

# 2022



# FirstRand

NAMIBIA

## UNAUDITED INTERIM GROUP RESULTS AND CASH DIVIDEND DECLARATION

for the six months ended 31 December 2022

**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")

FirstRand Namibia is a portfolio of integrated financial services businesses and offers a universal set of transactional, lending, investment and insurance products and services. Its objective is to build long-term franchise value and deliver superior and sustainable returns within acceptable levels of volatility.

### SHARED PROSPERITY - INCLUSIVE GROWTH FOCUSING ON ALL NAMIBIANS

**N\$403 million** direct and indirect tax charge

**N\$13 million, 1% of FirstRand Namibia's headline earnings** is donated to the foundation for CSR spend each year

Dividends paid to Namibians: **N\$343 million**

Deposit Taking  
**N\$952 million** in interest paid to clients  
(2021: N\$477 million)

Deposits: **N\$39 billion**  
Total assets: **N\$55 billion**

FNB & RMB extended **N\$33 billion**

Homeloans extended **N\$16 billion**

FNB Business loans **N\$7 billion**

FirstRand Namibia's underlying strategies deliver a blend of **strong financial and social outcomes**

## Group overview

### Doing what matters, delivers.

FirstRand Namibia recognises that it has a responsibility to deliver both financial value and positive social outcomes for multiple stakeholders, with the principles of shared value into strategy and operations, a continuing strategic priority for the group.

FirstRand Namibia's earnings remain tilted towards its banking activity and are mainly generated by its large lending and transactional franchises, which have deep and loyal customer bases. Against the prevailing backdrop of improved macroeconomic growth, given the group's size, any aspiration to outperform requires strategic distinction combined with sound execution. The key growth imperatives in the group's franchises is to grow customer numbers, do more for customers, and to do this more efficiently. The group is also investing in building capital-light revenues in adjacent activities such as insurance and asset management.

Delivering strong revenue growth of 21%, a credit loss ratio that decreased year on year to 26 bps and continued cost containment resulted in headline earnings increasing by 36% to N\$842 million. The group's return on equity (ROE) increased to 27.8% (2021: 21.9%).

The six months to December 2022 saw more relief from COVID19 related restrictions. The prior year still had increased impairments and reduced volumes and with the opening up of restrictions, performance for 2022 increased. As a result of that base effect, the group's profit before tax increased with 37%. FirstRand Namibia has delivered a 8.2% compound annual growth rate (CAGR) in profit before tax since December 2019. Net interest income growth was driven by the aggressive interest rate hike cycle by the Bank of Namibia and strong average balance sheet growth, increasing 26% to N\$1 328 million from N\$1 051 million. Average interest-bearing assets increased by 7%, driven by average advances being up 6% vs PSCE for 4.2% in December 2022. Interest earned on advances grew with 33% whereas interest on investments also increased by 28%. Deposits grew by 11% and totalled N\$39 billion (2021: N\$35 billion), and Deposit holders earned N\$551 million (2021: N\$328 million) in interest across all deposit accounts for the period. Non-interest revenue (NIR) increased with 12%, to N\$1 120 million from N\$998 million, accounting for 45% (2021: 48.7%) of total revenue, while net interest income grew faster with the hike in interest rates. Net fee and commission income grew 10% to N\$981 million, representing 88% of total NIR. Net fee and commission income increase is primarily a result of an increase in volumes while the average price increase was only 4.7%, well below the inflation average of 6.9%.

## Dividend declaration

Notice is hereby given that a total cash dividend (number 59) for the six months ended 31 December 2022 of 396.55 cents per ordinary share was declared on 8 February 2023. The last day to trade shares on a cum dividend basis will be on 24 March 2023 and the first day to trade ex-dividend will be 27 March 2023. The record date will be 31 March 2023 and the payment date 21 April 2023.

By order of the board:

**Nelago Makemba, Company Secretary**

01 March 2023

	Six months ended 31 December		Year ended 30 June
	2022	2021	2022
Basic earnings per ordinary share (cents)	318.2	235.2	483.0
Headline earnings per share (cents)	318.2	236.3	484.5
Diluted earnings per share (cents)	318.2	235.2	483.0
Headline earnings (N\$'million)	842	618	1,269
<b>Statement of financial position</b>			
Total assets (N\$ 'million)	54 515	43 410	52 442
Advances (N\$ 'million)	33 250	31 070	31 963
Deposits (N\$ million)	39 192	35 189	37 114
<b>Financial performance</b>			
Return on average equity (%)	27.8	21.9	21.4
Return on average assets (%)	3.4	2.8	2.7
Cost to income ratio (%)	46.0	51.0	52.8
<b>Share statistics</b>			
Number of shares in issue (millions) - ordinary*	264 527	261 799	261 441
Weighted number of shares in issue (millions) - ordinary*	264 527	261 666	261 962
* after consolidation of share trusts			
Net asset value per share (cents)	2 346	2 255	2 355
Closing share price (cents)	3 251	2 950	3 050
Market capitalisation (N\$ million)	8 699	7 894	8 162
<b>Capital adequacy ratios</b>			
<b>FNB Namibia group</b>			
Tier 1	15.9%	16.7%	19.3%
Tier 2	2.2%	3.3%	1.0%
Total	18.1%	20.0%	20.3%
Tier 1 leverage ratio	8.9%	10.9%	10.7%
<b>FirstRand Namibia regulated consolidated group</b>			
Tier 1	16.2%	17.2%	20.2%
Tier 2	2.1%	3.2%	1.0%
Total	18.3%	20.4%	21.2%
Tier 1 leverage ratio	9.6%	12.2%	11.8%

**Directors:** P Grüttemeyer (Chairman), OLP Capelao, J Coetzee, C Dempsey (Chief Executive), LD Kapere, MJ Lubbe\*, R Makanjee\*\*, IN Nashandi, ON Shikongo, E van Zyl

\*South African with Namibian Permanent Residence

\*\* South African

**Company Secretary:** N Makemba

**Registered office:** @ Parkside, 130 Independence Avenue, P O Box 195, Windhoek, Namibia, Registration No. 88/024, ISIN Code: NA0003475176, NSX Share Code: FNB.

**Transfer secretary:** Transfer Secretaries (Pty) Ltd, 4 Robert Mugabe Avenue, P O Box 2401, Windhoek, Namibia, Registration No. 93/713.

**Sponsor:** Cirrus Securities (Pty) Ltd, 35 Schanzen Road, Windhoek, P O Box 27, Windhoek, Namibia, Registration No. 98/463.

www.fnbnamibia.com.na

