

SBN Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration number: 2006/306)
ISIN: NA000A2PQ3N5
NSX Share Code: SNO
("SBN Holdings" or "the Group")

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

- BASIC EARNINGS PER SHARE OF 201 CENTS (2023: 147 CENTS)
- HEADLINE EARNINGS PER SHARE OF 203 CENTS (2023: 150 CENTS)
- GROWTH IN HEADLINE EARNINGS OF 35.1% (2023: 25.9%)
- FINAL ORDINARY DIVIDEND PER SHARE OF 70 CENTS (2023: 58 CENTS)
- TOTAL DIVIDEND PER SHARE OF 138 CENTS (2023: 100 CENTS)

Results

Key highlights from SBN Holdings Limited results for the period under review include:

- Profit for the year increased by 36.8%, up from N\$770 million to N\$1.053 billion. Pre-provision profit increased by 27.6% from N\$1.279 billion in the prior year to N\$1.631 billion in the current year. Main contributors to this growth are the increase in: net interest income of 14.8% and non-interest revenue of 15.3%. Due to this strong income growth, the group achieved a difference between income growth and cost growth (JAWS) of 810 basis points (bps).
- Net interest income surged to N\$2.067 billion, a 14.8% increase from prior year. This growth was underpinned by strong average balance sheet growth and higher margins resulting from funding optimisation strategies. Net interest margin increased by 40bps to 5.6% in the current year.
- Non-interest revenue increased by 15.3% to N\$1.678 billion from prior year, underscored by increases in: net fee and commission revenue of 9%, trading revenue of 11.7%, other revenue of 31.7% and other gains and losses on financial instruments of 46.8%. The main driver for the increase in net fee and commission revenue was the growth in transactional volumes. Trading volumes, expanded client propositions, foreign exchange and commodity volatilities underpinned the growth in trading revenue. Other revenue growth was driven by the increase in insurance related revenue which grew by 7.9% from prior year and profits earned on the disposal of Spearmint Investments (Pty) Ltd related entities. Increase in other gains and losses in financial instruments is largely due to a 57.2% growth in distributions from financial investments driven by higher investments resulting from excess funds held during the year.
- Credit impairments decreased by 35.1% year on year, as a result of the regularisation of group scheme home loan accounts which were previously impaired due to technical challenges, the realisation of our non-performing loan (NPL) strategy in the current year and the improved quality of the book. The credit loss ratio (CLR) decreased to 0.37% compared to 0.59% in prior year. The CLR improved due to the decrease in credit impairment charges and the growth in loans and

advances. The group is prudent in its provisioning and closely monitors and reassesses its strategic NPL initiatives to ensure they are fit for purpose.

- Operating expenses growth decreased by 10.8% from prior year to 6.9% which tracked closer to the average inflation for the year of 4.3%. The group's cost-to-income (CTI) ratio has decreased to 56% from 61% in 2024. The main driver of the increase in expenses were:
 - Staff costs which went up by 10.2%, underpinned by annual salary increases of 7%, filling of vacant positions, engagement of temporary IT employees to support key regulatory projects such as PSD 9, and higher variable remuneration aligned with group performance. Other operating expenses grew by 4.5%, which is in line with average annual inflation of 4.3%.
- Cash and cash balances with central bank increased significantly due to higher levels of liquidity experienced in the market during 2024. The growth in trading assets and financial investments of 18.5% is underpinned to additional investments in liquid assets (bonds, treasury bills and money market funds) to meet the high-quality liquid assets (HQLA) requirement for Basel III implemented in the current year and due to surplus funds resulting from elevated level of market liquidity.
- Gross loans and advances to customers increased by 3.6% year on year, in contrast to the negative growth of 2.8% experienced in prior year. The franchise portfolio increased as follows: CIB by 9.8% driven by the growth experienced in medium term loans and BCB and PPB portfolios by 1.7% underpinned by growth in vehicle and asset finance and unsecured lending as a result of the digital lending introduced in the current year. Although home loans grew negatively by 1.8% mainly due the run down on the book, the new business written was 66% higher than in the prior year.
- Despite the difficult macroeconomic environment characterised by prolonged high interest rates, sticky and elevated inflation, our NPL ratio (including interest in suspense) decreased from 4.52% (restated) in 2024 to 3.77% which is below both the industry average of 5.6% as at 31 December 2024 and the regulatory trigger limit of 6%. The decline in the NPL ratio demonstrates our disciplined and prudent approach to credit risk management and is testament to the resilience of our NPL reduction plan. The group remains committed to closely monitoring NPLs to ensure a good quality book.
- There was a significant increase in deposits from customers of 10.9%, attributable to an increase in demand deposits, term deposits and a strategic decrease in negotiable certificates of deposits. The aforementioned increase is a result of our efforts to diversify our deposit mix to meet strategic goals. Debt securities decreased by 23.2% following the redemption at maturity of the SBNA24 and SBNO2 facilities with an issuance volume of N\$658.5 million during the year. The group's liquidity position remained strong and within approved risk appetite and tolerance limits. The group continuously ensures that it has sufficient marketable assets available in its portfolio to meet the outflow demand in both business as usual as well as stress circumstances.
- The ROE improved to 20.0% from 15.6% in the prior year reflecting our strong financial performance, capital optimisation and disciplined cost management. The group remained well capitalised with the total regulatory capital ratio at 18.0% (2023: 20.7%) and the total tier 1 capital

ratio at 16.0% (2023: 18.2%). These ratios are above our risk appetite and regulatory minimum requirements.

Business update

Operating environment

The year under review saw the group supporting the economy through increased credit extension which tracked closer to the Private Sector Credit Extension (PSCE), demonstrating our commitment to live our purpose, 'Namibia is our home, we drive her growth'. We are indebted to our employees (referred to as champions) and management for this exceptional set of results which came on the backdrop of a challenging macroeconomic environment which was characterised by high interest rates, drought, elevated inflation and subdued PSCE among others.

Delivering our strategic objectives

The group enters 2025 in an extremely strong position, underpinned by an enviable client franchise, support of our clients, energised and focused champions and shareholders and other stakeholders who are ready to partner with us. The group's 2025 strategic priorities continue to be transforming client experience, executing with excellence and driving sustainable growth and value. We remain committed to delivering on these strategic initiatives. We have refreshed our current strategy and crafted bold ambition for our 2025–2028 horizon with clear 'must win' battles for each business unit.

Dividend

The Board recommended a final ordinary dividend of 70 cents per share (2023: 58 cents per ordinary share).

The salient dates are as follows:

Last day to trade cum dividend:	30 April 2025
First day to trade ex-dividend:	2 May 2025
Record date:	9 May 2025
Payment date:	23 May 2025

Looking ahead

Looking ahead, we remain committed to supporting economic growth and delivering sustainable value to our stakeholders. With a solid foundation and a clear strategic vision, the group is well positioned to navigate future opportunities and challenges in a dynamic economic landscape, as we strive to live our purpose, 'Namibia is our home, we drive her growth'.

IH TJOMBONDE
CHAIRMAN

E TJIPUKA
CHIEF EXECUTIVE

10 March 2025

BOARD OF DIRECTORS:

IH Tjombonde (Chairman)
E Tjipuka
S Hornung
STB Madonsela
AT Matenda
JS Mwatotele
JG Riedel
PL Schlebusch
NA Tjipitua

COMPANY SECRETARY

S Tjijorokisa

AUDITOR'S OPINION

The consolidated financial statements are an extract from the audited financial statements for the year ended 31 December 2024. The auditor's unqualified audit opinion on the financial statements is available for inspection at the Company's registered office.

The information in this announcement has been extracted from the audited financial statements, but the announcement itself is not audited.

REGISTERED OFFICE

1 Chasie Street, Kleine Kuppe, Windhoek; P.O. Box 3327, Windhoek, Namibia

AUDITORS

PricewaterhouseCoopers
344 Independence Avenue, Windhoek

SPONSOR

IJG Securities (Pty) Ltd
Member of the NSX
4th Floor, 1@Steps, c/o Grove and Chasie Streets, Kleine Kuppe,
Windhoek, Namibia

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
P.O. Box 2401
Windhoek, Namibia

Release date: 10 March 2025

SBN HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2024
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	Change	Audited 31 December 2024 N\$' 000	Audited 31 December 2023 N\$' 000
	%		
Net interest income	14.8	2,067,311	1,800,015
Non-interest revenue	15.3	1,677,624	1,455,093
Total income	15.0	3,744,935	3,255,108
Credit impairments	(35.1)	(106,103)	(163,411)
Income after credit impairments	17.7	3,638,832	3,091,697
Operating expenses	6.9	(2,113,374)	(1,976,192)
Net income before tax	36.8	1,525,458	1,115,505
Taxation (indirect and direct)	36.7	(472,844)	(345,792)
Profit for the year	36.8	1,052,614	769,713
Profit attributable to ordinary shareholders	36.7	1,049,904	766,267

**Other comprehensive income net of taxation
that will not be reclassified to profit or loss**

Net change in fair value of equity financial assets
measured at fair value through other
comprehensive income (FVOCI)

	111.7	2,792	1,319
Fair value movement on post-employment benefit	(198.3)	6,351	(6,458)

Total comprehensive income for the year	38.9	1,061,757	764,574
Attributable to ordinary shareholders	39.1	1,059,047	761,128
Attributable to non-controlling interest	(21.4)	2,710	3,446

EARNINGS PER SHARE

Profit for the year attributable to ordinary shareholders	37.0	1,049,904	766,267
Weighted average number of shares issued	—	522,472	522,472
Basic earnings per share	36.7	201	147

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Change	Audited 31 December 2024 N\$' 000	Audited 31 December 2023 N\$' 000
	%		
Assets			
Cash and balances with central banks	120.5	3,693,494	1,675,382
Trading assets and financial investments	18.5	9,005,485	7,598,611
Loans and advances to banks	(2.5)	5,292,869	5,429,848
Loans and advances to customers	3.8	22,340,071	21,524,042
Properties in possession	(68.9)	136,768	439,255
Other assets	26.1	2,524,158	2,002,452
Total assets	11.2	42,992,845	38,669,590
Liabilities			
Deposits from banks	236.5	763,908	227,038
Deposits from customers	10.9	33,239,449	29,982,379
Debt securities	(23.2)	1,714,016	2,230,957
Other liabilities	56.3	1,784,239	1,141,425
Total liabilities	11.7	37,501,612	33,581,799
Equity	7.9	5,491,233	5,087,791
Total equity and liabilities	11.2	42,992,845	38,669,590

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Ordinary share capital and premium N\$'000	Share- based payment reserve N\$'000	Fair value adjustments on FVOCI financial assets N\$'000	Post- employment benefit reserve N\$'000	Statutory credit risk reserve N\$'000	Retained earnings N\$'000	Ordinary shareholders equity N\$'000	Non- controlling interest N\$'000	Total equity N\$'000
Balance at 1 January 2023	643,234	—	(3,100)	49,118	109,300	3,968,910	4,767,462	15,530	4,782,992
Total comprehensive income for the year	—	—	1,319	(6,458)	—	766,267	761,128	3,446	764,574
Profit for the year						766,267	766,267	3,446	769,713
Other comprehensive income/(loss) after tax for the year			1,319	(6,458)			(5,139)		(5,139)
Transactions with the shareholders, recorded directly in equity	—	—	—	—	100,498	(560,273)	(459,775)	—	(459,775)
Transfer between reserves					100,498	(100,498)	—		—
Dividends paid						(459,775)	(459,775)		(459,775)
Balance at 1 January 2024	643,234	—	(1,781)	42,660	209,798	4,174,904	5,068,815	18,976	5,087,791
Total comprehensive income for the year	—	—	2,792	6,351	—	1,049,904	1,059,047	2,710	1,061,757
Profit for the year						1,049,904	1,049,904	2,710	1,052,614
Other comprehensive income after tax for the year			2,792	6,351			9,143		9,143
Transactions with the shareholders, recorded directly in equity	—	—	—	—	58,025	(716,340)	(658,315)	—	(658,315)
Transfer between reserves					58,025	(58,025)	—		—
Dividends paid						(658,315)	(658,315)		(658,315)
Balance at 31 December 2024	643,234	—	1,011	49,011	267,823	4,508,468	5,469,547	21,686	5,491,233

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	Audited 31 December 2024	Audited 31 December 2023 Restated*
	N\$'000	N\$' 000
Net cash flows from operating activities	3,219,051	2,144,270*
Cash flow from operations	1,783,187	1,429,311
Net movement in operating assets and liabilities	1,710,301	1,057,000*
Dividends received	—	—
Direct taxation paid	(274,437)	(342,041)
Net cash flows used in investing activities	(114,139)	(92,095)
Capital expenditure on property and equipment	(114,380)	(66,417)
Proceeds from sale of property and equipment	472	2,743
Capital expenditure on intangible assets	(231)	(28,421)
Net cash flows used in financing activities	(1,174,550)	(774,578)
Senior debt issued	150,000	—
Senior debt redeemed	(658,500)	(300,000)
Principal element of lease payments	(7,735)	(14,803)
Subordinated debt issued	—	—
Subordinated debt redeemed	—	—
Dividends paid	(658,315)	(459,775)
Net increase in cash and cash equivalents	1,930,362	1,277,597*
Cash and cash equivalents at the beginning of the year	6,256,809	4,783,533
Effects of exchange rate changes on cash and cash equivalents	(3,923)	195,679 *
Cash and cash equivalents at the end of the year	8,183,248	6,256,809

* Refer to the narrative included in note 4 below for further details regarding the restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

SBN Holdings Limited is a company incorporated in Namibia (Registration number: 2006/306). The consolidated annual financial statements for the year ended 31 December 2024 comprise the Company, its subsidiaries and other controlled entities, together referred to as the “Group”.

2. Statement of compliance

The consolidated financial statements have been extracted from the audited financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards (IFRS).

The annual financial statements were approved by the Board of Directors on 7 March 2025.

3. Significant accounting policies

The accounting policies applied in the annual financial statements as at and for the year ended 31 December 2024, are consistent with the prior year, except for the adoption of new and amended IFRS's that became effective for the current financial period. In accordance with the requirements of the transition methods chosen by the group in applying these standards, comparative information throughout the annual financial statements has not been restated.

4. Restatements

Correction of effects of exchange rate differences on cash and cash equivalents

During 2024, the group performed benchmarking and internal reviews to assess the appropriate accounting treatment for the effect of exchange rate differences on cash and cash equivalents. The following have been identified during this exercise and have resulted in the below restatement of errors and additional related disclosures:

- Correcting the calculation of the effects of foreign exchange rate differences to exclude on-demand loans and advances to banks that do not meet the definition of cash and cash equivalents and should not be included in the cash and cash equivalents balance. This resulted in a N\$68.4 million decrease in the 2023 effects of exchange rate differences on cash and cash equivalents.
- The methodology used to calculate the effects of foreign exchange rate differences contained a mathematical error in calculating the effect of foreign exchange rate differences on cash and cash equivalents. The group changed the methodology, resulting in an increase in the 2023 effects of exchange rate differences on cash and cash equivalents of N\$225.2 million.

The 2023 calculation was adjusted for the above and the balances of the relevant lines were restated.

This restatement had no impact on the group's consolidated statement of financial position, consolidated income statement or any ratios presented, and had the following reallocation impact on the consolidated statement of cash flows:

CONSOLIDATED STATEMENT OF CASH FLOWS	2023		
	Previously reported N\$'000	Restatement N\$'000	Restated N\$' 000
Net cash flows from operating activities	2,301,109	(156,839)	2,144,270
Cash flows from operations	1,429,311	—	1,429,311
Interest and commission receipts	4,622,667		4,622,667
Interest payments	(1,522,706)		(1,522,706)
Recoveries on loans previously written off	37,751		37,751
Cash payments to suppliers and employees	(1,708,401)		(1,708,401)
Net movement in operating assets and liabilities	1,213,839	(156,839)	1,057,000
Increase in income earning assets	(1,758,287)	(156,839)	(1,915,126)
Increase in deposits and other liabilities	2,972,126		2,972,126
Direct taxation paid	(342,041)		(342,041)
Net cash flows used in investing activities	(92,095)		(92,095)
Net cash flows used in financing activities	(774,578)		(774,578)
Net increase in cash and cash equivalents	1,434,436	(156,839)	1,277,597
Cash and cash equivalents at the beginning of the year	4,783,533		4,783,533
Effects of exchange rate changes on cash and cash equivalents	38,840	156,839	195,679
Cash and cash equivalents at the end of the year	6,256,809	—	6,256,809

Reallocation between classes of loans and advances

Commercial property loans with a gross carrying amount of N\$532.1 million for 2023 was reallocated from "Home services" to "Other loans and advances" due to a misallocation. This restatement is only for presentation purposes and has no impact on the group's consolidated statement of financial position, consolidated income statement, consolidated statement of cash flows or any disclosed ratios.

Appropriate disclosures were made in the financial statements for the abovementioned restatements.

5. Earnings per share

Headline earnings reconciliation	Change %	Audited 31 December 2024 N\$'000	Audited 31 December 2023 N\$'000
Profit for the year attributable to ordinary shareholders	37.0	1,049,904	766,267
Adjusted for:			
IAS 16 (Profit) on sale of property & equipment	(61.5)	(321)	(833)
IAS 36 Impairment losses on property and equipment	(37.3)	288	459
IFRS 3 – Goodwill impairment	(49.3)	8,932	17,629
Headline earnings	35.1	1,058,803	783,522
Net asset value per share (cents)	7.9	1,047	970
Basic earnings per share (cents)	36.7	201	147
Headline earnings per share (cents)	35.3	203	150

Changes to the board

During the year, the following changes to the composition of the board occurred:

- Mr STB Madonsela was appointed on 2 February 2024.
- Mr AT Matenda was appointed on 2 February 2024.
- Mr H Maier retired as the chairperson on 31 March 2024 and as a director on 23 April 2024.
- Mr IH Tjombonde was appointed as the chairperson on 1 April 2024.