the commercial customer base, as well as a self-acquired and serviced bank account that is based on USSD. Our priority of ensuring KYC compliance informed the development of the ability for customers to update and maintain their KYC details digitally in an easy and convenient manner.

Our operating environment: FNB continued

Contextual solutions underpinned by platform continued

The uptake and usage of digital channels continued to reach unprecedented levels. In addition to a significant increase in new users on digital channels from 562 518 to 595 593 further showing that our customers are increasingly moving their banking activities away from physical branches.

Customers continued to shift their transactional banking from traditional branches to the rapidly growing geographical footprint of ADTs, as well as CashPlus agent and Cash@Till points. Whilst the number of branches remained at 46 locations nationwide, the number of SSDs grew to 333.

FNB's merchant and agent base, which consisted of 932 Cash@till and 252 CashPlus agents, increased to a total of 1 184, enhancing the value delivered to customers requiring easier and cheaper access to FNB's channels. This reach was further bolstered by the 9 149 POS devices held by commercial customers, enabling card swipe transactions that reduce the need for costly and less secure cash transactions for making payments, bringing the total to 10 712 access points across the country in the period under review.

Sustainability mindset

FNB management remained true to its commitment to being a 'good ancestor', contributing meaningfully to sustainable growth, keeping shared prosperity and ESG principles at the core of business strategy and execution.

We continued to manage the business on financial resource management principles with both retail and commercial segments owning governance platforms to hold the accountability of deploying the resources of shareholders in meeting the overall business objectives.

We recognize the importance of SMEs in economic development and job creation, and we are committed to supporting their growth and success. We understand that SMEs often face challenges when it comes to accessing financing, which is why we have introduced automated credit scoring and guarantee schemes for loans during the period under review. Our automated credit scoring system is designed to provide SMEs with a faster and more efficient credit application process.

In addition, our guarantee schemes for loans have ensured that more SMEs who might not have other forms of collateral were able to access funding. As a result, in the current year our SME loan recovery scheme in partnership with Bank of Namibia and the Government of Namibia resulted the extension of 89 SME economic recovery loans with a total value of N$85 million.

FNB remains sensitive to the financial pressures that customers are under and during the year we actively looked for ways to provide meaningful help.

Sustainability mindset

FNB offered a range of solutions for customers struggling to meet their loan repayment obligations to the bank on a case-by-case basis through debt consolidation, restructuring and payment holidays. It should be noted that this was consistently done within the bank's credit risk appetite, management policies and regulation.

In line with FNB's commitment to increasing financial inclusion, we provided solutions to meet the needs of unbanked and underserved Namibians. Specifically, our simple USSD self-acquired and serviced bank account, DigiPlus, saw good growth post-launch with 16 996 DigiPlus accounts being opened.

Home financing provided to customers to enable their access to dignified home ownership remained imperative. The overall home loan exposure in the affordable housing segment of <N$500 000 stood at N$1 346 million at the end of the financial year demonstrating the bank's ongoing commitment to playing an active role in facilitating access to dignified housing.

FNB also progressed in delivering green financing through various solutions aimed at helping customers to either build or modify their homes to be more environmentally sustainable than traditionally.

Conclusion and outlook

Whilst the current landscape continues to have its challenges, we are optimistic that the trend of recovery and emerging growth will continue in the year ahead. FNB will continue to ensure that our data-driven approach to running and growing the bank will continue to inform competitive strategies and the sound management of the business.

FNB's existing strategic goals of high performance, delighted customers, contextual solutions underpinned by platform and a sustainability will continue, with disciplined execution being managed through the rigour applied in cascading them into contracting and progress tracking. Our use of customer insights to develop and enhance value propositions to retail and commercial customers alike, will remain core. We remain confident that leveraging our data, process improvement and automation capabilities will enable continuous improvement and innovation in FNB's delivery of meaningful help, impact and value to all our stakeholders, in particular, our investors, customers and regulators.

E Tjipuka
CEO: FNB Namibia

Our operating environment: RMB

Operational Review

Financial year 2023 has been an exceptional year where RMB remained agilely balanced, while optimising the core business, scaling the emerging business and experimenting with new business. This is all to achieve our three main moonshot goals of creating globally competitive talent, building meaningful scale and relevance and facilitating investments for a sustainable Namibia.

RMB continues to make significant investments to change the bank in order to remain resilient and future fit. RMB has been at the forefront of embracing the technology journey through the investment in various platforms. This was of strategic importance to RMB, as it allowed us to realize our moonshot goal of building scale and relevance in the Namibian market.

Being part of the bigger FirstRand ecosystem allows RMB to leverage off a unique advantage that creates value for all stakeholders (shareholders, employees and clients). The construct allows us to fully entrench ourselves within our clients and their ecosystems and provide them with solutions that meet their needs. This does not only allows us to build scale and relevance, but even facilitate the investments that Namibia desires for its economic development. Through this construct, we are able to offer an enhanced value proposition for the Ashburton talent, but also reap the benefits of economies of scale.

In staying true to our purpose of liberating diverse talent to partner and innovate for a sustainable Namibia, a key result increasing our number of primary banked clients and market share, a great testament to our market leadership position in the Namibian market. RMB has made massive strides in improving brand visibility including major sponsorships in key industry forums, client engagements and brand campaigns. The RMB Namibia team has bagged the Global Finance Best Trade Finance providers for the fourth consecutive year and continues to bag the brand equity obtained from Best Cash Management and Treasury Solutions two times in a row, and a country first was the Best FX provider. These have been great endorsements and accolades, truly echoing our leadership in the Namibian market.

The RMB leadership team pursues the clear opportunity to lead the creation of an authentic differentiated identity that embeds higher purpose. Practising Strategic Foresight to create a more adaptive and future-fit environment is our main goal and understanding and adapting to identified strategic focus areas. This mainly includes scaling the ESG and Sustainable Finance opportunity set, supporting Namibia's energy transition, enhancing our offering and services by capitalizing on the digital economy and understanding where industry lines are blurring in order to contextualize solutions to clients.

The business remained resilient with zero non-performing loans over the years (including Covid). The teams' focused efforts to not get distracted by short-term themes but sticking to the adopted strategy and driving long-term sustainable value means that RMB could deliver an excellent set of results. To complement this, the efforts of our cost containment initiative has helped to sustain our healthy business engine.

Our operating environment: **RMB** continued

Operational Review continued

Since the pandemic, Corporate Transactional Banking (CTB) has seen the benefits of an uptick in repo rate. This was a deliberate tactic to increase operational, long-term liabilities, but an intentional shift to be more than a macro play, by strengthening our EFT comparative advantage, as well as the roll-out of alternative channels with strategic retail clients.

The Lending team has done exceptionally well on originating deals in a rather tight economic cycle, with our skills and capabilities really giving us an edge in client conversations. Yet, as of recent, clients have been putting even greater weighting on pricing and ease of doing business when making their banking purchasing decision. This has been swiftly countered by strong partnership with Group Treasury on how to enhance pricing velocity and to enhance the ease of doing business within the multiple corporate layers that we operate in. The team has also been intentionally building a track record in ancillary advisory and in the DCM space, with deals having come to fruition. Most notably is the ESG credential, having arranged the FNB Green Bond, the largest and second issuance in Namibia to date. Hand-in-hand to this, is the series of Sovereign engagements over the past year, held to grow our relationship as a trusted advisor to government. Our expertise in DCM and Sustainable Finance has been offered and we look forward to helping deliver to Namibia's growth goals.

Our Markets segment had a very good year. The team has focused on building annuity income streams and solution capabilities that truly position us as first to market and market leading in the Namibian economy.

We are intentionally building out a sustainable business, minimising key man dependencies and risks. But also building a future-fit business, meaning that we are continuously building out capabilities and embracing market trends and we remain convinced that the pay-off of our efforts will come to fruition. RMB continues to drive delivery on its purpose statement of liberating diverse talent to partner and innovate for a sustainable Namibia. We believe that profitability remains an outcome of this and a measure of how successful we are in delivering on our purpose. Our unique talent and skills are what provides us a competitive advantage in the market and we continuously invest in our people and culture to ensure we have a globally competitive workforce.

Our key client wins are a testament to our focus areas in terms of providing bespoke solutions, increasing share of wallet and becoming a strategic partner, all underpinned by our client-centric approach. This is supported by deep sector expertise, strong partnerships, as well as effective cross-sell and up-sell strategies. These wins are evidence of RMB's delivery to our purpose of ensuring a sustainable Namibia.

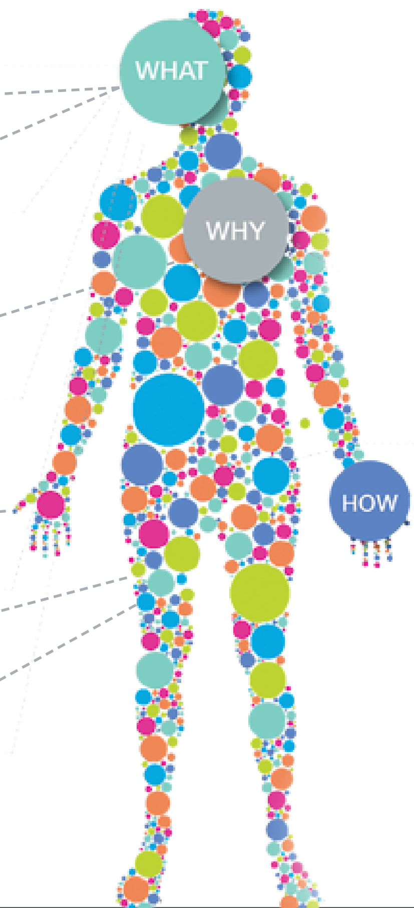
P Chapman
CEO: RMB Namibia

Human capital strategy

FirstRand Namibia Group aspires to have the best Human Capital function in pursuit of excellence. Long term sustainability is intricately linked with the businesses ability to attract, develop and retain deeply invested employees who contribute towards a future of shared prosperity. This capability is demonstrated through our strategic big bets:

Our Strategic Big Bets

- Attract **best in class** talent
- **Exceptional** career experiences
- **Great** place to work
- Enable **journey to platform**
- High-performance **culture**
- Operational **excellence**



FIRSTRAND NAMIBIA HC STRATEGY

Our Purpose

Attract, develop and retain **deeply invested employees** who contribute towards a future of shared prosperity

The Foundation

- Invest in HC talent
- Disciplined execution
- HC operational excellence
- Custodian of the FirstRand Promises
- Compelling and lived employee value proposition
- Wide-scale digital enablement and data insights

To be the best HUMAN CAPITAL FUNCTION IN PURSUIT OF EXCELLENCE

Human capital strategy continued

To remain an employer of choice where employees can have exceptional career experiences, we reviewed and enhanced our Employee Value Proposition to provide additional benefits to our employees. As part of our Promises we continue to value our differences, and remain focused on driving employment equity as depicted below.

Gender Equity:
Representation of Women

2022

64%

0%

2023

64%

Racial Equity:
Representation of Racially Disadvantaged Employees

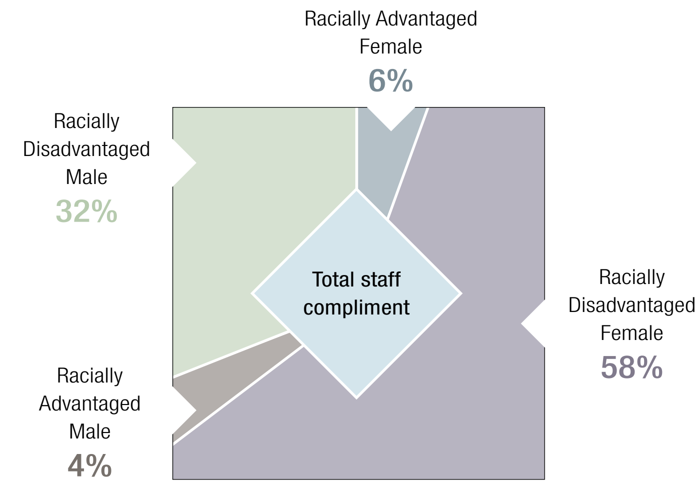
2022

89%

1%

2023

90%



1. Talent management

Our Philosophy

Talent and people capabilities are core to FirstRand Namibia group's sustainable current and future outperformance. Succession is an outcome of deliberate strategic talent planning and intentional development. Quality talent and succession planning demonstrates organizational stability and resilience, which breeds market confidence and drives shareholder value.

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

Our Principles:

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 HiPo 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.

No guarantees are given to anyone.

Human capital strategy continued

1. Talent management continued

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 have expanded significantly. We have 114 potential successors identified for our Executive roles, with an additional 119 potential successors identified for Senior Management / Critical roles. Development plans and career experience maps were also concluded for all Executives and their potential successors. Through our dedicated focus on retaining our critical talent, eight of our Executive appointments were internal promotions.

To further upskill our talent pool, one Namibian is currently on a skill-based secondment to South Africa and another Namibian was assigned to Mozambique for 6 months. Succession at all levels in terms of coverage ratio are adequate and the demographic of the country are well represented.

1.1 Targeted Development Pipeline Interventions

We had a massive success with our first year of introducing our internship programme under the FirstJob banner. FirstJob 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 - During the previous financial year, we launched our first intake of Interns who gained on-the-job experience for one year in order to prepare them for appointment of permanent positions within the Group or externally. A total of 15 interns were appointed of which 2 received permanent positions. A further 28 interns were appointed during this financial year.

b) Graduate Trainees - The two Graduate Trainees appointed during 2022 were appointed in permanent roles, whilst five new Graduate Trainees were onboarded during 2023.

c) Experiential Learning - FirstRand Namibia assisted five Namibian students with Work Integrated Learning in 2022 and this programme is continuing in 2023. The number of students to be assisted will depend on the need as we receive requests from Namibian students.

1.2 Learning and Development

The group strongly believe in developing and upskilling its employees and therefore invested a total of N$5.7 million on various development interventions. In addition, a total of 99 previously disadvantaged non-managerial employees were funded by the Staff Assistance Trust towards tertiary qualification to a total amount of over N$4 million.

Eight employees and four external students were granted bursaries towards tertiary qualifications of which one has been allocated to a person living with disabilities. Total amount invested is N$1.1 million.

We continued with the roll-out of our in-house training academies. These academies are unique and bespoke learning and development experience designed to equip employees with the skills required for the future of banking and position employees to have conversations with clients that position the Bank as a trusted partner. The course content is a combination of external vendor providers as well as internal learning content and is spread over a period of eight months with block sessions for each module.

2. Employee wellbeing

The wellbeing of our employees remains a priority for the group. LifeAssist, our external EWP service provider, continued to offer 24/7 wellness services to staff and their next of kin. Staff have the choice between telephonic, electronic, and face-to-face assistance through self-referrals or management referrals. The programme also provides debriefing sessions to assist our employees in dealing with traumatic events.

This year we have launched a financial wellness campaign which offers employees financial evaluations, personal guidance, training, and post-evaluation over a 6-month period. To further support our employees a total of 27 employees and 8 dependents received financial assistance for medical expenses via the Staff Assistance Trust at a total cost of c. N$260 000.

FirstRand Namibia has as a key strategic focus area giving back to society at large. We have therefore arranged and successfully implemented five blood donation clinics @Parkside which could potentially save 1139 lives with the blood collected. Due to our blood donation drive, NAMBTS awarded the group a Gold Award, for the second consecutive year, for the Top Corporate Clinic in the country, as well as the Top Clinic Contact for Namibia.

Managing risk strategically

RISK GOVERNANCE

FirstRand Namibia Group believes that effective risk management, 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.

The group defines risk widely – as any factor that, if not adequately assessed, monitored and managed, may prevent it from achieving its business objectives or result in adverse outcomes, including reputational damage.

Risk taking is an essential part of the group's business and the group explicitly recognizes 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 and RMB, the FirstRand Namibia Group aims to be appropriately represented in significant financial services in its chosen markets.

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, as demonstrated in the group's summarised financial statements.

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OPPORTUNITY AND RISK MANAGEMENT FOCUS

The group expects the following risk to materialise worldwide and have planned accordingly

- Cybercrime and IT related disruptions;
- Operational risk including power disruptions, theft, fraud and violent crime;
- Environmental and social risk;
- Data protection and market conduct; and
- War for scarce talent.

These challenges and associated risks are continuously identified, potential impacts determined, reported 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.

Managing risk strategically continued

OPPORTUNITY AND RISK MANAGEMENT FOCUS continued

Risk appetite

The group's risk appetite and FRM (Financial Resource Management) process frames all organizational 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 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 contextualise 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 products, as well as reference to the market risk limits in the trading book. Future enhancements to the framework will include overall profitability measures, focused on sustained delivery of results through economic cycles. 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 concentration 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.

Risk appetite for pillar I and II will be formulated with each client facing business unit. This creates the framework to cascade the appetite to other supporting business units.

Managing risk strategically continued

OPPORTUNITY AND RISK MANAGEMENT FOCUS continued

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 stakeholder in business, support and control functions across the various business units and the group.

The responsibilities of the Board risk committees are included in the following tables. Further detail on the roles and responsibilities of the RCCC relating to each particular risk type is provided in the major risk sections of this report.

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.

The Governance structure is as follows:

Directors Governance Committee (DGC)	Risk, Capital and Compliance Committee (RCCC)	Senior Credit Risk Committee (SCRC)
Audit Committee	Talent and Remuneration Committee (REMCO)	Asset, Liability and Capital Committee (ALCCO)

Management Committees

Executive Committee (EXCO)	Combined Assurance Forum (CAF)	Operational Committee (OPSCO)
Financial Crime Risk Management Committee	Financial Resources Management Committee (FRMC)	Enterprise Risk Management Committee (ERM)
IT Risk Governance Committee (ITRGC)	Policy Committee	Social Ethics and Transformation Committee
Procurement Committee	Process Improvement Committee	Group Physical Security Committee
Balance Sheet Steering Committee	Emerging Legislation Forum	Project Management Committee

Managing risk strategically continued

OPPORTUNITY AND RISK MANAGEMENT FOCUS continued

Responsibilities of the Board risk committees

Committee	Responsibility
Audit Committee	• Assists the Board with its duties relating to the safeguarding of assets, operation of adequate systems and controls, assessment of going concern status and ensuring that relevant compliance and risk management processes are in place; • Ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities; • Oversees and reviews work performed by the external auditors and internal audit function; and • Oversees financial risks and internal financial controls including the integrity, accuracy and completeness of the integrated report, which are provided to all stakeholders.
Risk, Capital and Compliance Committee (RCCC)	• Approves risk management policies, frameworks, strategies and processes; • Monitors containment of risk exposures within the risk appetite framework; • Report assessment of the adequacy and effectiveness of the risk appetite, risk management, ICAAP and compliance processes to the Board; • Monitors the implementation of the risk management strategy, risk appetite limits and effectiveness of risk management. Initiates and monitors corrective action, where appropriate; • Monitors that the group takes appropriate action to manage its regulatory and supervisory risks and complies with applicable laws, rules, codes and standards; • Approves regulatory capital models, risk and capital targets, limits and thresholds; and • Monitors capital adequacy and ensures that a sound capital management process exists.

Responsibilities of the sub-committees

Committee	Responsibility
Asset, Liability and Capital Committee (ALCCO)	• Approves and monitors effectiveness of management policies, assumptions, limits and processes for liquidity and funding risk, capital and market risk in the banking book (interest rate risk and foreign exchange and translation risk); • Monitors the group's funding management; • Monitor the market risk in the trading book • Provides governance and oversight of the level and composition of capital, and considers the supply and demand of capital across the group; • Approves buffers over regulatory capital and monitors capital adequacy ratios; and • Approves frameworks and policies relating to internal funds transfer pricing for the group.
Enterprise Risk Management Committee (ERM)	• Provides governance, oversight and coordination of relevant risk management practices and initiates corrective action where required; • Reviews and recommends the risk appetite for approval to the RCCC; • Approves the Operational Risk Management Framework (ORMF) and all its sub-frameworks used in the management of operational risk in the specialist areas including fraud risk, legal risk, business resilience, information governance, information technology and physical security; • Approves regulatory risk management principles, frameworks, plans, policies and standards; • Monitors the effectiveness of regulatory risk management across the group and initiates corrective action where required; • Monitors tax management processes, effectiveness of tax management processes and corrective actions; and • Include the risk functions deployed.

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.

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 reset 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 set are used for the pricing of assets and liabilities.
- **Optionality** - The risk emanates from the difference in the actual client behaviour from the contractual profile in terms of prepayments and withdrawal.

To reduce volatility in earnings emanating from IRRBB, the risk 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 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 scenario's. 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 Groups 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 through the use of structured hedging products and interest rate swaps. 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

Given the uncharted economic cycle observed over the past 24 months, characterised by rapidly slow economic growth, high inflation and rising interest rates, it is imperative to assess if clients transactional behavior has changed and the impact thereof on ALM risk. Specifically, we need to monitor their inclination towards moving money to non-banking institutions such as money market funds, as well as the shift of funds between deposit products and tenors.

CAPITALS IMPACTED

Financial Intellectual

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

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 favourable 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 test and reports that are primarily based on contractual maturities with behavioural adjustments as appropriate.

Liquidity risk is managed through a series of measures, stress test 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 is not a regulatory limit as yet, however the Bank implemented the ratio as part of liquidity risk management since 2018.

- **Term and Source Diversification measures** - which measures 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.

Emerging Risk

Social media can have a profound impact on a bank's liquidity risk by introducing new dynamics and challenges. One significant impact is the instantaneous spread of news and information. Through social media platforms, news regarding a bank's financial health or market conditions can rapidly reach a vast audience, potentially triggering panic or concerns among depositors.

This instantaneous access to information can lead to a sudden withdrawal of funds as clients become anxious about the bank's stability. Furthermore, digitalisation has made accessing funds easier than ever before. With online banking and mobile apps, clients can now instantly move their money between different banks or even transfer it to non-banking institutions. This quick and convenient access to funds increases the speed at which liquidity can be drained from a bank, intensifying liquidity risk and necessitating proactive risk management strategies

CAPITALS IMPACTED

Financial | Intellectual

Social media can profoundly have an impact on a bank's liquidity risk by introducing new dynamics and challenges.

Managing risk strategically continued

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external factors. Operational Risk includes any 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 the definition.

Operational risk is governed in terms of the Operational Risk Management Framework (ORMF), which is a sub-framework of the Group Risk Framework. Management of IT risk is governed by the IT Risk Management Framework (ITRMF), which is a sub-framework of the ORMF.

Key Risk Management principles and practices fundamental to the effective management of operational risk are outlined in the Group Operational Risk Management Framework (ORMF).

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. It specifically focuses on the following:

Operational Risk includes any event that disrupts the normal flow of business processes, and which generates financial loss or damage to the image of the group.

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 reporting

Risk profile reporting to support decision making

Risk monitoring

Use of key risk indicators against pre-determined thresholds (risk appetite) to monitor and measure Operational Risk

Risk Identification

- Process based risk and control identification and assessment ("PRCI&A")
- Audit findings
- Analysis of internal operational events and losses
- Data quality assessment and remediation

Capital Calculation

- Risk scenario analysis
- Assessment of internal loss data
- Consideration of external loss data
- Evaluation of control environment within the group

Operational risk measurement and management

FNB Namibia follows the Standardised Approach (TSA) for operational risk and received approval from BON to apply TSA.

Under TSA there are various regulatory requirements regarding risk measurement, management, and governance. Minimum regulatory requirements are detailed in BON regulations. FNB Namibia 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.

Operational losses

	% change year-on-year	FY 2023	FY 2022
Total Operational Losses as a % of Gross Income	(72%)	0.44%	0.34%

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 and the approved group operational risk appetite levels.

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.

Managing risk strategically continued

INFORMATION TECHNOLOGY RISK

The Information Technology Risk and Governance Committee (ITRGC) is a board delegated committee responsible for information technology governance in accordance with Banking Institutions Determinations and NamCode. This committee review and receive assurance from management on the effectiveness and efficiency of the group's information technology systems. The committee comprises of an independent IT specialist, two executive directors and risk and operations executives who assist the board in governing information technology in a way that supports the group in setting and achieving its strategic objectives.

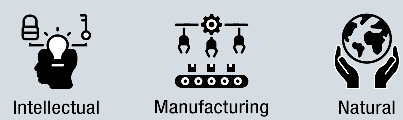
The group has developed frameworks, policies, and standards to direct the information technology strategy, architecture, governance, management, systems development, operational excellence, information security, risk, and compliance.

The committee exercises ongoing oversight of IT management and, in particular:

- Oversees the appropriateness and effectiveness of implementation and oversight of IT risk and governance management across the group.
- Reviews and approves the IT risk management framework (ITRMF) and information security policy.
- Proposes to the board and approves, where appropriate, risk and governance policies, standards, procedures, and practices in respect of IT risk and security.
- Receives and considers formal reports from the businesses on the effectiveness of IT operations and risk management across FirstRand for review prior to presentation to the board.
- Receives and considers reports on significant incidents and process breakdowns in the execution of IT risk control policies and processes.
- Reviews and approves the data privacy management initiatives
- Monitors implementation of IT strategies and key IT projects across business units.

STAKEHOLDERS IMPACTED

CAPITALS IMPACTED



The approved frameworks, policies, and standards provide management with the appropriate tools to manage information technology and information security optimally.

IT Risk and security management

The approved frameworks, policies, and standards provide management with the appropriate tools to manage information technology and information security optimally. The tools used to manage the internal controls are risk and control self-assessments, key risk indicators to act as early warning signs and loss reporting to track and manage losses incurred due to systems downtime or any security related incidents.

The world is rapidly advancing in the areas of technology, communication, commerce, and financial transactions. This means that banking systems must adapt and implement appropriate delivery platforms for customers and internal use.

IT Risk and security future enhancements

Continued focus on:

- The group's IT, cloud, data and digitization strategies;
- The embedding of the BCBS 239 programme for IT risk;
- The group's cybersecurity incident management and breach readiness;
- Proactive monitoring of intelligence to identify, avoid and respond to incidents (including cyber-attacks);
- Implementing additional information security to controls to gear the group towards Payment Card Industry Data Security Standard (PCI DSS);
- Enhancing and embedding the data privacy initiates across the group; and
- Enhancing risk and governance over the use of digital tools (e.g. robotics and artificial intelligence).

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 and claims management.

The risk arises from the group's short-term insurance operations, underwritten through its subsidiary, FNB Short Term Insurance Company Limited (FNB Insurance).

Insurance risks to which FNB Insurance is exposed relate to property, personal accident, liability, motor, transportation, and other miscellaneous perils that may result from a contract of insurance.

2.Risk management

The assessment and management of risk focuses on a rigorous and proactive process to ensure sound product design and pricing, management of the in-force book, and reinsurance agreements to manage catastrophe risk. FNB Insurance seeks reinsurance in the ordinary course of business for the purpose of limiting its net loss potential through the diversification of its risks on insurance contracts. Reinsurance arrangements do not relieve the company from its direct obligations to its policyholders.

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.

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 is 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.
- Where necessary, underwriting processes at both the sales and claims stage.

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.
- 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 specific policies and processes. Tools and systems are available in the business to assess and manage risk. The overall responsibility for risk management resides with the Board of FNB Insurance

Managing risk strategically continued

CREDIT RISK

Credit risk refers to the potential for financial losses arising from the inability or unwillingness of borrowers, counterparties, or debtors to fulfil their contractual obligations to 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 value of loans, advances, debt securities, and other credit exposures held by FNB Namibia.

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, the bank places utmost attention on credit risk management throughout all levels of management. Effective credit risk management is crucial for maintaining the bank's financial stability and ensuring the soundness of its operations.

Credit Risk management structure

The bank 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 group board. In addition to the Chief Executive Officer (CEO), one other member of the board actively participate in these committee meetings. 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 in credit risk management.

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) Risk 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 optimize the bank's exposure to credit risk. Both business units and deployed risk functions play a pivotal role in managing credit risk 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.

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.

Credit Risk management principles

To effectively manage credit risk, the bank adheres to key principles centred 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.

STAKEHOLDERS IMPACTED

Customers Suppliers Investors

Managing risk strategically continued

CREDIT RISK continued

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 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 under IFRS 9.

The bank relies on internally developed quantitative models to assess credit risk, which address both regulatory requirements and the bank's specific business needs.

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.

CAPITALS IMPACTED

Financial | Intellectual | Social

Managing risk strategically continued

COMPLIANCE, REGULATORY AND CONDUCT RISK

These refers to all applicable compliance obligations, including the group's adherence to applicable laws, regulations, regulatory directives, guidelines, and other applicable specifications such as codes of conduct relevant to specific businesses. As such regulatory risk refers to the risk of non-compliance together with related legal or regulatory sanctions, material financial loss, damage to reputation as a result thereof. the group seeks to manage the compliance risk resulting from potential or actual instances of non-compliance with all applicable legislation and manage regulatory supervisory expectations. The group 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;
- Endeavour to treat its customers and third parties fairly in all respects;
- Minimise reputational damage to the group as a result of compliance risk; and
- 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, the group expects all employees and entities to maintain standards of honesty, integrity and fair dealing and to act with due skill, care and diligence. FirstRand Namibia 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 wilful 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.

Conduct risk must be viewed in its widest sense and includes risks associated with delivery of fair customer outcomes and the integrity and efficiency of financial markets. It touches every part of how persons, inclusive of financial institutions, conduct their respective business affairs. From a regulatory perspective, conduct risk also refers to the risk of non-compliance with conduct standards and related requirements, as may be prescribed and/or expected from time to time, by regulatory and other related authorities.

The Group thus continues to strive to fully comply with the spirit and letter of the law. Ethical behaviour is both a keystone and an important contributor to the success of the entire compliance process. In view thereof, the group expects all staff and entities to maintain standards of honesty, integrity and to act with due skill care and diligence. The group subscribes to the principles of ethical conduct as per its Code of Ethics.

Over the next 12 months focus will remain on the below key strategic objectives:

Strengthening partnerships

- Embed new Compliance Target Operating Model with revised compliance structure and updated job profiles;
- Execute on approved Combined Assurance Plan & Strengthen relationship with other assurance providers.

Enhancing Regulatory Engagement

- Manage regulatory inspections, progress reports, issue remediation and repository of regulatory correspondence and artefacts;
- Provide substantive inputs on emerging/draft legislation and new draft national policies.

Risk Based Approach

- Update and maintain Financial Crime Risk Assessment (FCRA);
- Conduct Culture Risk Assessment and Anti Bribery and Corruption (ABC) risk assessment; and
- Refine Compliance Risk Register and profile per legal entity within the FirstRand Namibia Group.

Digital Enablement

- Digitise Compliance Risk Management Plans (CRMPs);
- Move Financial Crime Operations onto Platform;
- Migrate all regulatory reporting onto platform; and
- Establish an ESG hub on FirstRand Namibia website.

STAKEHOLDERS IMPACTED

Financial | Social | Human | Intellectual

CAPITALS IMPACTED

Customers | Employees | Investors | Regulators

Managing risk strategically continued

ENVIRONMENTAL AND SOCIAL RISK

The group is committed to the effective management of the environmental and social risk of its lending and investment decisions, its product and service offerings, its own organizational impacts and the promotion of responsible practice through its supply and value chains. In order to achieve this, the group has adopted and implemented an environmental and social risk assessment and monitoring 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. The environmental and social risk management processes are integrated into the group's risk governance process, which is monitored by the group 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 risk:

Climate Change

Climate change is a defining issue of this century, with significant focus being placed on it at governmental, business and societal level. It is a global crisis that has the potential to disrupt business models and markets across all sectors, and to impact the livelihoods and well-being of individuals across the world. Financial institutions should enable rather than undermine the necessary transition to a net-zero economy, our target date to be a net-zero economy is set for 2050, 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 the society at large to successfully address this global crisis. In response thereto, the group has adopted and implemented a climate-related risk management programme which focuses on governance, strategy, risk management, risk metrics, targets and risk disclosure.

Risk impacts

Reputational	Market and liquidity	Credit	Legal and compliance	Operational
Damage to reputation from association with environmental and social impacts	Higher levels of market volatility, shift in asset valuations, dislocations, shift in market appetite with regards to the type of assets funded	Adverse impact on customers' ability to pay, impaired collateral values mainly driven by an increase in physical risks (e.g. drought, property damage,) or transition risks (lower demand of product)	Legal action, regulatory sanction or reputational damage may occur as a result of the group's approach to environmental risk	Disruptions to the group's operations, infrastructure, workforce and supply chain may result from acute environmental events
Immediate		Short/medium term	Long term	

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 risk 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 client's 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

STAKEHOLDERS IMPACTED

Employees | Regulators | Customers | Regulators | Investors

CAPITALS IMPACTED

Natural | Financial | Social | Manufacturing

Managing risk strategically continued

LEGAL RISK

Risk is defined as the exposure to an adverse impact on the objectives or sustainability of a business unit; or cause reputational damage that is a consequence of non-compliance with legal or statutory requirements. New laws, case law and changes to the interpretation of laws by appropriate authorities has 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, once such manifest;
- The protection of assets, including intellectual property, through registration as permitted by law and enforcement of rights; and
- Non-compliance with the law or failure to account for the impact of the law or changes in the law brought about by legislation or judgments.

How we address this risk

- 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. To proactively assist business in interpreting and understanding the impact that new pieces of legislation (inclusive of amendments) may have on the business operations.
- Defend the group in litigation and other proceedings against the group by ensuring adequate representation and effective management of these proceedings by the Group Legal Service at different forums;
- 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 in review

- Notable legal targets such as the digitization of contract management that was successfully implemented during the course of the year that drives business into the digital era;
- Impactful and important contribution was made to the legislative landscape that has significant impact on operations of the group;
- 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.

Potential opportunity

- Leverage potential opportunities to enhance legal programmes and to proactively mitigate legal risks within the group.
- Upgrading existing legal systems to guarantee maximum performance.
- To propel the group into a secure legal and digital environment

STAKEHOLDERS IMPACTED: Customers, Employees, Suppliers

CAPITALS IMPACTED: Financial, Intellectual, Manufacturing, Natural

Managing risk strategically continued

INFORMATION GOVERNANCE

Information, whether the groups own or that entrusted into its care by customers, staff or business partners, is a valuable and strategic asset and essential to its business.

The board is ultimately responsible for the effective governance of information within the group. The Information Governance Framework is a policy of the board and prescribes the governance and monitoring structures, key roles, responsibilities and principles which must be implemented and adhered to in order for the board to discharge its obligations in this regard.

Information Governance is the group's co-ordinated, inter-disciplinary approach to satisfying information compliance requirements and managing information risks while optimising information value. Information governance is a corporate governance responsibility, focusing on and directing the management of information by helping to ensure that:

- Information principles, policy and standards are set;
- Information ownership and accountability are clearly defined and allocated;
- Governance structures are in place to set information strategy, information management maturity levels and to monitor key information risks and root causes specific to the data itself;
- Legal and regulatory requirements are identified and met;
- Sufficient independence from any particular segment / brand / department is maintained and that proactive and co-ordinated decisions about information are made for the benefit of the group;
- Data literacy and an information management aware culture is promoted to support effective and ethical use of information;
- Material data sources are identified and managed as information assets;
- Key metrics and key data elements (KDE) are defined clearly and consistently throughout the group;
- Data flows for material risk data processes are documented, maintained and authoritative and trusted data sources identified;
- Information is appropriately classified;
- Fit-for-purpose information controls are identified and embedded in business and IT processes;
- Vital records are identified and retained in line with regulatory and business requirements;
- Material data quality issues are identified, root causes assessed and remediated timeously and sustainably;
- Master and reference data are appropriately managed to support effective consolidation, aggregation and integration of shared data across the group; and
- Information security, data privacy and records management requirements are embedded in all processes.

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, the ability to "speak data", is becoming an integral aspect of most day-to-day jobs. The successful implementation of information governance is therefore underpinned by data literacy, executive commitment, and directed and enabled by data strategy, sustainable governance structures and supporting processes, information management roles, principles, policies and supporting standards.

Deliberate competency development in the field of data literacy is required in support of digital dexterity strategies to improve business outcomes and employee engagement. This, together with the requirement that boards of directors be held accountable for the governance of information, 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.

Key outcomes:

The outcomes of the governance and management of information must ultimately be in line with the business and data strategies of the group and cannot be achieved in isolation. These outcomes must be aligned and driven in conjunction with other important business imperatives. Outcomes are not limited to what is mentioned in the Information Governance Framework, but key expected outcomes include optimised information value, accountability for information, managed information related risks and the ethical use of information. Once implemented, a successful information governance and data management approach, which builds trust and meets legal requirements, must also lead to improved decision-making, operational efficiency, understanding of data and regulatory compliance.

5

Our strategy to **create value**

Reflections from our **Chief Financial Officer**

"I also, once again, want to extend my thanks to the finance team of the group.

I know it's been a tough year on many fronts, but FirstRand Namibia remains a great business on the back of your hard work and commitment."

OSCAR CAPELAO - Former CFO

In his book The Crux, Richard P Rumelt says "A strategy is a mixture of policy and action designed to surmount a high-stakes challenge. It is not a goal or wished-for end state. It is a form of problem-solving-you cannot solve a problem you do not comprehend. Thus, challenge-based strategy begins with a broad description of the challenges - problems and opportunities - facing the organization. As understanding deepens, the strategist seeks the crux - the one challenge that both is critical and appears to be solvable. This narrowing down is the source of much of the strategist's power, as **FOCUS** remains the cornerstone of strategy." It's in the real economy, goods are manufactured, infrastructure built, agricultural goods produced, metals and minerals mined, and services provided to individuals, business and government entities.

The sole purpose of the financial system is to serve the real economy. Which brings me back to the opening quote by Rumelt. At the heart of the strategy of financial services must be an understanding of the real economy, and that solutions speak to the problems of the real economy. Financial institutions have the function: ensuring that capital is allocated efficiently throughout the economy between providers of funds (savers) and users of funds (borrowers). All balance sheets have two sides. Simple problems should be amenable to simple solutions, in the midst of all challenges faced by Namibians, shared value must remain on the corporate agenda. It's been an honour to have served as CFO for the past decade, through many macroeconomic realities. I also, once again, want to extend my thanks to the finance team of the group. I know it's been a tough year on many fronts, but FirstRand Namibia remains a great business on the back of your hard work and commitment.

"The group remains well positioned for the year ahead and as I take up the position of Chief Financial Officer, I would like to take this opportunity to express appreciation to my predecessor for his contributions to the success of FirstRand Namibia."

LIZETTE SMIT - CFO

As 2023 saw the world shaking off the economic weariness caused by the global Covid-19 pandemic, the group delivered a strong set of results for the year despite a challenging and dynamic operating environment. Whilst we benefited from rising interest rates to an extent, efforts to increase the customer base, diversify revenue and cost containment remained key strategic initiatives in supporting continued growth and value provided to our stakeholders.

A combination of lethargic economic growth, higher levels of inflation, weaker industry credit extension, and a depreciating Namibian dollar is likely to bring headwinds for us and our customers, requiring careful consideration in the coming financial year. It is anticipated that consumers will remain under pressure as disposable income and ability to service debt comes under strain. We are confident however, that our continued strategic efforts to offer meaningful and helpful solutions will be key in alleviating some of these pressures in the coming financial year and beyond.

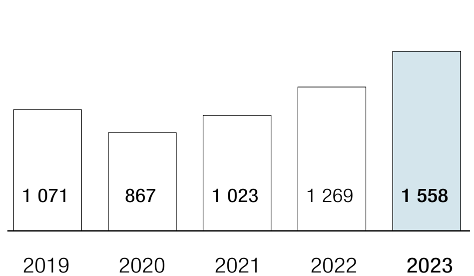
The group remains well positioned for the year ahead and as I take up the position of Chief Financial Officer, I would like to take this opportunity to express appreciation to my predecessor for his contributions to the success of FirstRand Namibia. As he hands over the baton, I am excited to be part of the journey and look forward to working together with all stakeholders fulfilling FirstRand Namibia's purpose of building a globally competitive Namibia, and delivering on our strategic objectives to achieve this.

Reflections from our **Chief Financial Officer** continued

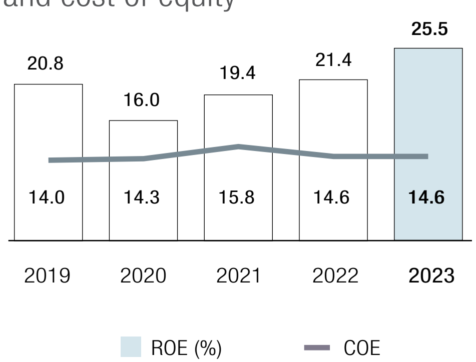
The FirstRand Namibia group has made substantial strides towards delivering on its strategic targets and growing the business. Our full year results, for the reporting period, shows a net profit after tax of N$1 561 million (2022: N$1 273 million), a 23% improvement on the previous year. Our return on equity (RoE) also improved to 25.5% (2022: 21.4%).

A number of key factors have contributed to the group's strong position, including credit extension exceeding pre-Covid levels, stable credit impairments, and the effective containment of operating costs. Pre provisioning profit increased by 26%, driven primarily by the following: net interest income up 22%, and cost marginally increasing with 9% although above inflation.

Headline earnings (N$million)



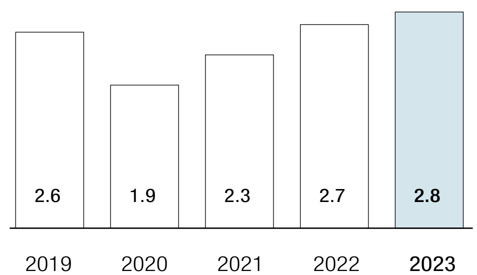
ROE and cost of equity



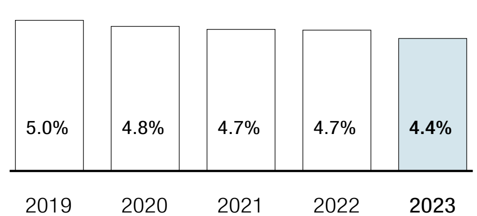
Headline earnings increased by 23% to N$1 558 million. The main drivers of the increase in earnings are largely due to an improved trading environment, increased credit extended and base growth. This coupled with the interest rate hiking cycle we are currently in has resulted in the improved earnings growth.

ROE and ROA improved to 25.5% and 2.8% respectively. NAV per share of 2 240 cents decreased compared to 2 355 cents in June 2022, this decrease was driven by the decrease in equity resulting from our capital optimisation strategy.

ROA (%)

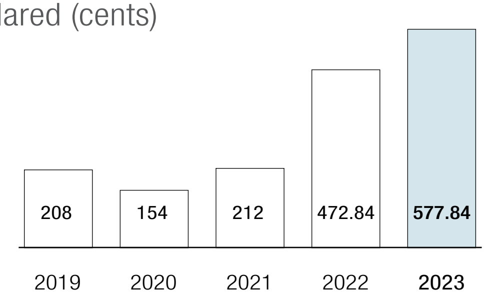


Opex as % to assets (%)

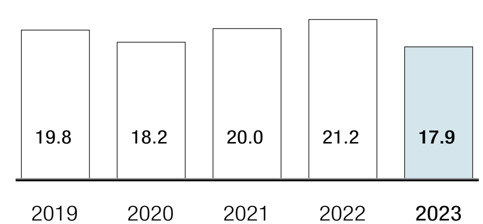


We remain well capitalised, with our Tier 1 ratio standing at 17.0% from 20.2%, given strong capital creation and lower risk-weighted assets. This is still within our Board target of 14% and exceeds regulatory requirements. We remain capital generative, with current profits adding 2% to the Tier 1 ratio over the year. The strong Tier 1 ratio enabled the group to continue with its capital optimisation strategy enabling healthy dividend payments, generating a dividend yield ratio of 15.2% for the year.

Dividend per ordinary share declared (cents)



CAR (%)



Reflections from our **Chief Financial Officer** continued

Headline earnings drivers:

N$'million	2023	2022	%
Net interest income	2 696	2 203	22%
Non-interest revenue	2 208	1 981	11%
Impairment of advances	(214)	(95)	>100%
Insurance	55	59	(7%)
Income from operations	**4 745**	**4 147**	**14%**
Operating expenses	(2 430)	(2 238)	9%
Income before tax	**2 315**	**1 909**	**21%**
Indirect tax	(53)	(41)	31%
Profit before tax	**2 262**	**1 868**	**21%**
Income tax expenses	(701)	(595)	18%
Profit for the year	**1 561**	**1 273**	**23%**

Net Interest income

Net interest income (NII) grew by 22% off higher average balances and the aggressive rate hikes for the financial year. Interest expense increased by more than 100% while interest income increased by 50%.

NII growth was driven by positive levels of capital, an improved liability mix and active balance sheet management. Interest income performance is mostly driven by the increase of average advances of 5% and an increase in the net interest margins (NIM). The NIM increase is driven by a positive endowment rate impact due to higher interest rates, given that Namibia is in a rising interest rate cycle, we expect to gain an additional c. N$160 million NII (pre-tax) for each 100-bps increase in interest rates over a 12-month period.

Impairment losses

The total impairment charge was higher year-on-year at N$214 million (2022: N$95 million). The impairment charge is 0.58% (2022: 0.29%) of gross advances.

The interest hiking cycle brings more uncertainty than six months ago. The increase in impairment charge reflects the impacts of higher-than-expected interest rates and higher levels of inflation, both having an adverse impact on our clients. Specific impairment increase by 47% to N$319 million. Portfolio model driven impairments decreased by 8%.

The non-performing loans (NPLs) stood at N$1 771 million for June 2023, a slight decrease from prior year. The ratio of NPLs to gross advances stood at 4.8% (2022: 5.4%) at June representing an 11% decrease on the back of strong advances growth and write-offs in-line with policy.

Operating expenses

The increase in expenses of 9% to N$2 430 million shows the effects of higher variable-pay incentives, continuing investment in technology and digital solutions, and some expenses such as marketing and travel returning to its normal state. Cost management remains one of the group's strategic objectives, especially in an environment of rising inflation.

Staff costs increased by 6% to N$1 331 million, accounting for 55% of total operating expenses. Annual salary increases averaged 5.8%.

Other operating costs grew 12%. IT spend increased year-on-year which is reflective of the focused investment in digital platforms. Total IT spend, including IT staff costs, amortisation and depreciation stood at N$648 million making up 27% of group expenses.

Contribution to the FirstRand Namibia Foundation was N$13 million for the year. The contribution is calculated at 1% of headline earnings.

Non-interest revenue

Non-interest revenue (NIR) benefited from the economic rebound. NIR increased by 11%, mostly driven by volume growth as pricing for the year only increased on average by 4.7%. Total transaction volumes amounted to 175 million (2022: 157 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. Total number of customers were 709 532 as at June 2023 up 6% from last year.

In the course of our digitalisation journey and drive to make banking accessible to the greater Namibia, we continue to expand our digital offering, and we have delivered the FNB DigiPlus account in July 22. Improved digital capabilities drove higher adoption rates, growth in activity and in turn revenues from digital platforms. Our growing network of retail partnerships is paying off as reflected in higher volumes and digital fees from CashPlus agents.

Branch, cash, and self-service transactions, which attract a higher fee from our clients, comprise 20% (2022: 21%) of the total transaction income. Our leading reward programs continues to produce meaningful results for our clients, with cash rewards paid out to the customers savings pockets of N$29 million, a growth of 12% on 2022.

Net fee and commission income are up 7% to N$1.9 billion. Fee and commission income make up 86.8% (2022: 87.5%) of total NIR.

Reflections from our **Chief Financial Officer** continued

Statement of **financial position**

Advances

The group's total assets increased by 11% to N$58 billion (2022: N$52 billion). Net advances, making up 61% (2022: 61%) of the balance sheet, reflected a year-on-year increase of 11% to N$35 billion. Growth in private sector credit extension recorded at 3%, of which FNB and RMB extended 62.5% (normalised) 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 (51%), FNB retail unsecured (9%), FNB commercial (22%), and RMB corporate (18%).

Mortgage loans increased year-on-year by 5% to N$16 billion and constitute 45% (2022: 47%) of gross advances.

Through providing credit to individuals, FNB Namibia 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 40% 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 15% to N$3.6 billion, the main driver being Commercial VAF which has seen clients replacing fleets due to improvement in Tourism and other sectors.

Deposits and funding

Deposit growth was ahead of advances, growing by 15% to N$43 billion. The RMB franchise was a significant contributor to the deposit's growth at 36%, FNB deposit growth was 13% year-on-year. This increase was driven by experience aided by the increased demand for savings and investment products on continued product innovation, improved utilisation of channels and cross-sell to existing customers.

Term deposits increased by 16% year-on-year whilst NCDs and Call deposits increased 13% and 17% respectively.

Capital and regulation

Total regulated capital amounted to N$6.2 billion (2022: N$6.5 billion) and has decreased by 5% due to the increased dividend payment as part of our capital optimisation strategy, which has been concluded with the final dividend declared.

The group has remained well capitalised throughout the period, with industry leading levels well above the minimum regulatory requirements. Capital adequacy ratio was 17.9% (2022: 21.2%) and Tier 1 capital 17.0% (2022: 20.2%).

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 2 240 cents;
- ROE increased to 25.5%, above the 21.4% in 2022, well above the 2019 level of 20.8%;
- The total dividend for the year increased by 62% to 764.69 cents – a record level in the history of FirstRand Namibia group.

2024 Outlook

There has been enhanced scrutiny in global banking markets with the collapse of Silicon Valley Bank and Signature Bank in the US as well as UBS's government backed takeover of Credit Suisse in Switzerland. Regulatory responses have been prompt and consistent. We don't envisage systemic risk to the Namibian banking sector based on the matters that have impacted global markets. Looking closer to home, some recent changes in the regulatory landscape will require FirstRand Namibia to become more agile and responsive with regard to the business model. The Namibian Banking sector continues to be liquid and well capitalised with levels well in excess of the regulatory minimums and considerably above the 2008 global financial crisis.

In 2024, we look forward to more real options for real growth across our addressable market, driving customer priority and developing our social importance as an organisation. We will continue to shape on the transformation progress we have made. The effort made since 2019 to deliver against our strategy has ensured that we have a solid foundation in place to accelerate strategy execution and performance, not disregarding the more challenging operating environment, and to ensure our social significance as an organisation. With a dynamic and proficient leadership team and an engaged staff complement, we are well-positioned to help build a globally competitive Namibia that helps our customers and drives sustainable growth.

L Smit
Chief Financial Officer

Value for **stakeholders**

Net interest income
N$2 696 million

-

Impairment losses on loans and advances
N$214 million

+

Other revenue
N$2 263 million

=

Value added
N$4 745 million

value creation

In fulfilling the promise to stakeholders in delivering on the purpose, FirstRand Namibia Group allocates value created in appropriate and meaningful ways. Stakeholders receive incorporeal benefits extending from employee development programmes to enterprise development, supporting a more sustainable future - creating value for society and economy.

How value created is allocated
N$4 745 million

employees
28%

N$1 331 million paid in salaries to employees driving our effort towards significant poverty alleviation.

shareholders
36%

Of which N$771 million dividends paid out to Namibians putting more into their pockets.

foundation
N$13 million

suppliers
20%

The **N$964** million paid to suppliers which in turn helps them in creating employment, sustaining smaller suppliers and supporting the economy.

retained for future growth and investments
3%

government
12%

N$582 million paid in total taxes which enables the Namibian Government to meet the social and economic needs of our country and its people, ensuring a better life for everyone.

Capital management

Capital management

FirstRand Namibia has maintained a sound capital position with the highest capital adequacy ratio (CAR) in the market. The group continues to endeavour 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 which is in line with our risk profile and risk tolerance objectives.

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.
- To maintain 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.
- 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 III 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 209.70 cents and 368.14 cents respectively. A special dividend of 186.85 cents were declared at interim.

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 qualifies 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

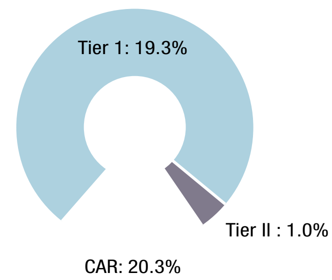
TIER 2

- Qualifying capital instruments
- Revaluation reserves
- Loan loss reserves
- Unaudited profits
  (approved by the board, with a phase-out over 5 years, after which only "reviewed" profits are included in Tier 1 capital)

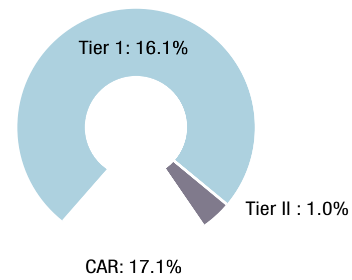
Banking group

The group continues to maintain a position of strength and remained well capitalised with a Common Equity Tier 1 (CET1) ratio of 16.1%. The capital adequacy ratio (CAR) for both Bank and Group exceeds the Board set targets.

June 2022



June 2023



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. The applicable capital minimum ratios per year to the original end-state requirement of 2022 would have been as per below.

	Phased-in 2020	Phased-in 2021	End-state 2022	Covid relief	FNBN	FSR group	Board limits
Core equity	6.0%	6.0%	6.0%	6.0%	14.5%	17.0%	0.0%
Capital conservation buffer	1.5%	2.0%	2.5%	0.0%	1.6%	-	0.0%
CET1 minimum	7.5%	8.0%	8.5%	6.0%	16.1%	17.0%	>11.5%
Additional Tier 1	1.5%	1.5%	1.5%	1.5%	-	-	0.0%
Tier 1 (minimum)	9.0%	9.5%	10.0%	7.5%	16.1%	17.0%	0.0%
Tier 2 (maximum)	2.5%	2.5%	2.5%	2.5%	1.0%	0.9%	0.0%
Total CAR minimum	11.5%	12.0%	12.5%	10.0%	17.1%	17.9%	>14.0%

Capital management continued

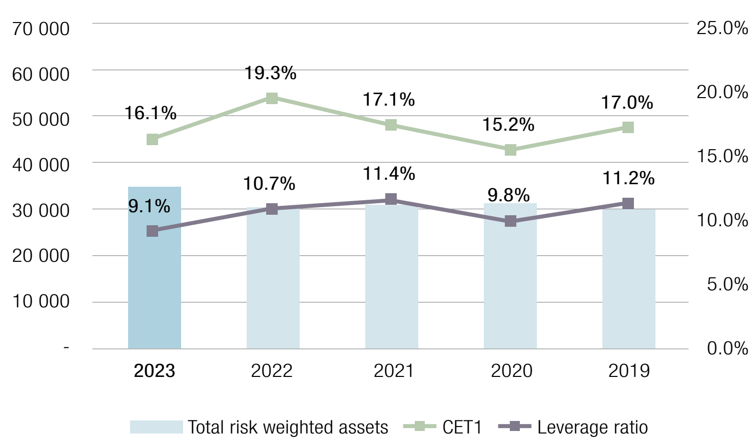
Regulatory developments and proposals continued

However, the capital relief which came into effect in 2020 in response to the COVID-19 (BID-33) pandemic lapsed effective 2 April 2023. Although BON has not indicated the new implementation for end state, the group is adequately capitalised to comply with end-state capital requirements. Furthermore, the single obligor limit of 30% as per the group's qualifying capital, remained unchanged as gazetted in BID33.

BID33 effective 2 April 2023 issued in response to the Covid - 19 pandemic introduced measures to provide relief to the banking institutions and its customers for a period to 1 April 2024 or until revoked.

The group commended the actions the Bank of Namibia has taken to try to mitigate the economic impact of the Covid-19 turmoil as these measures will provide banking institutions the necessary flexibility to respond to the client's needs, thereby supporting the economy during these challenging times.

Capital highlights



The minimum leverage ratio as per the implemented determination is 6% and is defined as Tier 1 capital divided by total on- and off-balance sheet exposures.

Capital adequacy of Banking Operations and Regulated consolidated group

	Banking operations Year end 30 June		Regulated consolidated group Year end 30 June	
N$'000	2023	2022	2023	2022
Risk weighted assets				
Credit risk	28 826 566	25 308 970	28 898 330	25 457 697
Market risk	104 141	61 931	104 141	61 931
Operational risk	5 628 704	5 155 755	5 818 033	5 307 437
Total risk weighted assets	**34 559 411**	**30 526 656**	**34 820 504**	**30 827 065**
Regulatory capital				
Share capital and share premium	1 142 792	1 142 792	282 148	282 148
Retained profits	4 468 011	4 821 003	5 760 643	6 033 954
Other disclosure reserves	10 913	4 893	-	-
Capital impairments*	(63 428)	(67 454)	(118 976)	(95 562)
Total tier 1	**5 558 288**	**5 901 234**	**5 923 815**	**6 220 540**
Eligible subordinated debt	-	-	-	-
General risk reserve, including portfolio impairment	360 332	316 362	360 491	316 384
Capital impairments*	-	-	(50 707)	(19 945)
Total tier 2	**360 332**	**316 362**	**309 784**	**296 439**
Total tier 1 and tier 2 capital	**5 918 620**	**6 217 596**	**6 233 599**	**6 516 979**
Consolidated group				
Capital adequacy ratios				
Tier 1	16.1%	19.3%	17.0%	20.2%
Tier 2	1.0%	1.0%	0.9%	1.0%
Total	**17.1%**	**20.3%**	**17.9%**	**21.2%**
Tier 1 leverage ratio	9.1%	10.7%	10.2%	11.8%

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

Summary of **consolidated annual financial statements**

Summarised consolidated statement of comprehensive income

for the year ended 30 June

N$ '000	2023	2022
Net interest income before impairment of advances	2 696 197	2 202 575
Impairment and fair value of credit on advances	(213 572)	(95 365)
Net interest income after impairment of advances	**2 482 625**	**2 107 210**
Non-interest revenue	2 207 775	1 980 980
Net insurance income	55 089	58 959
Income from operations	**4 745 489**	**4 147 149**
Operating expenses	(2 429 685)	(2 238 323)
Income before tax	**2 315 804**	**1 908 826**
Indirect tax	(53 944)	(41 359)
Profit before tax	**2 261 860**	**1 867 467**
Direct tax	(700 687)	(594 621)
Profit for the year	**1 561 173**	**1 272 846**
Other comprehensive income for the year		
Items hat may not be subsequently reclassified to profit and loss	6 024	(1 445)
	1 567 197	**1 271 401**
Profit attributable to:		
Equity holders of the parent	1 557 712	1 265 292
Non-controlling interests	3 461	7 554
	1 561 173	**1 272 846**
Total comprehensive income for the year attributable to:		
Equity holders of the parent	1 563 736	1 263 847
Non-controlling interests	3 461	7 554
	1 567 197	**1 271 401**

Reconciliation of earnings attributable to ordinary shareholders and headline earnings

N$ '000	2023	2022
Earnings attributable to ordinary shareholders	1 557 712	1 265 292
Headline earnings adjustments:	44	3 817
Headline earnings	**1 557 756**	**1 269 109**

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, show a net profit after tax of N$1 561 million (2022: N$1 273 million), a 23% improvement on the previous year. Our return on equity (RoE) also improved to 25.5% (2022: 21.4%).

Summary of consolidated annual financial statements continued

Summarised consolidated statement of financial position

as at 30 June

N$ '000	2023	2022
Assets		
Cash and cash equivalents	1 809 926	2 395 398
Due from banks and other financial institutions	9 468 311	9 231 486
Derivatives financial instruments	375 784	93 610
Advances	35 449 607	31 962 564
Investment securities	9 949 026	7 416 757
Other assets	1 278 686	1 342 381
Total assets	58 331 340	52 442 196
Equity and liabilities		
Liabilities		
Deposits	42 752 375	37 114 206
Due to banks and other financial institutions	7 503 075	7 229 779
Derivative financial instruments	404 096	227 448
Other liabilities	1 687 654	1 598 524
Total liabilities	52 347 200	46 169 969
Equity		
Equity attributable to equity holders of the parent	5 984 140	6 230 659
Non-controlling interests	-	41 568
Total equity	5 984 140	6 272 227
Total equity and liabilities	58 331 340	52 442 196

Assets and advances

The group's total assets increased by 11% to N$58 billion (2022: N$52 billion). Net advances, making up 61% (2022: 61%) of the balance sheet, reflected a year-on-year increase of 11% to N$35 billion.

Growth in private sector credit extension recorded at 3%.

Deposits and funding

Deposit growth was ahead of advances, growing by 15% to N$43 billion. The RMB franchise was a significant contributor to the deposit's growth at 36%, FNB deposit growth was 13% year-on-year. This increase was driven by experience aided by the increased demand for savings and investment products on continued product innovation, improved utilisation of channels and cross-sell to existing customers.

Term deposits increased by 16% year on year whilst NCDs and Call deposits increased 13% and 17% respectively.

Summary of **consolidated annual financial statements** continued

Summarised consolidated statement of changes in equity

for the year ended 30 June

N$ million	Total share capital and share premium	Defined benefit post-employment reserve	General reserve	Retained earnings	Non-controling interest	Total equity
Balance at 1 July 2021	6 347	6 334	95 423	5 478 083	59 494	5 645 681
						-
Profit for the year	-	-	-	1 265 292	7 554	1 272 846
Other comprehensive income	-	(1 445)	-	-	-	(1 445)
Transfer between reserves	-	-	(95 423)	95 423	-	-
Consolidation of shares held by shares trust	90 361	-	-	-	-	90 361
Dividends	-	-	-	(709 736)	(25 480)	(735 216)
Balance at 1 July 2022	**96 708**	**4 889**	**-**	**6 129 062**	**41 568**	**6 272 227**
Profit for the year	-	-	-	1 557 712	3 461	1 561 173
Other comprehensive income	-	6 024		-	-	6 024
Transfer between reserves	-	-	-	-	-	-
Consolidation of shares held by shares trust	182 650	-	-	(77 434)	-	105 216
Dividends	-	-	-	(1 895 057)	(3 920)	(1 898 977)
Change in ownership interest of subsidiary	-	-	-	(20 414)	(41 109)	(61 523)
Balance at 30 June 2023	**279 358**	**10 913**	**-**	**5 693 869**	**-**	**5 984 140**

Summary of consolidated annual financial statements continued

Summarised consolidated statement of cash flows

for the year ended 30 June

N$ '000	2023	2022
Cash flows from operating activities		
Interest and fee commission receipts	6 897 252	5 217 724
- Interest received	4 832 921	3 301 398
- Fee and commission received	2 187 681	2 003 074
- Insurance income received	147 638	129 568
- Fee and commission paid	(270 988)	(216 316)
Trading and other income	185 622	331 110
Interest payments	(2 231 566)	(1 199 526)
Other operating expenses	(2 255 865)	(2 071 469)
Taxation paid	(589 537)	(630 991)
Cash generated from operating activities	2 005 906	1 646 848
Movement in operating assets and liabilities		
Liquid assets and trading securities	(2 709 897)	(6 504 375)
Advances	(3 631 426)	(1 827 019)
Deposits	5 561 877	1 450 443
Other assets	71 547	79 833
Due to banks and other financial institutions	229 674	7 097 118
Creditors	(84 708)	327 246
Net cash from operating activities	1 442 973	2 270 094

N$ '000	2023	2022
Cash flows from investing activities		
Acquisition of property and equipment	(120 529)	(102 625)
Proceeds from the disposal of property and equipment	3 074	23 346
Purchase of intangible assets	(11 585)	(699)
Net cash from investing activities	(129 040)	(79 978)
Cash flows from financing activities		
Proceeds received from the disposal of shares from share trust	105 214	90 361
Acquisition of non-controlling interest	(61 523)	-
Repayment of Tier 2 liabilities	-	(400 000)
Dividends paid	(1 895 057)	(709 736)
Dividends paid to non controlling interests	(3 920)	(25 480)
Principal payments on other liabilities	(23 061)	(25 554)
Principal payments on lease liabilities	(21 058)	(23 650)
Net cash from financing activities	(1 899 405)	(1 094 059)
Total cash movement for the year	(585 472)	1 096 057
Cash at the beginning of the year	2 395 398	1 299 341
Total cash at end of the year	1 809 926	2 395 398

Summary of **consolidated annual financial statements** continued

Ratios and selected financial information

	2023	2022
Ratios:		
Return on assets (earnings on average assets) (%) - normalised	2.8	2.7
Return on equity (headline earnings on average equity)(%)	25.5	21.5
Cost to income ratio (%)	49.0	52.8
Share statistics:		
Closing share price - ordinary (cents)	5 039	3 050
Price / Earnings ratio	8.6	6.3
Earnings yield (%)	11.7	15.8
Price to Book	2.2	1.3
Basic earnings per share (cents)	587.9	483.0
Headline earnings per share (cents)	587.9	484.5
Net asset value per share (cents)	2 240	2 355
Market capitalisation	13 484	8 162

	2023	2022
Dividend information:		
Dividends per share - ordinary dividend declared (cents) *	577.84	472.84
* based on current year profits		
Dividends per share - ordinary dividend paid (cents) **	529.54	271.00
** based on dividends paid within financial year		
Dividend per share - special dividend (cents)	185.86	-
Dividend yield - ordinary dividend (%) *	15.2	15.5
Dividend cover (times) based on total dividends	1.0	1.0
Capital adequacy:		
Banking group (%)	17.1	20.3
Consolidated group (%)	17.9	21.2

6

Supplementary **information**

Shareholder's information

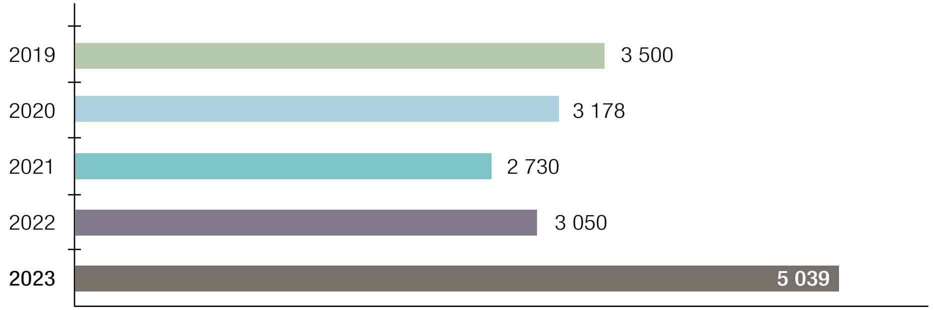
Shareholder's diary

Financial Year End	30 June 2023
Declaration Date	23 August 2023
SENS Announcement	14 September 2023
LDR/ Record Date	13 October 2023
Trade Cum Div	06 October 2023
Trade ex div	09 October 2023
Annual General Meeting	19 October 2023
Payment date	27 October 2023

Stock exchange performance

	2023	2022
Share price (cents)		
- high for the year	5 039	3 051
- low for the year	2 976	2 731
- closing price per share	5 039	3 050
Number of shares traded ('000)	5 157	6 979
Value of shares traded (N$'000)	194 558	208 256
Number of shares traded as % of issued shares	1.93	2.61
Average price (cents)	3 773	2 984

Closing share price - Ordinary - a year on year increase of 65%



Shareholder's **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 Limited
100%	Swabou Investments (Pty) Ltd	**100%**	Ashburton Unit Trust Management Company Ltd	**100%**	FNB Nominees (Namibia) probity Ltd		
		100%	Pointbreak Investment Management (Pty) Ltd	**100%**	FNB Insurance Brokers (Namibia) (Pty) Ltd		
		100%	Ashburton Investment Managers (Pty) Ltd	**100%**	Talas Properties (Windhoek) (Pty) Ltd		
		100%	RMB Investment (Pty) Ltd	**100%**	Pointbreak Trust and Estates (Pty) Ltd		
		100%	Pointbreak Wealth Management (Pty) Ltd				

Shareholder's **information** continued

Share analysis - ordinary shares

Range of shareholders	Number of shareholders	%	Number of shares	%
1 - 999	1 216	45.1%	424 308	0.2%
1 000 - 1 999	402	14.9%	516 970	0.2%
2 000 - 2 999	198	7.3%	481 130	0.2%
3 000 - 3 999	107	4.0%	360 168	0.1%
4 000 - 4 999	65	2.4%	284 515	0.1%
5 000 - 9 999	221	8.2%	1 494 538	0.6%
over 10 000	486	18.0%	264 031 621	98.7%
	2 695	100%	267 593 250	100.0%
Shareholder type				
Corporate bodies	41	1.5%	163 821 001	61.2%
Nominee companies	103	3.8%	85 335 601	31.9%
Private individuals	2 512	93.2%	15 783 386	5.9%
Trusts	39	1.4%	2 653 262	1.0%
	2 695	100%	267 593 250	100.0%
Geographic ownership				
Namibian including unknown	2 521	93.5%	105 667 136	39.5%
Other Africa	157	5.8%	157 834 732	59.0%
International	17	0.6%	4 091 382	1.5%
Total	2 695	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	6 515 497	2.4%
THE BANK OF NEW YORK MELLON	4 041 900	1.5%
SOVEREIGN CAPITAL (PROPRIETARY) LIMITED	3 788 490	1.4%
ALLAN GRAY NAMIBIA BALANCED FUND	3 654 428	1.4%
INVESTEC NAMIBIA TRUSTEE ACCOUNT (NAMAN)	3 447 043	1.3%
CHAPPA'AI INVESTMENTS FORTY TWO (PTY) LTD	3 018 199	1.1%
RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN NAMIBIA	2 579 719	1.0%
BENCHMARK RETIREMENT FUND	2 299 149	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	**Deloitte & Touche Namibia** Jan Jonker Road, Maerua Mall Complex Windhoek, Namibia PO Box 47, Windhoek, Namibia Tel: +264 (61) 285 5000 www.deloitte.com/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 sixth (36th) Annual General Meeting of the shareholders of FirstRand Namibia Ltd will be held via electronic media or in the Etosha Boardroom, FirstRand Namibia Ltd, 5th Floor, @Parkside, 130 Independence Avenue, c/o Fidel Castro, Windhoek, on 19 October 2023 at 14:00. Shareholders are advised that should they wish to attend the AGM via electronic media, email a request to **shareholder@fnbnamibia.com.na**. A link to the event will be provided as well as the registration document.

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

Resolved that the Annual Financial Statements for the year ended 30 June 2023 as approved by the Board of Directors on 23 August 2023, 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 577.84 (2022: 472.84) cents per share.
To confirm the special dividends of 186.85 cents per share.

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

Peter Grüttemeyer, Jan Coetzee and Emile van Zyl 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 25, 27 and 28 of this integrated annual report.

Ordinary resolution number 3.1

Resolved that Peter Grüttemeyer is hereby re-elected as an independent non-executive director of the company.

Ordinary resolution number 3.2

Resolved that Jan Coetzee is hereby re-elected as an independent non-executive director of the company.

Ordinary resolution number 3.3

Resolved that Emile van Zyl is hereby re-elected as an independent non-executive director of the company.

NOTICE OF ANNUAL GENERAL MEETING continued

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. The following directors were appointed by the board effective 1 August 2022, 1 December 2022, and 1 February 2023 respectively to fill vacancies in accordance with the Act and the company's Articles of Association and are now recommended by the board for election by shareholders by way of separate resolutions.

Ordinary resolution number 4.1

Resolved that Rajendra Makanjee, be and is hereby elected as a non-executive director of the company.

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

Ordinary resolution number 4.2

Resolved that Libertha Dewina Kapere, be and is hereby elected as an independent non-executive director of the company.

The abridged curricula vitae of the director standing for election for ordinary resolution number 4.2 is set out on page 27 of this integrated annual report.

Ordinary resolution number 4.3

Resolved that Markus Johannes Lubbe is hereby elected as an independent non-executive director of the company.

The abridged curricula vitae of the director standing for election for ordinary resolution number 4.3 is set out on page 29 of this integrated annual report.

Ordinary resolution number 4.4

Resolved that Otto Nakasole Shikongo is hereby elected as an independent non-executive director of the company.

The abridged curricula vitae of the director standing for election for ordinary resolution number 4.4 is set out on page 28 of this integrated annual report.

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

On the recommendation of the of the Directors Governance Committee, Libertha Dewina Kapere and Markus Johannes Lubbe, were appointed by the Audit Committee to fill vacancies 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

Resolved that Libertha Dewina Kapere is hereby elected as a member of the Audit Committee.

Ordinary resolution number 5.2

Resolved that Markus Johannes Lubbe is hereby elected as a member of the Audit Committee.

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

Resolved that Emile van Zyl is hereby re-appointed as a member of the Audit Committee for the Financial Year.

7. Ordinary resolution number 7: Appointment of Auditors

Resolved that, as recommended by the Audit Committee, Ernst & Young Namibia is hereby appointed as the auditors of the company. It is further resolved to authorise the directors to determine the remuneration of the auditors. This is in line with the mandatory rotation of external auditors. Their recommendation of appointment follows a due process in identifying the audit firm to take over from Deloitte & Touche Namibia for the ensuing financial year.

8. Ordinary resolution number 8: Control of Unissued Shares

Resolved 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 2 of 1998, Companies Act 28 of 2004 (the Act), the Articles of Association of the company and the Listings Requirements of the Namibia Stock Exchange (NSX).

NOTICE OF ANNUAL GENERAL MEETING continued

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

The Namcode recommends that companies should remunerate directors fairly and responsibly. Included in this is the duty of the Talent and Remuneration Committee to advise on remuneration of non-executive directors. The approved fees should recognise the responsibility borne by the directors throughout the year and not only during the meetings. Management mandated by the Talent and Remuneration Committee, embarked on an exercise to do a comparative industry study of the Directors Fees and table same to the Committee for their recommendation and approval. The fees below are reflective of this alignment to industry. The proposed increase represents an alignment of the fees to industry.

Resolved that the annual fees of the non-executive directors or members, as reflected below be approved for the 2024 financial year:

	No of meetings per annum	Calculated fee per meeting	Proposed 2024 annual fee
FirstRand Namibia Ltd Board			
Member	4	18 052	72 208
Deputy Chair	4	27 078	108 312
Chair	4	31 591	126 364
Audit Committee			
Member	4	25 531	102 124
Chair	4	63 182	252 728
Risk Capital and Compliance Committee			
Member	4	21 275	85 100
Chair	4	31 913	127 652
Talent and Remuneration Committee			
Member	2	17 871	35 742
Chair	2	26 807	53 614
Directors Governance Committee			
Member	3	17 020	51 060
Chair	3	29 785	89 355
Senior Credit Risk Committee			
Member	25	10 315	257 875
Chair	25	10 727	268 175
Information Technology Risk and Governance Committee			
Member	4	13 409	53 636
Chair	4	15 859	63 436
Asset Liability and Capital Committee			
Member	4	10 667	42 668
Chair	4	18 212	72 848

Notice of **annual general meeting** continued

	No of Meetings per Annum	Calculated Fee per Meeting	Proposed 2023/24 Annual fee
Social, Ethics & Sustainability Committee			
Member	4	13 409	53 636
Chair	4	15 018	60 072
First National Bank of Namibia Ltd Board			
Member	4	36 104	144 416
Deputy	4	54 156	216 624
Chair	4	72 208	288 832
Ad-hoc work Standard hourly rate for ad hoc work including attending director interviews, board training and board strategy sessions	Ad hoc		2 578

10. Ordinary resolution number 10: Remuneration Policy

Resolved that the existing remuneration policy remain in force, no changes are proposed to the current policy and shareholders ratify the current Remuneration Policy which was approved by the Shareholders at the 21 October 2021 Annual General Meeting.

11. Ordinary resolution number 11: Authority to sign documents

Resolved that each director and/ or the Group 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 attend the Annual General Meeting. Voting will be by proxy only. All holders of FirstRand Namibia Ltd shares will be entitled to vote by proxy prior to the Annual General Meeting. Voters are required to submit their votes by proxy to the Transfer Secretaries of the Company, who will submit their votes at the Annual General Meeting on their behalf. The holders of ordinary shares will each be entitled to one vote for every ordinary share held.

Proof of identification required:

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

Proxies:

Each member entitled to attend the Annual General Meeting is entitled to appoint one or more proxies (none of whom need 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, 16 October 2023.

By order of the board FirstRand Namibia Limited

Nelago Makemba
Group Company Secretary
14 September 2023

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

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 and who are unable to attend the 2023 annual general meeting of the Company via electronic media or in person, on Thursday, 19 October 2023 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:

....
or failing him/her

....
or failing him/her

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 2023			
Ordinary Resolution 2	Confirmation of dividends			
Ordinary Resolution 3	Re-election of directors by way of separate resolutions:			
	Peter Grüttemeyer (Independent Non-Executive Director)			
	Jan Coetzee (Independent Non-Executive Director)			
	Emile van Zyl (Independent Non-Executive Director)			
Ordinary Resolution 4	Vacancies filled by Directors during the year by way of separate resolutions:			
	Rajendra Makanjee (Non-Executive Director)			
	Libertha Dewina Kapere (Independent Non-Executive Director)			
	Markus Johannes Lubbe (Independent Non-Executive Director)			
	Otto Nakasole Shikongo (Independent Non-Executive Director)			
Ordinary Resolution 5	Election of Audit Committee Members by way of separate resolution:			
	Libertha Dewina Kapere			
	Markus Johannes Lubbe			
Ordinary Resolution 6	Re-appointment of Audit Committee Member:			
	Emile van Zyl			
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 2023

Signature ....

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

FORM OF PROXY

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

Notes:

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

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

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

2. Forms of proxy must be received at the Company's transfer secretaries, 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, 16 October 2023. 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, 16 October 2023.

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

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