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THE BRIEF

News Worth Knowing

Govt's sinking fund tops US$500m as Eurobond redemption nears

THURSDAY 14 AUGUST 2025

MAIN STORY

Govt's sinking fund tops US$500m as Eurobond redemption nears

Namibia is on track to redeem its US$750 million Eurobond when it matures on 29 October 2025, with the government's sinking fund now standing at more than US$500 million, well above the halfway mark required for repayment.

Crucial Dates

- **Bank of Namibia Monetary Policy announcement date:**
  * 15 October 2025
  * 3 December 2025

According to Nicholas Mukasa, Director of Financial Markets at the Bank of Namibia and a member of the Monetary Policy Committee, the fund was built up gradually through quarterly allocations from foreign inflows and forms a central pillar of the country's sovereign debt management strategy.

"The current balance stands at over 500 million US dollars in that particular sinking fund. I'm pleased to report that we are executing in line with this calendar, having already met over 50% of our borrowing requirements to date," he said.

Mukasa said the remaining amount for the Eurobond redemption will be financed through accumulated savings and increased domestic bond issuances, as the government prioritises converting foreign debt into domestic liabilities.

"We want to convert that debt (Eurobond) into a domestic liability, which is why we are focusing on the domestic market," he explained.

For the 2025/26 financial year, the Bank's borrowing plan is set at N$21 billion, up from N$14 billion the previous year. Investor appetite has been strong, with auctions since April oversubscribed and interest recorded in both long- and short-term bonds. "The terms have not yet been finalised, but we are very close to reaching agreements, and progress is going well. Overall, the confidence I can convey in this room is that, with regard to the borrowing plan, everything is proceeding according to plan," Mukasa said.

This comes as Finance Minister Ericah Shafudah, in March, revealed the fund had accumulated US$463 million in its sinking fund, with plans to inject an additional N$3 billion (US$162 million) into the fund during the current fiscal year.

According to Robert McGregor, Head of Research at Cirrus Capital Namibia, the decision to issue the US$750 million Eurobond in 2015 was driven by several factors, including a liquidity crunch for the central government following a revenue shock, weak demand in domestic debt auctions, and the need to bolster the country's international reserves, which had deteriorated significantly.

Ministry of Finance spokesperson, Wilson Shikoto, said the proceeds were also channelled into industrialisation projects and infrastructure development in power, water, logistics, and transport, as well as education initiatives to support skills development.

"Despite the increase in the debt-to-GDP ratio, the Eurobond proceeds helped the country maintain normal operations, finance the budget deficit, and invest in key national infrastructure. Additionally, these proceeds allowed Namibia to strengthen its external position by augmenting its stock of international foreign exchange reserves," Shikoto said, adding that the move bolstered investor confidence in Namibia's ability to meet its foreign obligations.

2025 INTERIM FINANCIAL RESULTS RELEASE

Letshego

LETSHEGO HOLDINGS (NAMIBIA) LIMITED Incorporated in the Republic of Namibia **Registration Number** 2016/0145 **ISIN:** NA000A2DVV41 **SHARE CODE (NSX):** LHN

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors of Letshego Holdings (Namibia) Limited ("LHN/the Group/Letshego") is pleased to present an extract of the unaudited consolidated results for the half year ended 30 June 2025.

OVERVIEW OF FINANCIAL PERFORMANCE

For the past six months ended 30 June 2025, Letshego Holdings Namibia's L.A.S.E.R. Strategy has gained momentum, reinforcing our transformation journey toward becoming a future-fit financial services provider. This strategy prioritises customer-centricity through digital expansion, system modernisation, and data-driven personalisation. We continue to strengthen our innovation agenda via enhancements of our platforms like the LetsGo Digital Mall and USSD, and strategic partnerships. Our focus remains on delivering sustainable value through improved customer experience, robust governance, and continued investment in cyber security and analytics.

Total revenue increased 17% year-on-year, mainly driven by growth in interest income, that increased by 21%. Access to Letshego's expanding suite of LetsGo Insurance products was enabled with an expanding Digital Mall product portfolio. Asset quality remains strong with the Group's Loan Loss Ratio at 0.16% for the period. The Group's Non-performing loans ratio decreased to 4.85% for the period (2024: 5.93%), reiterating stability in the Group's credit and risk management framework.

The Group's net interest income increased by 40% to N$ 352 million (2024: N$ 251 million) compared to the prior period whilst the net interest margin improved from 8% to 10%. The growth in net interest income was mainly driven by the growth of 16% in Net Advances to customers and repricing of low interest loans.

FINANCIAL HIGHLIGHTS

- Total revenue increased by 17% (2024: 14%), mainly due to the increase in net interest income as mentioned above.
- Impairment charge for the period was N$4.5m (2024: N$5m), translating to a Loan Loss Ratio (against average gross advances) of 0.16% (2024: 0.2%). The decrease is mainly due to decrease of the uninsured book.
- Cost to income ratio improved to 44% from 45%.
- Profit after tax is N$249m (2024: N$199m), an increase of 25% (2024: 16%).
- Return on average equity is 18% (2024: 15%) and Return on average assets is 7% (2024: 6%).
- Earnings and headline earnings per share of 50 cents (2024: 40 cents) were achieved.
- The bank remains well capitalized with a capital adequacy ratio of 30% (2024: 35%).

NON-FINANCIAL HIGHLIGHTS

- The Group managed to further diversify its funding base during the period under review by increasing its local funding base to N$ 2.8 billion, significantly decreasing the group's dependency on intercompany and equity funding to fund asset growth.
- Successfully issued N$108 million three-year senior unsecured notes and N$102 million five-year senior unsecured notes on the Namibia Stock Exchange (NSX).
- Customer deposit mobilization continued in 2025 with growth from N$1.048 million at June 2024 to N$1.188 billion at June 2025.

OPERATIONAL RISK MANAGEMENT

Letshego Holdings Namibia has adopted an Enterprise Risk Management Framework that facilitates a consistent approach to risk management through the adoption of international best practice and local requirements. The framework provides minimum requirements for sound risk management practices with the main aim of having an integrated approach to managing risk that adequately identifies, measures, monitors and controls risk. Its five key elements (i.e. Board oversight, Senior Management oversight, Sound risk management policies and procedures, strong risk measurement, and adequate internal controls and Management Information Systems) are used in the assessment of the institution's Risk Profile and Enterprise Risk Management rating.

GOVERNANCE

Sven von Blottnitz	Independent Non-Executive Director (resigned 06 March 2025)
Jaco Esterhuyse	Independent Non-Executive Director (resigned 29 April 2025)
Evast Kalumbu	Company Secretary (appointed 7 April 2025)
Karl-Stefan Altmann	Executive Director (resigned 30 June 2025)

PROSPECTS

Letshego Holdings Namibia enters the second half of 2025 with a renewed focus on delivering the objectives of its L.A.S.E.R. strategy. Building on the momentum of its transformation journey, the Group remains committed to realising sustainable returns from recent investments in people and systems, while reinforcing its position as a future-fit financial services provider.

Key priorities include expanding digital access through the Mobile Banking App (LetsGo Digital Mall) and USSD platforms, enhancing customer experience, and leveraging analytics to deliver personalised financial solutions. Strategic partnerships will continue to enable the Group's reach and innovation agenda. Information and Cyber security investments and embedment in the organisation remain a key priority to ensure we maintain trust with our clients.

With a strong capital base, robust governance, and a customer-centric approach, Letshego Holdings Namibia is well-positioned to navigate evolving market dynamics and deliver long-term value to shareholders and the communities it serves.

DIVIDENDS

A dividend of N$219.4 million (43.88 cents per ordinary share) was paid by the Group during the June 2025 period to the Ordinary Shareholders of Letshego Holdings (Namibia) Limited.
On 1 August 2025 an interim dividend has been declared for the period ended 30 June 2025 subject to regulatory approval, the salient dates will be released once approval from the regulator has been obtained.

BASIS OF PREPARATION

The condensed consolidated financial results of the Group for the period ended 30 June 2025, from which this information is derived, have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting and the requirements of the Companies Act of Namibia, 28 of 2004.

For and on behalf of the Board of Directors:

Mansueta-Maria Nakale
Chairperson

Ester Kali
Chief Executive Officer

Windhoek, 01 August 2025
Release date: 07 August 2025

COMPANY INFORMATION

Registration number:
2016/0145

Sponsoring Broker:
IJG Securities (Pty) Ltd
PO Box 186
Windhoek, Namibia

Registered address:
18 Schwerinsburg Street
PO Box 11600
Windhoek, Namibia

Transfer Secretary:
Transfer Secretaries (Pty) Limited
P. O. Box 2401
Windhoek, Namibia

Company Secretary:
Evast Kalumbu
Letshego Holdings (Namibia) Limited
18 Schwerinsburg Street
Windhoek, Namibia

Auditor:
Ernst & Young Namibia:
P.O.Box 1857
Windhoek, Namibia

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	% change	30 Jun 2025 (Unaudited) N$'000	30 Jun 2024 (Unaudited) N$'000	31 Dec 2024 (Audited) N$'000
ASSETS				
Cash and cash equivalents		427,018	715,352	750,565
Government and other securities		491,047	717,392	601,556
Other receivables		66,973	50,946	57,668
Net insurance contract assets		188,389	157,208	165,896
Intercompany receivable		138,995	173,826	130,401
Advances to customers	**16.4%**	5,666,557	4,866,797	5,385,539
Current taxation		-	37,863	-
Property, equipment and right-of-use assets		38,425	13,928	22,151
Deferred tax assets		1,060	1,979	4,169
Total assets		**7,018,464**	**6,735,291**	**7,117,945**
LIABILITIES AND EQUITY				
Liabilities				
Deposits due to customers	**13.4%**	1,188,480	1,048,418	1,302,113
Trade and other payables		98,660	72,184	88,353
Lease liabilities		10,207	5,673	9,885
Borrowings	**2.3%**	2,880,902	2,815,643	2,899,467
Amounts due to parent company		21,544	25,862	27,517
Current taxation		1,129	-	2,860
Deferred tax liabilities		8,176	6,857	6,692
Total liabilities		**4,209,098**	**3,974,637**	**4,336,887**
SHAREHOLDERS' EQUITY				
Share capital		100	100	100
Retained earnings		1,739,358	1,721,911	1,720,194
Capital reorganisation reserve		701,024	701,024	701,024
Statutory credit risk reserve		152,521	120,900	142,543
Equity settled share based payment reserve		1,278	1,634	2,112
Total equity attributable to equity holders of the parent company		**2,594,281**	**2,545,569**	**2,565,973**
Non-controlling interest		215,085	215,085	215,085
Total shareholders' equity		**2,809,366**	**2,760,654**	**2,781,058**
Total liabilities and equity		**7,018,464**	**6,735,291**	**7,117,945**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

		Six months ended		Year ended
	% change	30 Jun 2025 (Unaudited) N$'000	30 Jun 2024 (Unaudited) N$'000	31 Dec 2024 (Audited) N$'000
Interest income calculated using the effective interest income method	**20.9%**	547,923	453,287	954,227
Interest expense	**-3.1%**	(196,132)	(202,395)	(404,940)
Net interest income	**40.2%**	**351,791**	**250,892**	**549,287**
Credit impairment charge	**-13.2%**	(4,508)	(5,191)	12,148
Net interest income after impairment	**41.3%**	**347,283**	**245,701**	**561,435**
Insurance revenue	**12.0%**	221,722	197,926	433,603
Insurance expense	**24.9%**	(76,409)	(61,188)	(159,480)
Net insurance result	**6.3%**	**145,313**	**136,738**	**274,123**
Fee income	**5.3%**	19,066	18,111	37,390
Other operating income	**-35.8%**	1,509	2,349	65
Employee benefits	**32.3%**	(62,279)	(47,057)	(116,230)
Other operating expenses	**22.1%**	(166,226)	(136,189)	(291,960)
Operating profit before taxation	**29.6%**	**284,666**	**219,653**	**464,823**
Taxation	**78.9%**	(36,124)	(20,188)	(45,982)
Profit for the period	**24.6%**	**248,542**	**199,465**	**418,841**
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the period	**24.6%**	**248,542**	**199,465**	**418,841**
Weighted average number of shares in issue during the period (millions)		500	500	500
Basic earnings per share (cents)		50	40	84
Basic earnings per share - diluted (cents)		50	40	84
Headline earnings per share (cents)		50	40	84
Headline earnings per share - diluted (cents)		50	40	84

RATIOS

	30 Jun 2025 (Unaudited)	30 Jun 2024 (Unaudited)	31 Dec 2024 (Audited)
Return on average assets (%)	7%	6%	6%
Return on average equity (%)	18%	15%	13%
Cost to income (%)	44%	45%	47%
Debt to equity (%)	103%	103%	105%

	30 Jun 2025 (Unaudited)	30 Jun 2024 (Unaudited)	31 Dec 2024 (Audited)
CAPITAL ADEQUACY			
Letshego Bank (Namibia) Ltd Capital Adequacy Ratio			
Tier 1	29%	33%	28%
Tier 2	1%	2%	2%
Total	30%	35%	30%

Bank of Namibia to buy gold from Navachab and B2Gold for reserves

The Bank of Namibia (BoN) will begin acquiring gold from local producers Navachab and B2Gold as part of its strategy to diversify the country's foreign exchange reserves.

Governor Johannes !Gawaxab said the bank's goal is to hold gold equivalent to around three percent of net foreign exchange reserves, in line with global central banking practices.

"Our goal is to acquire gold from local mines, namely Navachab and B2Gold. We intend for the gold we acquire to meet international standards set by the London Bullion Market Association," he said.

The gold, which will be refined to 99.9% purity, will be stored in the central bank's vaults and form part of Namibia's official reserves. !Gawaxab stressed that the initiative is aimed at long-term stability and risk mitigation rather than short-term profits.

"The acquisition of gold is strategic and long-term. While some may argue that we are buying at a high point, our focus is on long-term stability and strategic purposes rather than short-term gains," he said.

The BoN has already engaged with both Navachab and B2Gold, holding several meetings with mine management.

!Gawaxab noted that Namibia lacks a refinery capable of producing gold at the required purity level, as local mines can only process it to 85%. To address this, the central bank has initiated talks with refineries in South Africa.

He added that the Bank has also consulted the Ministry of Industrialisation, Mines and Energy as part of the process.

Letshego Namibia’s half-year profit rises 25% to N$249m

Letshego Holdings Namibia (LHN) recorded a 25% rise in profit after tax to N$249 million for the six months ended 30 June 2025, compared to N$199 million in the same period last year.

Chief Executive Officer Ester Kali said the growth was driven by higher interest income and increased loan advances.

“Total revenue increased 17% year-on-year, mainly driven by growth in interest income, that increased by 21%,” she said. Net interest income climbed 40% to N$352 million, which Kali attributed to “a 16% rise in net advances to customers and the repricing of low-interest loans."

Kali said a dividend of N$219.4 million (43.88 cents per ordinary share) was paid by the Group during the June 2025 period to the ordinary shareholders of Letshego Holdings (Namibia) Limited.

She added that the Board has also declared an interim dividend for the same period, subject to regulatory approval, with salient dates to be announced once approval is obtained.

She said the Group's capital position remained robust, with a capital adequacy ratio of 30%, and that it had reduced reliance on intercompany and equity funding by increasing its local funding base to N$2.8 billion.

Customer deposits, she noted, rose from N$1.048 billion in June 2024 to N$1.188 billion in June 2025.

During the reporting period, LHN issued N$108 million in three-year senior unsecured notes and N$102 million in five-year senior unsecured notes on the Namibia Stock Exchange. Asset quality also improved, with the loan loss ratio dropping to 0.16% from 0.2%, and non-performing loans falling to 4.85% from 5.93% a year earlier.

Kali said operational efficiency improved, with the cost-to-income ratio declining to 44% from 45%, while return on average equity increased to 18% from 15% and return on average assets rose to 7% from 6%. Earnings and headline earnings per share grew to 50 cents from 40 cents in 2024.

She added that the results reflect the momentum of the Group's L.A.S.E.R. strategy, which "focuses on customer-centricity, digital expansion and innovation." She highlighted that upgrades to the LetsGo Digital Mall and USSD platforms, along with strategic partnerships, were "supporting broader product access, including expanded LetsGo Insurance offerings."

"Looking ahead, the Group will focus on expanding digital access through its mobile banking app and USSD services, enhancing customer experience, and investing in information and cyber security to maintain client trust," Kali said.


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News Worth Knowing

AI is more than a readiness assessment report

By Lameck Mbangula Amugongo

The recently published Namibia Artificial Intelligence Readiness Assessment Report, compiled in partnership with UNESCO, has been hailed as a landmark document.

It claims to provide a comprehensive overview of Namibia's AI landscape, assesses gaps, and outlines recommendations for ethical and responsible AI adoption in Namibia.

While the effort is commendable and the intentions noble, the report ultimately offers little that is new. Many of its recommendations echo those already presented in the 4th Industrial Revolution (4IR) Task Force report.

Calls for a national AI institute, improved digital skills, stronger infrastructure, and ethical governance frameworks have been on Namibia's to-do list for the last 3/4 years.

Repackaging these points under the banner of "AI readiness" does not constitute a fresh idea; it's a restatement of what we already know.

In the fast-paced AI field, reports are not what create breakthroughs — practical implementation is. OpenAI, for example, did not produce a readiness assessment before building ChatGPT.

Instead, it leveraged the expertise of highly skilled engineers and researchers, iteratively building and testing models until they reached global impact.

Namibia, if serious about harnessing AI, must understand that progress comes from building, experimenting, and deploying — not from repeated diagnostics that end up as

"In the fast-paced AI field, reports are not what create breakthroughs — practical implementation is.

shelf documents with no practical impact for society.

The report also highlights that institutions like NUST and UNAM are "working on AI" and offering related degrees.

While these initiatives sound impressive, we must be frank: this is just throwing buzzwords over substance. A review of research outputs in AI from Namibia's universities shows that our contributions to the global AI knowledge pool are almost non-existent.

Having a "Bachelor's in AI" programme means little if the lecturers themselves lack deep, practical AI expertise.

Namibia's most urgent AI need is not more readiness assessments, but the cultivation of highly skilled people.

The millions spent on such reports could be reallocated to grassroots AI capacity building in all 121 constituencies. Imagine if, instead of funding another study, we invested in upgrading 14 rural schools per year with electricity and fully equipped computer labs.

In five years, 70 rural schools could be AI-ready, giving thousands of young Namibians the skills to participate in the future economy.

That would be genuine readiness for the future.

The idea of a National AI Institute outlined in the report is indeed worth pursuing — but only if it is led by someone with real technical expertise and research credibility in AI.

The same goes for policy-making - yes, Namibia needs AI laws and regulations, but before legislating, we must define the ethical principles that will guide the kinds of AI systems we develop and deploy.

Regulation should evolve alongside real-world AI projects, not in isolation.

Moreover, in the AI readiness report there is a lot of conflation of AI policy with ICT policies such as data protection. We need to stop conflating AI policy with ICT policies. Such conflation does not help but lead to conflating expertise.

While ICT policies and data protection are important, they are distinct from AI. The United States, the world leader in AI, has no federal data protection law. Europe, despite its GDPR, is now reconsidering aspects of it to avoid stifling innovation. Namibia's AI policy must be its own distinct framework.

In conclusion, AI is the most defining technology of our time. If Namibia wants to participate meaningfully, our focus must shift from repetitive reporting to practical implementation, inclusive capacity building, robust infrastructure investment, and state of the art research outputs.

Readiness is not about what's written in a document — it's about what's being built in classrooms, labs, and communities. Until then, our readiness will remain theoretical, and our AI future will be built elsewhere.

Dr Lameck Mbangula Amugongo is an AI specialist and AI Ethics Advisor based in Europe. He holds a PhD in Cancer Sciences from the University of Manchester. The views expressed are his own.

Namibia's Data Protection Bill to be tabled in September

The Ministry of Information and Communication Technology (MICT) will table a Data Protection Bill in September 2025, aimed at safeguarding individual rights, strengthening public trust in digital platforms, and creating a safer environment for online business.

Addressing the Anti-Financial Crime Conference in Windhoek, Minister of Information and Communication Technology, Emma Theofelus, said the legislation would also support innovation by providing clear rules for the ethical use of data.

"The legislation will empower both public institutions and private enterprises to harness technology responsibly, while also ensuring Namibia meets global best practices," she said.

As part of the same digital transformation drive, the Ministry will introduce electronic signatures by February 2026 under the Electronic Transactions Act of 2019, giving them the same legal standing as handwritten signatures.

> The legislation will empower both public institutions and private enterprises to harness technology responsibly, while also ensuring Namibia meets global best practices.

Theofelus said this would enable secure, efficient, and legally binding digital transactions while helping to combat financial crime.

"Electronic signatures will be a game-changer in combating financial crime because they will reduce forgery, enhance traceability, and ensure accountability, and with biometric authentication, such as facial recognition or voice signatures, fraud becomes harder to commit and easier to detect," she said.

She added that the innovation would boost Namibia's competitiveness in the digital economy by enabling businesses to close deals faster, simplifying cross-border transactions, and improving access to government services. The system is also expected to promote financial inclusion by removing geographical and logistical barriers, allowing even remote communities to participate in formal economic activity.

The Minister also announced the launch of an Artificial Intelligence (AI) readiness assessment report earlier in the week, which evaluates Namibia's preparedness and key indicators for adopting AI. She said the government is committed to passing the necessary laws and policies to create an enabling environment for AI to thrive, while also ensuring adequate regulation to protect citizens.

"I am proud of the strides we are making to build a secure digital economy, but technology alone is not enough. No single institution, no single sector, can win this fight alone, and therefore we need a whole-of-society approach, where banks, regulators, law enforcement, civil society, academia, and the media work together," she said.

Standard Bank

SBN HOLDINGS LIMITED

RESULTS ANNOUNCEMENT

for the six months ended 30 June 2025

"Our strategic focus on resilience, relevance, and sustainability enables the group to contribute meaningfully to Namibia's long term growth and inclusive development." **ERWIN TJIPUKA,** CHIEF EXECUTIVE

Profit after tax (N$m)	Growth in net loans and advances to customers (%)	Cost to income ratio (%)	Total capital adequacy ratio (%)	Return on equity (%)	Interim dividend per ordinary share (cents)
557 ▲ 10.1%	**8.9** ▲ 400bps	**54.4** ▼ 50bps	**17.3** ▼ 160bps	**20.3** ▲ 170bps	**64** ▼ 5.9%
1H24: 506	1H24: 4.9	1H24: 54.9	1H24: 18.9	1H24: 18.6	1H24: 68

INCOME STATEMENT

	Change %	**1H25 Unreviewed N$'000**	1H24 Unreviewed N$'000
Net interest income	2.9	**1 051 570**	1 021 757
Non-interest revenue	3.6	**792 657**	765 123
Total income	3.2	**1 844 227**	1 786 880
Credit impairment charges	(21.8)	**(71 867)**	(91 884)
Net income before operating expenses	4.6	**1 772 360**	1 694 996
Operating expenses	2.1	**(1 002 811)**	(981 705)
Profit before tax	7.9	**769 549**	713 291
Taxation (indirect and direct)	2.4	**(212 629)**	(207 628)
Profit after tax	10.1	**556 920**	505 663

STATEMENT OF FINANCIAL POSITION

	Change %	**1H25 Unreviewed N$'000**	1H24 Unreviewed N$'000
Cash, financial investments and other assets	6.9	**13 730 790**	12 846 180
Loans and advances to customers	8.9	**23 879 813**	21 922 841
Loans and advances to banks	(24.5)	**2 747 671**	3 638 139
Total assets	5.1	**40 358 274**	38 407 160
Deposits and current accounts from customers	3.6	**29 749 406**	28 714 876
Deposits from banks	>100	**1 475 100**	453 935
Other liabilities	(12.5)	**3 451 012**	3 946 010
Equity	7.4	**5 682 756**	5 292 339
Total equity and liabilities	5.1	**40 358 274**	38 407 160

GROUP RESULTS

The group delivered a solid financial performance for the interim period, underpinned by resilient core operations and a stable quality asset base notwithstanding the challenging external environment. Profit increased by 10.1% period-on-period, reaching N$556.9 million. The cost-to-income ratio improved to 54.4%, down from 54.9% as at June 2024, reflecting ongoing efficiency gains. Return on equity remained robust at 20.3% in June 2025, compared to 18.6% recorded in June 2024.

Net interest income rose by 2.9% to N$1.1 billion, supported by an 8.9% growth in loans and advances to customers and an 18.4% increase in other interest-earning assets. Despite the loan book's upturn ahead of overall PSCE of 5.9% (30 June 2025), lending activity commenced slower than anticipated, which limited the impact on average balances, a key driver of net interest income. In addition, the cumulative 100 basis point reduction in the repo rate contributed to margin compression during the period.

Non-interest revenue grew by 3.6% period-on-period to N$792.7 million, underpinned by increased client activity and continued uptake of digital services. Net fee and commission income rose by 7.4%, owing to higher transaction volumes and improved utilisation of digital channels. Trading revenue declined by 13.8% due to a fairly stable currency market, reduced yields on short-term placements which compressed margins, and the absence of once-off gains realised in the prior period.

Credit impairments decreased by 21.8% period on period, primarily due to prudent credit risk management which resulted from following key shifts:

- Accounts transferring into non-performing loans decreased sharply, with monthly inflows falling by an average of 46%.
- A decline in accounts showing a significant increase in credit risk, including those placed on watch lists.

These improvements, coupled with the growth in loans and advances, contributed to a more favourable credit loss ratio, which improved from 0.7% in June 2024 to 0.5% as at the end of the interim period. The NPL ratio improved to 3.7% from 4.7% as at 31 December 2024 (restated to exclude BID 2 write-offs and loans and advances to banks, in alignment with industry practice). The Group continues to maintain a prudent provisioning stance and actively reviews its strategic pre-NPL and NPL initiatives to ensure that they remain responsive and fit for purpose in the ever evolving risk landscape.

Total operating expenses were well contained and below average inflation of 3.5%, increasing by 2.1% to N$1 billion as at 30 June 2025. Staff costs increased by 11.3%, driven by annual increases, a higher headcount due to filling in vacant positions and variable remuneration that increased in line with the group's performance. IT expenses decreased period on period by 6.8% due to our save to invest strategy and delayed expenditure. The group remains committed to strategic investments in its digital and customer-facing capabilities. Other operating costs excluding IT and staff costs decreased by 4.6% period-on-period, reflecting our continued discipline in discretionary spending.

Overall, operating expenses grew at a slower pace than total income, resulting in a positive jaws of 1.1% (30 June 2024: 6.6%). The CTI ratio improved to 54.4%, demonstrating our sustained efforts to contain costs and drive operational efficiencies. The group remains committed to prudent cost management and optimisation through our save to invest strategy.

Loans and advances to customers grew by 8.9%, outperforming the average PSCE growth of 5.9% as at 30 June 2025. This robust performance stemmed from increased lending activity across both retail and commercial portfolios. The growth was primarily attributable to a notable 16.7% increase in corporate lending ahead of average PSCE for businesses of 10.6% and a 17.3% increase in vehicle and asset finance slightly behind average PSCE growth for instalment credit of 17.5%. Additionally, other loans and advances increased by 15.9% surpassing the average PSCE growth of 8.3%.

Customer deposits and current accounts grew modestly by 3.6% to N$29.7 billion for the six months ended 30 June 2025. This growth was primarily underpinned by the following increases: a 7% in current accounts, 16.3% in term deposits and 21.2% in NCDs. The increased uptake in term deposits and NCDs provided greater funding flexibility, albeit at a higher cost which contributed to compressed margin from 6.0% in prior year to 5.8% in the current year. These funding sources are not expected to expand significantly in the near term, as the group remains focused on optimising funding and strengthening its core deposit base. The overall deposit mix remained largely unchanged, reflecting a stable client base and sustained confidence in the group's offering, despite a more measured pace of liquidity growth in the broader market.

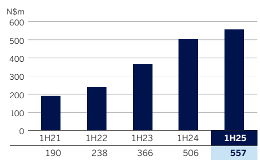
Financial assets increased by N$1.4 billion period on period, primarily driven by additional investments in government bonds and treasury bills. This reflects the group's capital management strategy and prudent deployment of surplus liquidity in an environment of moderate credit extension. This approach supports earnings stability while preserving the group's capacity to respond to lending opportunities as credit demand gradually recovers.

The group maintained a strong capital and liquidity position throughout the period, in line with regulatory requirements and internal risk appetite. Capital ratios remained robust with a total capital adequacy ratio at 17.3% and common equity tier 1 ratio at 15.3% both well above regulatory minima. Liquidity buffers were conservatively managed with high quality liquid assets resulting in a LCR above minimum regulatory requirements. The group's funding profile remained sound and diversified enhancing capacity to meet lending demand as well as managing cost of funds. This positions the group well to enable sustained support for lending and investment initiatives, prudent risk taking and absorption of potential shocks, while maintaining flexibility to create value for shareholders over the medium term.

PROSPECTS

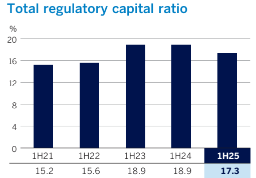
The group remains mindful of the ongoing economic uncertainty both locally and globally. Strategic focus will remain on prudent capital and cost management, while selectively investing in our digital capabilities. The group is committed to maintaining resilience and supporting clients through evolving conditions.

Profit after tax



*The group's profit grew by 10.1% period-on-period to **N$556.9 million**.*

Total regulatory capital ratio



*The group maintained strong capital ratios, with a total capital adequacy ratio of **17.3%**.*

DIVIDENDS DECLARED

On 12 August 2025 the group declared an interim cash dividend for the six months ended 30 June 2025 of 64 cents per ordinary share. The dividend declaration, slightly lower than the interim dividend for the six months ended 30 June 2024 of 68 cents per ordinary share, reflects a conservative stance amid evolving market conditions and underscores the board's focus on long term financial resilience.

DIVIDEND PAYMENT DETAILS

Last day to trade cum dividend:	5 September 2025
First day to trade ex-dividend:	8 September 2025
Record date:	12 September 2025
Payment date:	26 September 2025

Postal address: PO Box 3327, Windhoek, Namibia
Registration number: 2006/306
Country of incorporation: Republic of Namibia

Directors: Mr IH Tjombonde (Chairman)*, Mr E Tjipuka*#, Ms S Hornung*, Mr STB Madonsela**, Mr AT Matenda***#, Mr JS Mwatotele*, Mr JG Riedel*, Mr P Schlebusch**, Ms NA Tjipitua*, Mr ZK Kasete*, Mr A Kanime*

* Namibian ** South African *** Zimbabwean # Executive

Company secretary: Adv S Tjijorokisa

SBN Holdings Limited's full announcement containing the interim results announcement for the six months ended 30 June 2025 is available for viewing on the Standard Bank website. The directors of SBN Holdings Limited take full responsibility for the preparation of this announcement and ensuring that the financial information, where applicable, has been correctly extracted from the underlying condensed consolidated interim financial statements. This announcement has not been reviewed by our external auditors. The accounting policies applied in the preparation of the condensed consolidated interim financial statements from which the results have been derived are in terms of IFRS® Accounting Standards and are consistent with the accounting policies applied in the preparation of the group's previous consolidated interim financial statements.

www.standardbank.com.na

STUDIO 5

Smart agriculture and renewable energy reshaping the future of farming

By Gerhard Mukuahima

Agriculture is entering a period of rapid transformation. Environmental volatility, economic pressure, and evolving consumer expectations are converging to redefine how food is produced, distributed, and consumed. In this shifting landscape, sustainability is no longer a choice. It is a strategic necessity.

> Across Africa, the effects of climate change are intensifying.

Across Africa, the effects of climate change are intensifying. Namibia, where more than 70 percent of the rural population depends on agriculture, faces growing vulnerability. The country has experienced a series of climate shocks in recent years, including prolonged droughts, unpredictable rainfall, and rising temperatures. These disruptions have led to widespread crop failures, livestock losses, and water shortages.

The 2019–2020 drought, for example, caused a sharp decline in agricultural output and left many farming communities confronting severe food insecurity.

In response, farmers are increasingly adopting Climate-Smart Agriculture (CSA), a framework that integrates sustainable practices with climate resilience and productivity. CSA is built on three interconnected pillars:

- Adaptation: Strengthening the ability of agricultural systems to withstand climate-related disruptions
- Mitigation: Reducing greenhouse gas emissions and enhancing carbon sequestration
- Productivity: Improving yields and farmer incomes to support food security and economic viability

Practical applications of CSA include crop diversification, agroforestry, conservation tillage, and improved water management. Solar-powered irrigation systems are also gaining traction, offering both resource efficiency and energy independence.

Energy is a critical but often underappreciated factor in agricultural operations. From irrigation to cold storage, energy costs can be substantial. Renewable energy technologies such as solar panels and biogas units allow farmers to generate their own power, reduce dependence on volatile fuel markets, and maintain productivity during grid disruptions. Cold storage powered by renewable energy helps reduce post-harvest losses and improves market access, particularly for perishable goods.

Beyond operational savings, renewable energy creates new economic opportunities. Farmers can sell surplus electricity to the grid or lease land for energy installations. These additional income streams provide financial stability during challenging seasons and support long-term growth.

> Long-term partnerships, sector-specific expertise, and tailored financial solutions are essential to support farmers in adopting climate-smart and energy-efficient technologies.

Sustainability is also becoming a key market differentiator. Consumers and regulators are placing greater emphasis on environmental accountability. Farms that adopt green practices are better positioned to meet certification standards, access premium markets, and comply with evolving regulations. This enhances competitiveness and strengthens brand reputation.

Financial institutions have an important role to play in enabling this transition. Long-term partnerships, sector-specific expertise, and tailored financial solutions are essential to support farmers in adopting climate-smart and energy-efficient technologies. The goal is not only to preserve productivity but to build resilience and unlock new growth pathways.

Agriculture today is about more than yield. It is about sustainability, adaptability, and innovation. The future of farming will be shaped by those who embrace these principles and invest in systems that are both economically and ecologically sound. More is possible, and the time to act is now.

****Gerhard Mukuahima is Standard Bank Namibia Head of Agribusiness, Business & Commercial Banking***

U.S. tariffs threaten Namibia's key exports-!Gawaxab

Namibia's key export sectors face growing pressure following the United States' introduction of new 15% reciprocal tariffs, which have disrupted supply chains and increased export costs, Bank of Namibia Governor Johannes !Gawaxab has said.

He noted that the indirect effects of U.S. trade policy could also be felt through South Africa, one of Namibia's largest trading partners, which remains subject to a 30% tariff.

South Africa has warned of severe consequences for its vehicle export sector,

> South Africa has warned of severe consequences for its vehicle export sector, with shipments to the U.S. plunging by 82% in the first half of 2025.

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"In summary, Namibia's exports to the U.S. remain relatively small, with marble, uranium, and polished diamonds making up the largest share. While uranium is shielded from tariffs, the new levies on polished diamonds and marble could weaken earnings from these sectors, which are already under pressure. The broader impact may also be felt indirectly through currency depreciation and Namibia's economic ties with South Africa," !Gawaxab said. He explained that the U.S. is Namibia's seventh-largest export market, accounting for around 3% of total exports. In 2024, Namibia exported goods worth N$2.5 billion to the U.S., up from N$1.9 billion in 2022. Minerals dominate the trade, with uranium concentrates and polished diamonds together making up over 76% of exports. Marble accounted for a further 9.5%, while other goods included rough diamonds, salt, live animals, art, fish, charcoal, hides and skins.

Marble, !Gawaxab said, has become Namibia's most exposed commodity to the U.S., with sales rising from 62.1% of output in 2022 to 88.7% in 2024. However, the new 15% tariff on marble slabs, up from the previous 2.5%, is expected to severely impact the sector. Salt exports, which account for about 1.4% of Namibia's U.S.-bound goods, could also lose competitiveness.

The diamond industry is also under strain. Previously tariff-free, polished diamonds now face a 15% levy, threatening export volumes and profitability at a time when global demand is slowing, synthetic diamonds are gaining market share, and prices are under pressure. Namibia, along with Botswana, South Africa and Canada, recently signed the "Luanda Accord" to strengthen marketing efforts and lobby for tariff reductions.

Uranium, by contrast, has been spared from the new tariffs due to its strategic importance to the U.S. "Over the past three years, uranium concentrate exports to the U.S. have remained below 10% of Namibia's total uranium output. However, uranium and gold have been exempted from the recent tariffs due to their strategic importance to the U.S. This exemption, along with a weaker exchange rate and improving global prices, is expected to benefit Namibia's uranium sector," !Gawaxab said.

This comes as Debmarine Namibia told Namibia Mining & Energy that engagements are underway to secure an exemption from the newly imposed U.S. diamond import tariffs, which the company warns could erode the competitiveness of Namibian diamonds in the world's largest jewellery market.

Namcor reports major advancements in oil exploration

The National Petroleum Corporation of Namibia (Namcor) says significant progress is being made in oil and gas exploration across the country, with the Kharas appraisal well in the Kudu Field (PPL 003) set for drilling in the third quarter of 2025 in partnership with BW Energy.

Acting Managing Director Victoria Sibeya said the well will be used to gather detailed data on reservoir quality, recoverable volumes and future production potential.

"Across our PELs, work programmes are advancing, for example: PPL 003 (Kudu) – preparing to drill Kharas appraisal well in Q3 2025," she said at the Namibia Oil and Gas Conference. The Kudu gas discovery, made in April 1974, is operated by BW Kudu with a 95% interest, while Namcor holds 5% on a free carry basis until the final investment decision and retains a 5% back-in right. The development strategy is aimed at supplying gas for power generation.

Sibeya said exploration activity is also advancing in other offshore basins, including Lüderitz, Walvis and Namibe, where oil recovery from the Wingat-1 well has confirmed key petroleum system elements.

"Our focus now is to address uncertainties around charge and reservoir quality, integrating lessons from Orange Basin to de-risk new prospects in the northern basins," she said.

Onshore operations include the drilling of the Kavango West-1 well in the Okavango sub-basin (PEL 73) and expanded seismic surveys in the Owambo Basin (PEL 93).

Sibeya stressed that all activities will be conducted responsibly and sustainably, with the goal of building "a fully integrated oil and gas value chain that delivers upstream success, midstream infrastructure, downstream growth, and domestic energy security."-***www.miningandenergy.com.na***

Namibia needs forward-looking laws to stay competitive – Kuugongelwa-Amadhila

Speaker of the National Assembly Saara Kuugongelwa-Amadhila has called for accelerated, forward-looking law reform to regulate emerging industries, digital markets, and evolving trade frameworks.

She said this is essential to support innovation, attract investment, and keep Namibia competitive.

"Law reform has to keep pace with changing realities to ensure that laws are forward-looking by responding to the digital age, emerging industries, and evolving social dynamics," Kuugongelwa-Amadhila told an event on constitutional evolution in Windhoek.

She said constitutional and institutional reforms are needed to strengthen parliamentary oversight, speed up law reform, and create a more inclusive economy.

"Parliamentary oversight, a cornerstone of constitutional accountability, can be strengthened through increased capacitation to ensure improved representation, legislating, and oversight," she said.

Kuugongelwa-Amadhila warned that gaps in Parliament's technical capacity limit its ability to scrutinise budgets, assess policy impacts, and align legislation with development goals.

She said regulatory certainty and accountability would strengthen governance and build investor confidence.

She highlighted structural economic issues, including reliance on unprocessed mineral exports and skewed ownership of land and resources, which restrict industrialisation, job creation, and equity.

"Our exports are still dominated by unprocessed resources, limiting value addition, industrialisation, job creation,

and public revenue. Ownership of land and natural resources remains skewed, undermining equity and shared prosperity," she said.

She also pointed to poverty, inequality, and poor service delivery as barriers to growth, urging full decentralisation to empower local authorities.

"Our financial sector, though stable and profitable, does not serve all. Many in rural and informal economies remain excluded from affordable credit and banking services," she said.

"We must recommit ourselves to constitutionalism, not just as a legal framework, but as a living covenant with our people. We must build a Namibia where freedom is matched by opportunity, where democracy is deepened through dialogue, and where progress includes even the most vulnerable," Kuugongelwa-Amadhila said.

Understanding layer hens

By Hanks Saisai

A growing number of farmers and agripreneurs have ventured into the production of eggs and meat, and this trend continues to escalate.

However, for a farmer to specialize in producing fresh table eggs, it is important to understand that a certain type of chicken should be reared.

Layers, as commonly known, are the leading type of chicken hens utilized globally to produce fresh table eggs. In the Namibian context, Lohmann hens (usually, brown) are the dominant breed, laying between 295 and 320 eggs per hen annually.

Farmers aspiring to venture into fresh table egg production should first conduct market research to identify possible markets, such as households, wholesalers, or restaurants.

This will help determine quantities demanded and demand patterns, allowing a farmer to align production accordingly. Moreover, to farm with layers effectively, it is important to determine whether to invest in day-old chicks or point-of-lay hens.

Chicks will cost N$28.00 per chick, and the farmer must be cognisant of the feeding programme.

To ensure optimal growth, a farmer should feed the chicks chick/pullet starter from day 1 to day 42 (week 6), then the feed must be changed to chick/pullet grower (day 43 to day 112).

On day 113, when the hens reach point-of-lay, it is essential to transition to layer mash. As a tip, farmers must always develop a feeding programme that ensures that the hens have access to feed and water as early as possible, with the first ration provided at 07h00 and the second at 15h30.

Egg production typically begins during

week 16 to week 20, and it is essential for the farmer to record the date when approximately 15 to 30% of the hens start laying eggs.

This will be used as the starting date of the production cycle that will last for 365 days. During this period, farmers are advised to ensure that the hens have access to 16 – 17 hours of light each day (from 06h00 to 18h00, the sunlight provides 12 hours of light, from 18h00 to 23h00, 4 – 5 hours of light must be provided in the poultry house).

Furthermore, farmers are advised to ensure that each hen is fed 110 grams per day during the 243 days of summer. In winter, it is crucial to feed the hens 130 grams per hen per day over the 122 days of the season.

When temperatures drop significantly, farmers should use infrared heat bulbs (175 W) to keep hens warm in the poultry coops, which helps prevent a reduction in egg production.

Another essential aspect to understand about layers is that they can be reared in two systems, which are mainly the Deep Litter System and Battery Cage System. In the Deep Litter System, the hens are placed in a coop with bedding material that covers the floor to a depth of 7.5 cm. The hens are allowed freedom of movement and are stocked at a density of 6 hens per m2.

This system provides insulation, helping to regulate temperature within the coop, especially in colder climates.

Additionally, unlike some other systems, the deep litter material is not regularly removed, instead, it is managed and allowed to build up.

One drawback with this system is that a farmer will not know which of the hens lays an egg per day and which hen misses certain days, making it difficult for the farmer to measure productivity.

On the other hand, in the battery cage system, a farmer places the hens in a cage structure that has components that can house 3 to 4 hens in each compartment. The smallest cage can house about 96 hens in its 24 compartments.

This system can make it easy for farmers to measure the productivity of each hen and ensure that the right amount of feed is given.

This system has a slight disadvantage, which is the fact that hens can develop mounting stress after 4 to 5 months of being in the cage. And if the hens are not allocated according to their sizes and social affiliation, this can lead to bullying and pecking.

A few add-ons are to provide supplements to the hens with Opti-Boost or Stresspac to provide essential minerals such as calcium, iron, and zinc. Farmers must also vaccinate the hens with ND Clone 30, IB Ma5, Gumboro D78, and Nobilis Coryza to keep diseases at bay.

Moreover, it would be important to deworm the hens with Piperazine to eliminate the possibilities of internal parasites.

As for the farmers, it is advised that hens will develop a sense of recognizing colors, therefore, it is important to maintain the same color of outfits when handling the hens.

Understanding your layer hens is the first step to producing eggs profitably and sustainably. Farmers must aim to produce about 6 eggs per week per hen.

Moreover, it is important that the hens are allowed to produce eggs for 365 days, and at the end of this period, the hens should be replaced.

*** Hanks Saisai is a Technical Advisor: Crops & Poultry at Agribank.***

Nigeria's Heirs Energies eyes opportunities in Namibia's oil and gas sector

Nigerian oil and gas firm Heirs Energies is exploring investment opportunities in Namibia's oil and gas sector as part of its pan-African growth strategy, Chief Executive Officer Osa Igiehon has said.

Speaking at the Namibia Oil and Gas Conference, Igiehon said Namibia had been identified as a key emerging market for the company.

"Where does Namibia fit in for us? We acquired the asset (OML 17) in 2021 and have brought it to a very good place. All the fundamental issues have been addressed, and it has been restored to a level of sustained productivity. With this experience, we are confident in expanding our capabilities across Africa," he said.

Heirs Energies plans to leverage its experience from top-performing Nigerian assets to assess potential partnerships and operational models in Namibia.

"In building our Africa playbook, we are looking at all major business markets, both existing, mature, and emerging. Namibia is one of the key emerging ones. After this first visit, we will synthesise what we have seen and learnt to frame exactly how we will approach our next steps in the country," Igiehon said.

The company, which has built a track record in asset revitalisation, innovation and governance, pointed to its success in turning around Nigeria's OML 17 as evidence of its operational capability.

The onshore field, near Port Harcourt, spans about 1,300 square kilometres and includes six flow stations, two associated gas gathering facilities and two non-associated gas plants.

OML 17, in production since the late 1950s, peaked at 120,000 barrels of oil equivalent per day (boe/d) in the 1970s and currently produces more than 40,000 boe/d. It holds 2P reserves of 1.2 billion boe, with an additional 1 billion boe in exploration potential.

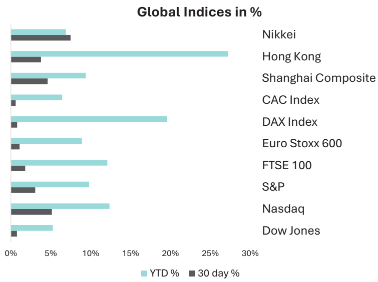
The Market Lens

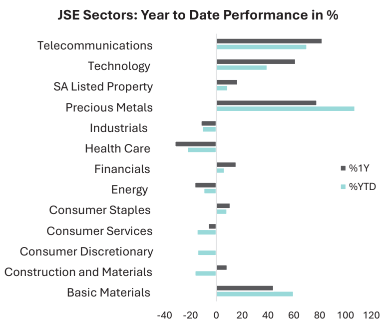
Enriching Generations

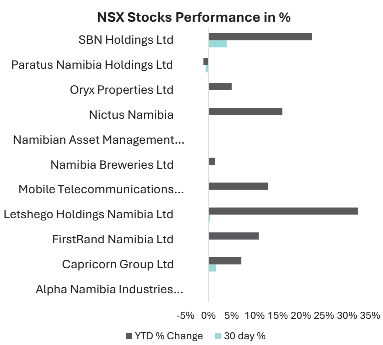
SIMONIS STORM

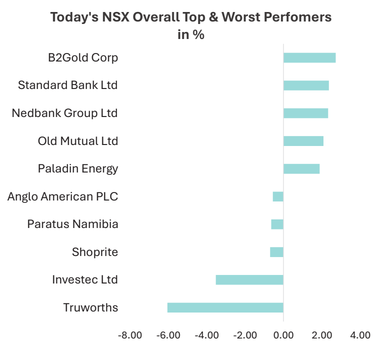
Commodities	
Spot Gold	3345.08
Platinum	1351.31
Palladium	1136.75
Silver	38.70
Uranium	72.05
Brent Crude	66.54
Iron Ore (in CNY)	781.00
Copper	9803.00
Natural Gas	2.82
Lithium	8.85

Currencies	
USD/ZAR	17.63
EUR/ZAR	20.55
GBP/ZAR	23.88
USD/CNY	7.18
EUR/USD	1.17
GBP/USD	1.35
USD/JPY	147.44
Namibia CPI	**3.70%**
Namibia Repo Rate	**6.75%**
Namibia Prime Rate	**10.50%**









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