BANK BIC NAMIBIA LIMITED

(REGISTRATION NUMBER :2015/0682)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2024

CONTENTS

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORTING

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Bank BIC Namibia Ltd (hereinafter also referred to as "Bank"), comprising the statement of financial position as at 31 December 2024, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and in a manner required by the Companies Act of Namibia and Namibian Banking Institutions Act.

The Directors are required by the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Bank as at the end of the financial period and the results of its operations and cash flows for the year then ended, in conformity with IFRS. The Bank's independent external auditors have audited the financial statements and their report is included in this report.

The Directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Comprehensive insurance cover is in place as required per BID 14.

The Directors have made an assessment of the Bank's ability to continue as a going concern and believe that the Bank will operate as a going concern in the year ahead. See directors report, page 7.

The Directors are of the opinion, based on the information and explanations given by management, that the internal control system provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement or loss.

INTERNAL CONTROLS

As noted in the Directors' Responsibility statement, the Directors are responsible for the preparation, integrity and fair presentation of the financial statements and for maintaining adequate accounting records and for maintaining the integrity of related financial information as well as for designing, implementing and maintaining internal controls to ensure that the financial statements are free from material misstatements. The Directors are also responsible for maintaining adequate accounting records and an effective system of risk management and systems of internal financial control.

BANK BIC NAMIBIA LIMITED
REGISTRATION NUMBER: 2015/0682
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts expressed in Namibia Dollar(N$), unless otherwise indicated)

ASSET CLASSIFICATION, SUSPENSION OF INTEREST AND PROVISIONING

The Bank has complied in all material aspects with the requirements set out in BID 2 with regards to asset classification, suspension of interest and provisioning. The external auditors have not identified nor reported instances of non-compliance with BID 2 during the reporting period.

DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 10 to 51, were approved by the Board of Directors and are signed on their behalf by:

Windhoek, 28 March 2025

Jaime Pereira
Chairman

Lindsay Crawford
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Bank BIC Namibia Limited

Opinion

We have audited the annual financial statements of Bank BIC Namibia Limited ("the Company") set out on pages 10 to 41 which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bank BIC Namibia Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Namibian Companies Act (Act 28 of 2004).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Bank BIC Namibia Limited in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the director's responsibility, approval of annual financial statements and risk report attached as Appendix A to the annual financial statements, which we obtained prior to the date of this auditor's report. The other information does not include annual financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of the directors for the annual financial statements

The directors are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9 Axali Doëseb Street
PO Box 24304
Windhoek
Namibia
Tel: +264 61 255 263/4
Fax: +264 61 227 078
info@grandnamibia.com
www.grandnamibia.com

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also,

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grand Namibia

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per R Theron
Partner
Place: Windhoek
Date: 31 March 2025

DIRECTORS' REPORT

REGISTRATION NUMBER

2015/0682

COUNTRY OF INCORPORATION

Republic of Namibia

NATURE OF BUSINESS

Bank BIC Namibia Limited is a registered bank which conducts banking services to its clients in Namibia. It provides transactional services such as retail and corporate services, including trade finance. It also provides loans for residential, commercial and asset-based finance, as well as foreign exchange and security transactions.

The banking license approval was obtained on 31 May 2016 and Bank BIC Namibia Ltd started operations on 20 June 2016.

HOLDING COMPANY AND CONTROLLING SHAREHOLDER

The holding company of Bank BIC Namibia Ltd is Bank BIC Namibia Holdings Ltd, a company registered and incorporated in Namibia. (See note 18 of the annual financial statements). Banco BIC S.A. became indirectly the sole shareholder of Bank BIC Namibia Ltd on 16 December 2024.

FINANCIAL RESULTS FOR THE YEAR

The results and financial position of the Bank for the year ended 31 December 2024 are fully disclosed in the financial statements set out on pages 10 to 51 of this report.

INSURANCE

Comprehensive insurance cover is in place as required per BID 14.

SHARE CAPITAL

Bank BIC Namibia Ltd has authorised share capital amounting to 551 000 000 ordinary shares of N$ 1 each, as detailed in note 18 of the annual financial statements.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the financial year amounted to N$ 3.6m (2023: N$ 1.1m), as disclosed in note 9 of the annual financial statements.

DIVIDENDS

No dividends were declared for the years ended 31 December 2024 and 31 December 2023.

BOARD OF DIRECTORS

Non - Executive Directors	**Nationality**	**Date appointed**	**Date Resigned**
Jaime Pereira (Chairman)	Portuguese	13/07/2015	
Hugo Teles (Vice - Chairman)	Portuguese	13/07/2015	
Fernando Teles	Portuguese	13/07/2015	
Executive Directors			
Lindsay Crawford	Namibian	01/08/2015	
Mauro Anselmo Cipriano Rogerio	Angolan	06/12/2018	

REGISTERED OFFICE AND ADDRESS

Dr Agostinho Neto Road,
Unit 6, Ausspan Plaza
Ausspannplatz
Windhoek
Namibia

POSTAL ADDRESS

P.O. BOX 5001
Ausspannplatz
Windhoek
Namibia

SECRETARIAL SERVICES

PROFSEC
P.O. Box 81894
Olympia
Windhoek
Namibia

AUDITORS

Grand Namibia
P.O. box 24304
9 Axali Doeseb Street
Windhoek
Namibia

GOING CONCERN

Banco BIC S.A. (Angola) signed a Share Purchase Agreement for the merger and takeover of Bank BIC Namibia Holdings Ltd and Bank BIC Namibia Ltd on 30 June 2023, where Banco BIC S.A. would acquire 100% of Bank BIC Namibia Holdings Ltd and Bank BIC Namibia Ltd. Banco BIC S.A. would provide a subordinated loan to the extent of ZAR 150 million and inject fresh capital into Bank BIC Namibia Ltd to the extent of NAD 130 million. The Share Purchase Agreement was subject to the regulatory approvals from the Namibian Competitions Commission, Bank of Namibia and the National Bank of Angola.

The application lodged with the Namibian Competitions Commission was approved on 8 November 2023.

Formal approval for the transaction was received from National Bank of Angola on 19 June 2024 and Bank of Namibia on 05 November 2024.

Funds for the subordinated loan, ZAR 150 million, which were on deposit with the Bank were converted into a formal subordinated loan on 13 December 2024.

USD 8.5 million was received from Banco BIC S.A. to cover the recapitalization of the Bank. Current authorized and paid-up share capital of 421 million shares with a par value of NAD 1 each was increased by 130 million to 551 million shares with a par value of NAD 1 each. New shares were issued on 16 December 2024.

Banco BIC S.A. became the sole shareholder of both Bank BIC Namibia Holdings Ltd and indirectly of Bank BIC Namibia Ltd on 16 December 2024.

The Going Concern basis in preparing the financial statements is considered appropriate.

The Directors are of the opinion that the Bank will operate as a Going Concern for the ensuing 12 months.

EVENTS SUBSEQUENT TO YEAR END

No significant events occurred subsequent to year end.

BANK BIC NAMIBIA LIMITED
REGISTRATION NUMBER: 2015/0682
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts expressed in Namibia Dollar(N$), unless otherwise indicated

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024	2023
ASSETS			
Cash and balances with central bank	4	15.353.771	17.599.336
Deposits at other credit institutions	5	66.254.814	79.556.473
Financial assets	6	54.447.485	101.220.876
Loans and advances to financial institutions	7	220.333.872	51.875.266
Loans to customers	8	211.533.421	228.859.691
Property, plant & equipment	9	9.595.674	9.585.086
Intangible assets	10	6.822.262	10.091.752
Right-of-use asset	11	9.989.858	4.769.047
Other assets	12	19.025.623	11.838.565
TOTAL ASSETS		**613.356.780**	**515.396.092**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits from financial institutions	13	51.894.760	209.440.397
Loans from financial institutions	14	150.527.055	-
Deposits from clients	15	240.935.154	204.933.393
Lease liabilities	16	10.896.763	6.025.209
Other liabilities	17	12.518.382	19.756.426
TOTAL LIABILITES		**466.772.114**	**440.155.425**
SHAREHOLDERS' EQUITY			
Share capital	18	551.000.000	421.000.000
Credit risk reserve	29	2.228.234	1.579.241
(Accumulated loss)		(406.643.568)	(347.338.574)
TOTAL EQUITY		**146.584.666**	**75.240.667**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**613.356.780**	**515.396.092**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
Interest income		36.042.639	37.765.104
Interest expense		(12.702.188)	(9.528.965)
Net interest income	19	**23.340.451**	**28.236.139**
Impairment of loans to customers	8.5	269.060	881.411
Net interest income after impairment of loans to customers		**23.609.511**	**29.117.550**
Non-interest income	20	2.605.979	1.731.250
Fee and commission revenue		9.017.553	8.381.736
Fee and commission expense		(9.868.160)	(8.781.901)
Foreign exchange gains and losses		2.604.663	2.131.415
Fair value gains and losses		851.923	-
Operating income		**26.215.490**	**30.848.800**
Staff costs	21	(32.140.959)	(34.358.741)
Operating expenditure	22	(37.093.957)	(34.297.166)
Depreciation and amortisation	23	(14.314.871)	(15.963.382)
Finance cost - leases	16	(1.321.704)	(889.314)
Loss before taxation		**(58.656.001)**	**(54.659.803)**
Income tax expense	24	-	-
Net loss for the year		**(58.656.001)**	**(54.659.803)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(58.656.001)**	**(54.659.803)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital	Other reserves - credit risk reserve*	Accumulated loss	Total equity
Balances at 31 December 2022		**421.000.000**	**1.618.606**	**(292.718.136)**	**129.900.470**
Transfer of BID 2 general provision to credit risk reserve		-	(39.365)	39.365	-
Loss for the year		-	-	(54 659.803)	(54.659.803)
Balances at 31 December 2023		**421.000.000**	**1.579.241**	**(347.338.574)**	**75.240.667**
New capital issued		130.000.000	-	-	**130.000.000**
Transfer of BID 2 general provision to credit risk reserve		-	648.993	(648.993)	-
Loss for the year		-	-	(58.656.001)	(58.656.001)
Balances at 31 December 2024	18	**551.000.000**	**2.228.234**	**(406.643.568)**	**146.584.666**

* the credit risk reserve complies with the minimum requirements from Bank of Namibia as set out according to BID-2

BANK BIC NAMIBIA LIMITED
REGISTRATION NUMBER: 2015/0682
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts expressed in Namibia Dollar(N$), unless otherwise indicated)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
Cash flows of operating activities			
Income from services and commissions		7.035.727	8.381.736
Interest and similar income		34.567.832	35.710.028
Interest and commissions expense		(19.360.609)	(15.957.831)
Cash paid to suppliers and employees		(68.847.898)	(68.498.826)
Foreign exchange (losses)/gains		2.557.734	2.560.614
Cash flow of changes in operating assets and liabilities	**27**	**(44.047.214)**	**(37.804.279)**
(Increase)/decrease in operating assets			
Financial assets		47.577.831	(25.336.986)
Loans and advances to financial institutions		(168.410.241)	(9.538.478)
Loans to customers		18.265.697	19.761.711
Other assets		(4.931.764)	(150.593)
Net flow from operating assets		**(107.498.477)**	**(15.264.346)**
(Decrease)/Increase in operating liabilities			
Deposits from financial institutions		(157.545.637)	(33.386.884)
Deposits from clients		34.592.416	34.366.634
Other liabilities		(9.093.462)	6.542.909
Net flow from operating liabilities		**(132.046.683)**	**7.522.659**
Net cash flow (generated) /utilized from operating activities		**(283.592.374)**	**(45.545.966)**
Cash flows from investing activities			
Additions to property, plant and equipment		(3.640.472)	(1.155.186)
Additions to intangible assets		(2.513.133)	(2.823.778)
Net cash (utilized) in investing activities		**(6.153.605)**	**(3.978.964)**
Cash flows from financing activities			
Proceeds from Loans from financial institutions		150.000.000	-
Repayment of lease liabilities		(5.726.163)	(5.164.565)
Proceeds from issue of shares		130.000.000	-
Net cash generated /(utilised) from financing activities		**274.273.837**	**(5.164.565)**
Net (decrease)/increase in cash and cash equivalents		**(15.472.142)**	**(54.689.495)**
Effects of exchange rate changes on cash and cash equivalents		(75.082)	(429.199)
Cash and cash equivalents at beginning of the year		97.155.809	152.274.503
Cash and cash equivalents at the end of the year		**81.608.585**	**97.155.809**
Composition of cash and cash equivalents			
Cash and balances with central bank	4	15.353.771	17.599.336
Balances due from other banks	5	66.254.814	79.556.473
Cash and cash equivalents at the end of the year		**81.608.585**	**97.155.809**

NOTES TO THE FINANCIAL STATEMENTS

1 INTRODUCTION

Bank BIC Namibia Limited (hereinafter also referred to as "The Bank"), was incorporated in Namibia, on the 13th of July 2015, compliant with the requirements of section 180 of Companies Act, 2004, under the registration number 2015/0682 and started its activity on 20 June 2016.

The Bank is a traditional commercial bank, based in Agostinho Neto Road, Unit 6 Ausspan Plaza, Ausspannplatz, Windhoek, whose corporate purpose is commercial and retail banking, providing services such as deposits acceptance, savings accounts, commercial and personal loans and mortgages. Additionally, the Bank offers services such as foreign exchange transactions and trade finance.

The Bank has currently five branches, two in Windhoek, one in Walvis Bay, one in Rundu and one in Ongwediva.

2 BASIS OF PREPARATION AND SUMMARY OF MAIN ACCOUNTING POLICIES

2.1 Basis of Presentation

The financial statements of the Bank are prepared in accordance with and comply with International Financial Reporting Standards® ("IFRS"), adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, and the requirements of the Namibian Companies Act and Namibian Banking Institutions Act. The annual financial statements have been prepared on the historical cost basis.

Adoption of new and amended standards effective in the current financial period:

Standard	Pronouncement	Impact	Effective date/ Adoption date
IFRS 7 – Financial Instruments: Disclosure	*Supplier Finance Arrangements* The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	No material impact noted as no agreements in place.	01 January 2024
IFRS 16 - Leases	*Lease Liability in a Sale and Leaseback* The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	No material impact noted.	01 January 2024
IAS 1 – Presentation of financial statements	*Classification of Liabilities as Current or Non-current* Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.	No material impact noted.	01 January 2024
IAS 1 – Presentation of financial statements	*Non-current liabilities with Covenants* The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	No material impact noted.	01 January 2024
IAS 7 – Statement of Cash flows	*Supplier Finance Arrangements* The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	No material impact noted as no agreements in place.	01 January 2024

The Bank has adopted all standards and interpretations that were effective for the current year. The adoption of these standards did not have any significant effect on the financial position or results from operations, cash flows or disclosures. The Bank assessed the impact of IFRS S1 and IFRS S2 and concluded that the impact is immaterial.

2.2.1 Standards Interpretations and amendments not yet adopted

At the date of approval of these financial statements, the following standards and interpretations were issued and not effective for the reporting period:

Standard	Pronouncement	Impact	Effective date/ Adoption date
IFRS 7 – Financial Instruments: Disclosure	*Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7* The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.	No material impact noted.	Effective date: 01 January 2026 Adoption date: 01 January 2026
IFRS 9 - Financial Instruments	*Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7* Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent, by: o Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and o Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.	No material impact noted.	Effective date: 01 January 2026 Adoption date: 01 January 2026
IFRS 18 - Presentation and Disclosures in Financial Statements	o IFRS 18 is the culmination of the IASB's Primary Financial Statements project. o IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: o Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit. o Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement. o More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses. o This Standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged	Material impact, the bank will need to reclassify income and expenses balances.	Effective date: 01 January 2027 Adoption date: 01 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	o IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. o Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders.	No material impact noted.	Effective date: 01 January 2027 Adoption date: 01 January 2027

A reliable estimate of the impact of the adoption of the new standards, amendments and interpretations for the Bank has not yet been determined. However, the Board of Directors anticipate that the adoption of the above-mentioned standards, amendments and interpretations will have no material impact on the financial statements in future periods.

2.2.2 Changes in accounting policies

The accounting policies applied in the current year are consistent with those applied in the previous reporting year except where the new standards are applied or new amendments are applicable. The new amendments do not have significant impact to the current reporting period.

2.3 Accrual basis

Income and expenses are recognized according to the period of the operations, pursuant to the accrual basis of accounting, being recorded as they are generated, regardless of the moment of their receipt or payment.

2.4 Conversion of balances and transactions in foreign currency

The accounts of the Bank are prepared in accordance with the currency used in the economic environment in which it operates (referred to as "functional currency"). The results and financial position are expressed in Namibia Dollars, the functional currency of the Bank.

In the preparation of the financial statements, transactions in foreign currency and the corresponding income and charges are recognised at the exchange rate on the date when they occur. On every balance sheet date, the assets and the liabilities expressed in the currency other than the functional currency are converted at the closing exchange rate. Non-monetary assets measured at fair value are converted on the basis of the exchange rate in force on the last measurement date. Non-monetary assets carried at historical cost, including intangible assets, continue to be recognised at their original exchange rates.

Exchange differences arising from currency conversion are recognised in profit and loss for the year, unless arising on non-monetary financial instruments recognised at fair value, such as shares classified as available-for-sale financial assets which are recognised in a specific equity heading until disposal.

2.5 Financial instruments

Financial assets and liabilities are recognised in the statement of financial position of the Bank when, and only when, it becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or the issuance of the financial assets or liabilities (other than the financial assets and liabilities measured at fair value through profit and loss ("FVTPL") are added or deducted from the fair value of the financial asset or the financial liabilities, as applicable, at the time of initial recognition. Transaction cost attributable directly to the financial assets and liabilities measured at fair value through profit and loss are immediately recognised in the profit and loss account.

2.5.1 Financial assets

2.5.1.1 Classification, initial recognition and subsequent measurement

Upon initial recognition of the financial assets, the Bank classifies them according to the characteristics of the contractual cash flows resulting from those assets and the business model used to manage them. The classification of the financial asset determines how the asset will be subsequently measured.

At the time of the initial recognition, financial assets are classified into one of the following categories:

i) Financial assets at amortised cost;
ii) Financial assets at fair value through other comprehensive income
iii) Designated at fair value through profit and loss and;
iv) Financial assets at fair value through profit and loss.

Financial assets at amortised cost

Classification

A financial asset that meets both of the following conditions are classified as a financial assets at amortised cost:

- Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes balances due from other banks, financial assets, loans to customers whose objective is the receipt of their contractual cash flows.

Initial recognition and subsequent measurement

Investments in deposits at other credit institutions and the loans to customers are recognized on the date the funds are made available to the counterparty (settlement date). Financial assets are recognized on the trade date, i.e., the date on which the Bank commits to purchase them.

Financial assets at amortised cost are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost. Additionally, they are subject, after their initial recognition, to the calculation of impairment losses for expected credit losses.

Interest on financial assets at amortised cost is recognized under net interest income in the heading "Interest income" (Note 19), based on the effective interest rate method.

Expected credit losses are estimated after the initial recognition of these financial assets and in accordance with the principles described in (Note 2.5.1.6), and are recognized through profit or loss against the heading "Impairment of loans to Customers" (Note 8.5).

Loans and receivables are recorded at fair value. In general, the initial fair value corresponds to the value of the transaction and includes fees, charges or other expenses and income associated with the transactions. They are subsequently valued at amortised cost, based on the effective interest rate method, and are presented in the balance sheet net of impairment losses.

Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of "Financial assets at fair value through other comprehensive income" when both of the following two conditions are met:

- Held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instrument: Fair value, with gains and losses recognised directly in the fair value through other comprehensive income reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments previously recognised in other comprehensive income are reclassified to the other gains and losses on financial instruments within non-interest revenue.

Interest income on a debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss.

Equity instrument: Fair value, with gains and losses recognised directly in the fair value through other comprehensive income reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in other comprehensive income are reclassified within reserves to retained income.

Dividends received on equity instruments are recognised in other revenue within non-interest income.

Financial assets designated at fair value through profit or loss

Classification

A financial asset is classified in the category of "Financial assets at fair value through profit or loss" if the business model defined by the Bank for its management, or the characteristics of its contractual cash flows, do not meet the conditions described above for it to be measured at amortised cost or fair value through other comprehensive income.

In addition, even if the financial asset meets the criteria to be measured at amortised cost or fair value through other comprehensive income, the Bank may irrevocably choose, upon initial recognition, to designate the financial asset at fair value through profit or loss, provided that doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases.

2.5.1.2 Reclassification of financial assets and liabilities

Financial assets must be reclassified whenever there is a change in the business model of the respective portfolio. In this situation, all financial assets that make up the portfolio whose business model has changed must be reclassified, and the classification and measurement requirements for the new category are applied retrospectively from the date of reclassification, and no gain, losses, or interest previously recognised is restated.

2.5.1.3 Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the recognition was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

2.5.1.4 Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and ether (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the group has not retained control.

2.5.1.5 Write-off

Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

2.5.1.6 Impairment

Expected credit loss("ECL") is recognised on debt financial assets classified as at either amortised cost or fair value through other comprehensive income, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the expected credit loss of a financial asset includes assessing whether there has been a significant increase in credit risk ("SICR") at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the expected credit loss, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1	A 12-month expected credit loss is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a significant increase in credit risk.
Stage 2	A lifetime expected credit loss allowance is calculated for financial assets that are assessed to have displayed a significant increase in credit risk since origination and are not considered low credit risk.
Stage 3 (credit impaired assets)	A lifetime expected credit loss is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganization • disappearance of an active market due to financial difficulties

Key components of the impairment methodology are described as follows:

2.5.1.6.1 Significant increase in credit risk

At each reporting date the Bank assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset.

Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.

2.5.1.6.2 Low credit risk

Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.

2.5.1.6.3 Default

The Bank's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets:

- significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)
- a breach of contract, such as default or delinquency in interest and/or principal payments
- disappearance of active market due to financial difficulties
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization
- where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the bank would not otherwise consider.

Exposures which are overdue for more than 90 days are also considered to be in default.

2.5.1.6.4 Forward-looking information

Forward-looking information is incorporated into the Bank's impairment methodology calculations and in the Bank's assessment of significant increase in credit risk. The Bank includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors such as inflation, unemployment that are expected to impact portfolios or individual counterparty exposures.

2.5.2 Guarantees provided and irrevocable commitments

Guarantees issued and irrevocable commitments are recorded in off-balance sheet accounts by the amount at risk. Interest, commission, fees and other related income are recorded in the statement of income over the period of the operations.

2.5.3 Financial liabilities

2.5.3.1 Classification

Financial liabilities are classified in the category of financial liabilities at amortized cost and correspond to resources from other credit institutions and Customer resources.

Initial recognition and subsequent measurement

At the time of their initial recognition, financial liabilities are recorded at their respective fair value at the contracting date, less costs directly attributable to the transaction.

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Financial liabilities at amortised cost

Amortised cost using the effective interest method recognised in interest expense.

Financial liabilities designated at fair value through profit or loss

Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue.

Fair value gains and losses attributable to changes in own credit risk are recognised within other comprehensive income, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.

2.5.3.2 Fair value

Pursuant to IFRS 13, fair value corresponds to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. On the date of acquisition, or at the beginning of an operation, the fair value is generally the value of the transaction.

2.5.3.3 Other financial liabilities

Other financial liabilities correspond to other credit institutions and clients deposits and liabilities incurred for the payment of services rendered or the purchase of assets, falling under the heading "Other liabilities".

Other financial liabilities are recorded on the contracting date at their respective fair value, less costs directly attributable to the transaction.

Subsequently, they are valued at amortised cost and the interest, when applicable, is recognised in accordance with the effective rate method.

2.6 Property, plant & equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset. Any subsequent expenditure incurred relating to repairs and maintenance, and other expenses associated with the use of assets are recognised as expenses through profit and loss account, under" Operating expenditure".

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which are:

	Useful Life
Leasehold improvements	8 years
Furniture and equipment	8 years
IT equipment	4 years
Other installations	8 years
Security equipment	8 years
Motor vehicles	5 years

Depreciation is recorded in the statement of profit and loss for the year.

2.7 Intangible assets

This caption essentially covers expenses related to the acquisition, development or preparation of software used in the development of the Bank's activities.

Intangible assets are recorded at acquisition cost, less amortisation and accumulated impairment losses.

Amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Computer software

Computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the company and have a probable future economic benefit beyond one year, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Development cost

The Bank recognises development cost incurred on all projects which are still to be finalised for completion. Amortisation is recognised in profit and loss from the date that the asset is available for use.

	Useful Life
Computer software	3 years
Development costs	3 years

The Bank reviews the assets under construction and asset brought into use for impairment at each reporting date and test the carrying value for impairment when events or changes in circumstances indicate that the carrying amounts may not be recovered.

Non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.

2.8 Leases

The Bank assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.8.1 Bank as lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assts representing the right to use the underlying asset.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. When a lease is canceled or terminated, the right-of use asset will be derecognized and any difference between asset and liability will be recognized to profit and loss.

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

2.9 Revenue Recognition

2.9.1 Interest income and expense

Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in net interest income using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate.

2.9.2 Fees and commission Income

Revenue from customers is measured based on the consideration specified in the contract with customers and excludes amounts collected on the behalf of third parties. The Bank recognises revenue when it transfers control over a service to a customer.

Fees and commission income consists of transactional fees, account servicing fees, investment management fees, sales commission, placement fees and loan commitment fees.

Fees and commission revenue is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligation, as well as the timing of their satisfaction are identified and determined at the inception of the contract.

When the Bank provides the service to its customers, consideration is invoiced and generally due immediately upon the satisfaction of a service provided at a point in time or at the end of the contract period for when the services provided over time.

2.9.2.1 Fees and commission income from services where performance obligation is performed over time:

Performance obligations performed over time includes transactional fees, account servicing fees and loan commitment fees where the customer simultaneously consumes and receive the benefit provided by the Bank's performance of its obligation.

2.9.2.2 Fees and commission income from services where performance obligation is performed at a point in time:

Fees and commission income from investment fees, sales commission fees and placement fees are recognised at a point in time where the Bank's performance obligation is satisfied at a point in time, and it is recognised once the control of the service is transferred to the customer. This is typically on the completion of the underlying transaction or the service.

2.10 Income taxes

The Bank is subject to income tax in accordance with tax laws enacted at the end of the financial year. Current tax is calculated considering a percentage of 31% (32%:2023) based on taxable income for the year

Tax losses may be carried forward indefinitely and set off against future taxable profit within the respective reporting periods if the entity does not cease activity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are booked for all taxable temporary differences.

Current tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.11 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. These assets are held to collect contractual cash flows and measured at amortised cost.

Effect of possible loss/default is not material.

2.12 Provisions and contingent liabilities

A provision is constituted when there is a present liability (legal or constructive) arising from past events which are likely to imply the future disbursement of funds, and which may be reliably determined. The amount of the provision corresponds to the best estimate of the disbursable value to settle the liability as at the reporting date.

Contingent liabilities emerge when: (i) obligations may exist arising from uncertain future events that are beyond the entity's control; and (ii) there are present obligations for which expenditure of associated resources is unlikely but cannot be measured reliably. Contingent liabilities are always disclosed unless the occurrence of the future events referred to in (i) is remote or the amounts involved are immaterial (in either case).

3 Critical accounting estimates and most relevant judgemental aspects in the application of accounting policies

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates.

The estimates bearing most impact on the financial statements of the Bank include the following:

3.1 Determination of impairment losses for loans

Impairment losses for loans granted to customers are determined in accordance with the methodology defined in Note 2.5.1.6.
Thus, the Bank complies with the requirements defined by Bank of Namibia and, whenever deemed necessary, recognises impairment losses so that its estimate is reflected in the risk of collectability associated with its clients.

The Bank considers that the impairment losses for loans determined on the basis of the methodology referred to in Note 2.5.1.6 adequately reflect the risk associated with its portfolio of loans granted to clients.

3.2 Assessment of collateral in credit operations

Collateral in credit operations, such as property mortgages, assumed the maintenance of the real estate market conditions, during the life cycle of the operations, and correspond to the best fair value estimate of the afore-mentioned collateral at the reporting date.

3.3 Impairment assessment of property, plant and equipment and intangibles

The Bank assess whether property, plant and equipment and intangibles need to be impaired based on both internal and external information obtained.

3.4 Incremental borrowing rate for a lease

The Bank cannot determine the interest rate implicit in the lease, therefore it uses the incremental borrowing rate to measure the lease liabilities. This is the rate of interest that the Bank would have to pay to borrow funds necessary to obtain an asset over a similar period of time.

3.5 Going Concern

The Going Concern basis in preparing the financial statements is considered appropriate.

The Directors are of the opinion that the Bank will operate as a Going Concern for the ensuing 12 months.

		2024	2023
4	**CASH AND BALANCES WITH CENTRAL BANK**		
	Cash	10.193.510	13.454.007
	Mandatory reserve with central bank	5.160.261	4.145.329
		15.353.771	**17.599.336**

The caption "Mandatory reserve with central bank" relates to minimum reserve balance required by the central bank. The value of the minimum reserve balance is calculated considering a percentage of 1% of the average daily amount of total deposits and any other liabilities from clients. Cash on hand and mandatory reserve deposits are non-interest earning and treated as restricted cash.

5	**DEPOSITS AT OTHER CREDIT INSTITUTIONS**		
	Local banks		
	-Deposits	4.560.216	12.062.249
	Foreign banks		
	- First Rand (R.S.A)	28.231.253	43.546.598
		2024	**2023**
	- Banco BIC Português, S.A. (Note 25.3)	23.630.472	22.829.055
	- Banco BIC, S.A. (Note 25,3)	9.832.860	1.118.571
	- Zhejiang Chouzhou Commercial Bank	13	-
		66.254.814	**79.556.473**
6	**FINANCIAL ASSETS**		
6.1	Treasury bills	53.643.045	99.729.246
	Interest receivable	804.440	1.491.630
		54.447.485	**101.220.876**
	Classified as:		
	Treasury bills are measured at amortised cost	**54.447.485**	**101.220.876**

As at 31 December 2024, Treasury bills earn interest at the average rates of 8.16%, (2023: 8.35%) respectively. Treasury bills have got a fixed interest rate.

6.2	**Maturity structure**		
	-One year or less	54.447.485	101.220.876
	-Five years or less but over one year	-	-
	-Over five years	-	-
		54.447.485	**101.220.876**

		2024	2023
7	**LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS**		
7.1	**Loans and receivables**		
	Central bank		
	-Placements	186.285.507	51.854.013
	Foreign banks		
	-Placements	34.000.000	-
	Interest receivable	48.365	21.253
		220.333.872	**51.875.266**
	As at 31 December 2024 and 31 December 2023, placements with financial institutions earned interest at the following average interest rates. Variable interest on placement with central bank.	6.85%	7.48%
7.2	**Maturity structure**		
	-One year or less	220.333.872	51.875.266
	-Five years or less but over one year	-	-
	-Over five years	-	-
		220.333.872	**51.875.266**
7.3	**Geographical analysis**		
	Namibia	186.319.899	51.875.266
	Outside Namibia	34.013.973	-
		220.333.872	**51.875.266**
8	**LOANS TO CUSTOMERS**		
8.1	**Category analysis**		
	Mortgage loans	133.028.215	143.393.827
	-Individuals	42.015.018	40.568.773
	-Business	91.013.197	102.825.054
	Business loans	4.348.170	4.990.308
	Asset based finance	22.613.096	23.525.028
	Overdrafts	51.520.074	56.250.594
	Personal loans	439.464	1.127.243
	Credit cards	12.050	81.575
	Gross loans and advances to clients	**211.961.069**	**229.368.575**
	Interest receivable	670.367	563.446
	Deferred income	(71.183)	(56.269)
	Impairment (Note 8.4)	(443.030)	(711.090)
	Interest in suspense	(583.802)	(304.971)
	Net loans and advances to clients	**211.533.421**	**228.859.691**
8.2	**Sectoral analysis**		
	Retailers, catering and accommodation	104.008.636	115.810.801
	Individuals	52.595.470	48.730.395
	Construction and real estate	35.038.162	45.286.878
	Business services	10.549.915	15.004.288
	Agriculture, hunting and fishing	9.496.754	3.460.200
	Electricity, Oil, Gas & Water	272.132	-
	Transport and communication	-	1.076.013
		211.961.069	**229.368.575**

		2024	2023
8.3	**Maturity structure**		
	-One year or less	52.693.858	56.738.728
	-Five years or less but over one year	60.410.833	39.617.739
	-Over five years	98.856.378	133.012.108
		211.961.069	**229.368.575**

8.4 Reconciliation of expected credit losses for loans and advances measured at amortised cost

2024

	Stage 1	Stage 2	Stage 3	Total
Opening ECL 1 January 2024	**707.528**	**3.152**	**410**	**711.090**
Transfer between stages	**3.152**	**(3.152)**	**-**	**-**
Transfer (to)/from stage 1	3.152	-	-	3.152
Transfer (to)/from stage 2	-	(3.152)	-	(3.152)
Transfer (to)/from stage 3	-	-	-	-
Net ECL (released) / raised	**(544.626)**	**-**	**276.566**	**(268.060)**
ECL due to new loans	14.014	-	-	14.014
Subsequent changes in ECL	(558.640)	-	275.566	(283.074)
Impaired accounts recovered	-	-	1.000	1.000
Closing ECL 31 December 2024	**166.054**	**-**	**276.976**	**443.030**

2023

	Stage 1	Stage 2	Stage 3	Total
Opening ECL 1 January 2023	**761.246**	**-**	**1.190.248**	**1.951.494**
Transfer between stages	(3.152)	3.152	-	-
Transfer (to)/from stage 1	(3.152)	-	-	(3.152)
Transfer (to)/from stage 2	-	3.152	-	3.152
Transfer (to)/from stage 3	-	-	-	-
Net ECL (released) / raised	**(50.566)**	**-**	**(1.189.838)**	**(1.240.404)**
ECL due to new loans	209.454	-	-	209.454
Subsequent changes in ECL	(260.020)	-	(741.553)	(1.001.573)
Impaired accounts written-off	-	-	(448.285)	(448.285)
Closing ECL 31 December 2023	**707.528**	**3.152**	**410**	**711.090**

A reconciliation of the expected credit loss for loans and advances, by class:

	Opening ECL 1 Jan 2024	Total transfers between stages	Net Impairments raised / (released)	Impaired accounts written-off	Closing ECL 31 Dec 2024
Overdrafts	**5.101**	-	**366.056**	**1.000**	**372.157**
Stage 1	4.683	-	90.407	-	95.180
Stage 2	7	-	(7)	-	-
Stage 3	411	-	275.566	1.000	276.977
Asset based finance	**271.245**	-	**(42.474)**	-	**30.443**
Stage 1	271.245	-	(240.802)	-	30.443
Mortgage loans – Individuals	**343.316**	-	**(306.225)**	-	**37.091**
Stage 1	299.732	43.584	(306.225)	-	37.091
Stage 2	43.584	(43.584)	-	-	-
Mortgage loans - Business	**44.200**	**-**	**(44.200)**	**-**	**-**
Stage 1	44.200	-	(44.200)	-	-
Personal loans	**37.458**	**-**	**(34.119)**	**-**	**3.339**
Stage 1	37.458	-	(34.119)	-	3.339
Business loans	**6.415**		**(6.415)**	**-**	**-**
Stage 1	6.415	-	(6.415)	-	-

	Opening ECL 1 Jan 2024	Total transfers between stages	Net Impairments raised / (released)	Impaired accounts written-off	Closing ECL 31 Dec 2024
Credit Cards	**3.355**		**(3.355)**	**-**	**-**
Stage 1	3.355	-	(3.355)	-	-
Total	**711.090**	**-**	**(269.060)**	**1.000**	**443.030**

	Opening ECL 1 Jan 2023	Total transfers between stages	Net Impairments raised / (released)	Impaired accounts written-off	Closing ECL 31 Dec 2023
Overdrafts	**374.440**	**-**	**(369.339)**	**-**	**5.101**
Stage 1	47.081	-	(42.398)	-	4.683
Stage 2	-	-	7	-	7
Stage 3	327.359	-	(326.948)	-	411
Asset based finance	**704.631**	**-**	**(74.393)**	**(358.993)**	**271.245**
Stage 1	256.346	-	14.899	-	271.245
Stage 3	448.285	-	(89.292)	(358.993)	-
Mortgage loans - Individuals	**339.552**	**-**	**3.764**	**-**	**343.316**
Stage 1	339.552	(3.152)	(36.668)	-	299.732
Stage 2	-	3.152	40.432	-	43.584
Mortgage loans - Business	**60.908**	**-**	**(16.708)**	**-**	**44.200**
Stage 1	60.908	-	(16.708)	-	44.200
Personal loans	**164.527**	**-**	**(127.069)**	**-**	**37.458**
Stage 1	57.358	-	(19.900)	-	37.458
Stage 3	107.169	-	(107.169)	-	-
Business loans	**307.436**		**(301.021)**	**-**	**6.415**
Stage 1	-	-	6.415	-	6.415
Stage 3	307.436	-	(307.436)	-	-
Credit Cards	**-**		**3.355**	**-**	**3.355**
Stage 1	-	-	3.355	-	3.355
Total	**1.951.494**	**-**	**(881.411)**	**(358.993)**	**711.090**

		2024	2023
8.5	**Impairment of loans to customers**		
	Balances at the beginning of the year	711.090	1.951.494
	Bad debts recovered/(written off)	1.000	(358.993)
	Current year charge - General Provision	(269.060)	(881.411)
	Balances at the end of the year	**443.030**	**711.090**
8.6	**Collateral held per class of loan**		
	Mortgage loans		
	-Individuals	48.921.191	43.153.300
	-Business	263.875.200	252.919.400
	Business loans	39.118.420	37.118.420
	Asset based finance	17.807.153	160.698.955
	Overdrafts	106.798.550	116.527.000
	Personal loans	376.821	291.925
	Credit cards	-	-
		476.897.335	**610.819.000**

9 PROPERTY, PLANT & EQUIPMENT

	Leasehold improvements	Furniture & Equipment	IT Equipment	Other Installations	Security Equipment	Motor Vehicle	Total
2024							
Carrying amount at 31 December 2023	**4.405.534**	**4.304.274**	**356.134**	**55.371**	**423.773**	**40.000**	**9.585.086**
-at cost	13.746.903	9.496.323	11.129.702	1.197.296	978.062	2.176.925	38.725.211
-accumulated depreciation	(9.341.369)	(5.192.049)	(10.773.568)	(1.141.925)	(554.289)	(2.136.925)	(29.140.125)
Additions	10.263	44.053	3.552.564	-	33.592	-	3.640.472
Impairment - Cost	-	(6.437)	-	-	-	-	(6.437)
Depreciation current year (Note 23)	(1.556.636)	(956.536)	(899.360)	(55.371)	(117.220)	(40.000)	(3.625.123)
Impairment -Accumulated depreciation	-	1.676	-	-	-	-	1.676
Carrying amount at 31 December 2024	**2.859.161**	**3.387.030**	**3.009.338**	-	**340.145**	-	**9.595.674**
-at cost	13.757.166	9.533.939	14.682.266	1.197.296	1.011.654	2.176.925	42.359.246
-accumulated depreciation	(10.898.005)	(6.146.909)	(11.672.928)	(1.197.296)	(671.509)	(2.176.925)	(32.763.572)
2023							
Carrying amount at 31 December 2022	**6.123.897**	**4.345.298**	**661.440**	**205.033**	**506.429**	**435.742**	**12.277.839**
-at cost	13.746.903	8.498.586	11.104.152	1.197.296	940.987	2.176.925	37.664.849
-accumulated depreciation	(7.623.006)	(4.153.288)	(10.442.712)	(992.263)	(434.558)	(1.741.183)	(25.387.010)
Additions	-	1.092.562	25.550	-	37.075	-	1.155.187
Impairment - Cost	-	(94.825)	-	-	-	-	(94.825)
Depreciation current year (Note 23)	(1.718.363)	(1.075.637)	(330.856)	(149.662)	(119.731)	(395.742)	(3.789.991)
Impairment -Accumulated depreciation	-	36.876	-	-	-	-	36.876
Carrying amount at 31 December 2023	**4.405.534**	**4.304.274**	**356.134**	**55.371**	**423.773**	**40.000**	**9.585.086**
-at cost	13.746.903	9.496.323	11.129.702	1.197.296	978.062	2.176.925	38.725.211
-accumulated depreciation	(9.341.369)	(5.192.049)	(10.773.568)	(1.141.925)	(554.289)	(2.136.925)	(29.140.125)

No contractual commitments for the acquisition of property, plant and equipment and no property, plant and equipment are pledged as security.

10 INTANGIBLE ASSETS

	Computer software	Development costs	Total
2024			
Carrying amount at 31 December 2023	**7.400.127**	**2.691.625**	**10.091.752**
-at cost	52.148.793	2.691.625	54.840.418
-accumulated amortisation	(44.748.666)	-	(44.748.666)
Additions	1.186.928	1.326.205	2.513.133
Transfers	505.482	(505.482)	-
Amortisation current year (Note 23)	(5.782.623)	-	(5.782.623)
Carrying amount at 31 December 2024	**3.309.914**	**3.512.348**	**6.822.262**
-at cost	53.841.203	3.512.348	57.353.551
-accumulated amortisation	(50.531.289)	-	(50.531.289)

No contractual commitments for the acquisition of intangibles and no intangibles are pledged as security

2023	Computer software	Development costs	Total
Carrying amount at 31 December 2022	**13.744.905**	**1.967.781**	**15.712.686**
-at cost	50.048.859	1.967.781	52.016.640
-accumulated amortisation	(36.303.954)	-	(36.303.954)
Additions	816.690	2.007.088	2.823.778
Transfers	1.283.244	(1.283.244)	-
Amortisation current year (Note 23)	(8.444.712)	-	(8.444.712)
Carrying amount at 31 December 2023	**7.400.127**	**2.691.625**	**10.091.752**
-at cost	52.148.793	2.691.625	54.840.418
-accumulated amortisation	(44.748.666)	-	(44.748.666)

11 RIGHT-OF-USE ASSETS

	2024	2023
Carrying amount at the beginning of the year	**4.769.047**	**6.460.360**
-at cost	17.956.527	17.862.019
-accumulated amortisation	(13.187.480)	(11.401.659)
Additions	12.503.462	2.037.366
Disposals – cost	(14.368.643)	(1.942.858)
Depreciation current year (Note 23)	(4.907.125)	(3.728.679)
Disposals - deprecation	11.993.117	1.942.858
Carrying amount at the end of the year	**9.989.858**	**4.769.047**
-at cost	16.091.346	17.956.527
-accumulated amortisation	(6.101.488)	(13.187.480)

Right of use assets consists of rental properties which the Bank lease.

12 OTHER ASSETS

	2024	2023
Pre-paid expenses	3.253.955	2.474.343
-Insurance	433.988	433.462
-Other rents	415.538	381.401
- Prepaid expenses	2.404.429	1.659.480
Sundry debtors and other receivables	357.505	356.982
Merchant commission due	2.243.643	-
Receivable from Bank BIC Namibia Holdings Ltd (Note 25.3)	648.691	371.449
Receivable from Banco BIC S.A. (Note 25.3)	1.324.307	-
Clearing, settlement and internal accounts	9.202.560	7.297.301
Indirect taxes	1.994.962	1.338.490
	19.025.623	**11.838.565**

13 DEPOSITS FROM FINANCIAL INSTITUTIONS

	2024	2023
Foreign Institutions		
- Banco Keve S.A.	3.632.382	12.602.541
- Banco BIC, S.A. (Note 25.3)	48.262.378	196.837.856
	51.894.760	**209.440.397**

As at 31 December 2024, deposits from other banks correspond to non interest bearing vostro accounts from Banco BIC, S.A. and Banco Keve S.A. (Angola), callable on demand.

		2024	2023
14	**LOANS FROM FINANCIAL INSTITUTIONS**		
	Foreign Institutions		
	- Banco BIC, S.A. (Note 25.3)	150.000.000	-
	Interest payable	527.055	-
		150.527.055	-

As at 13 December 2024 a subordinated loan of 10 years was provided by Banco BIC, S.A. interest linked to prime. The current rate is 6.75%.

		2024	2023
15	**DEPOSITS FROM CLIENTS**		
15.1	**Category analysis**		
	Current accounts	42.734.151	47.288.721
	Savings accounts	44.253.292	36.336.500
	Call accounts	100.090.221	73.034.509
	Term deposits	52.448.145	46.831.195
		239.525.809	**203.490.925**
	Interest payable	1.409.345	1.442.468
		240.935.154	**204.933.393**
15.2	**Sectoral analysis (Excluding accrual interest)**		
	Individuals	116.420.569	102.891.735
	Retailers, catering and accommodation	82.764.939	37.596.441
	Agriculture, hunting and fishing	10.065.420	28.876.424
	Manufacturing	11.138.666	8.527.583
	Business services	5.735.411	11.313.295
	Construction and real estate	5.200.509	6.750.132
	Other services	3.686.353	2.879.800
	Transport and communication	2.463.244	2.758.442
	Electricity, Oil, Gas & Water	1.063.703	1.004.563
	Mining	986.995	892.510
		239.525.809	**203.490.925**
15.3	**Maturity structure**		
	-One year or less	239.508.759	203.235.925
	-Five years or less but over one year	17.050	255.000
		239.525.809	**203.490.925**
16	**LEASE LIABILITIES**		
	Lease liabilities – Opening balance	**6.025.209**	**8.263.094**
	Cash outflow	(5.726.163)	(5.164.565)
	Finance costs	1.321.704	889.314
	Revaluation	9.276.013	2.037.366
	Lease liabilities - Closing balance	**10.896.763**	**6.025.209**
	Maturity structure		
	-One year or less	4.739.124	3.598.115
	-Five years or less but over one year	6.157.639	2.427.094
		10.896.763	**6.025.209**

		2024	2023
17	**OTHER LIABILITIES**		
	Creditors	4.282.998	4.724.760
	-Local suppliers	1.127.240	1.118.241
	-Foreign suppliers	3.155.758	3.606.519
		2024	**2023**
	Leave provision	1.886.030	1.431.858
	Clearing, settlement and internal accounts	4.649.581	12.433.516
	Indirect Taxes	1.699.773	1.166.292
		12.518.382	**19.756.426**

18 **SHARE CAPITAL**

As at 31 December 2024 and 31 December 2023, the share capital of the Bank was held by the following shareholders:

2024	**% Capital**	**No. of shares**	**Amount**
Shareholder structure			
Bank BIC Namibia Holdings Limited	72.59%	399.950.000	399.950.000
Banco BIC, S.A.	27.41%	151.050.000	151.050.000
	100%	**551.000.000**	**551.000.000**

2023	**% Capital**	**No. of shares**	**Amount**
Shareholder structure			
Bank BIC Namibia Holdings Limited	95%	399.950.000	399.950.000
Other shareholders	5%	21.050.000	21.050.000
	100%	**421.000.000**	**421.000.000**

		2024	2023
19	**NET INTEREST INCOME**		
	Loans to customers	26.391.643	26.335.526
	Placements with other banks	5.015.389	4.262.713
	Financial assets	4.635.607	7.166.865
	Total interest income	**36.042.639**	**37.765.104**
	Loan from Banco BIC, S.A. (Note 25.3)	(527.055)	-
	Deposits from clients	(12.175.133)	(9.528.965)
	-Current accounts	(501.053)	(155.844)
	-Savings deposits	(2.047.257)	(2.068.166)
	-Call deposits	(5.546.926)	(3.613.298)
	-Term deposits	(4.079.897)	(3.691.657)
	Total interest expense	**(12.702.188)**	**(9.528.965)**
	Net Interest income	**23.340.451**	**28.236.139**
	Comprising:		
	Interest income on items measured at amortised cost	36.042.639	37.765.104
20	**NON-INTEREST INCOME**		
	For loans to customers	39.868	68.259
	For services provided	8.975.113	8.322.724
	-Maintenance fees	545.675	597.162
	-Foreign transaction fees	137.315	175.371

	2024	2023
-Merchant commission	6.690.907	7.372.700
-Other	1.601.216	177.491
For guarantees provided	2.572	(9.247)
Total fee and commission income	**9.017.553**	**8.381.736**
Transaction processing fee	(580.547)	(648.552)
Transactional card fee	(9.287.613)	(8.133.349)
Total fee and commission expense	**(9.868.160)**	**(8.781.901)**
Forex gains through profit or loss	2.604.663	2.131.415
Total forex gains	**2.604.663**	**2.131.415**
Fair value gains through profit or loss	851.923	-
Total fair value gains	**851.923**	-
Total non-interest income	**2.605.979**	**1.731.250**

Foreign exchange gains and losses refers to gains/(losses) in the Bank's buy/sell transactions of foreign currency, in addition to the revaluation of its foreign exchange position.

21 STAFF COSTS

	2024	2023
Salaries, wages and allowances of employees	(26.597.484)	(28.861.370)
Directors' remuneration and benefits (Note 25.3)	(5.310.507)	(4.627.497)
Staff training	(40.082)	(716.331)
Other staff costs	(192.886)	(153.543)
	(32.140.959)	**(34.358.741)**

22 OPERATING EXPENDITURE

	2024	2023
IT costs	(17.937.981)	(15.626.280)
Low value lease charges	(331.881)	(571.671)
-Property rental	(256.552)	(491.968)
-Motor vehicles	(75.329)	(79.703)
Professional fees	(4.370.546)	(3.502.709)
Communication	(3.583.440)	(3.370.283)
Advertisement and marketing	(223.565)	(328.501)
Travel and accommodation	(90.865)	(200.465)
Insurance costs	(2.077.284)	(2.052.135)
Auditors' remuneration	(1.548.529)	(1.430.280)
Donations	(8.000)	(7.500)
Impairments property,plant and equipment	(4.761)	(57.949)
Other expenses	(5.483.766)	(5.796.252)
	(37.093.957)	**(34.297.166)**

23 DEPRECIATION AND AMORTISATION

	2024	2023
Depreciation (Note 9)	(3.625.123)	(3.789.991)
Amortisation (Note 10)	(5.782.623)	(8.444.712)
Depreciation (Note 11)	(4.907.125)	(3.728.679)
	(14.314.871)	**(15.963.382)**

24 TAXATION

Direct taxation

As the Bank has no taxable income, no tax expense was recorded in the Bank's financial statements as at 31 December 2024 and 31 December 2023.

Deferred tax

As at 31 December 2024 and 31 December 2023, no deferred tax asset has been recognised since, at the present date, there is insufficient evidence that there will be enough future taxable profit against which the tax loss carried forward can be utilised.

Tax losses carried forward as at 31 December 2024 and 31 December 2023 amounts to N$ 389.953.626 and N$ 339.564.295 respectively.

25 RELATED PARTIES

25.1 Parent company

Bank BIC Namibia Ltd majority shareholder is Bank BIC Namibia Holdings Ltd (72.59%) (2023: 95%), which is incorporated in Namibia. Banco BIC S.A. owns 100% of the above two entities.

25.2 Identification of related parties with whom transactions have occurred

Transactions with directors and shareholders controlled entities are related party transactions.

25.3 Related party balances and transactions

2024	Note		Bank BIC Namibia Holdings Ltd	Banco BIC, S.A.	Members of the board of directors	TOTAL
ASSETS						
Deposits at other credit institutions	5		-	9.832.860	-	9.832.860
Other assets	12		648.691	1.324.307	-	1.972.998
LIABILITIES						
Deposits from financial institutions	13		-	48.262.378	-	48.262.378
Loans from Financial institutions	14		-	150.527.055	-	150.527.055
Deposits from clients	15		-	-	986.657	986.657
COMPREHENSIVE INCOME						
Interest and similar expense	19	-	-	(527.055)	-	-
Directors' remuneration and benefits	21	-	-	-	(5.310.507)	(5.310.507)

2023	Note	Bank BIC Namibia Holdings Ltd	Banco BIC, S.A.	Banco BIC Português, S.A.	Banco BIC Cabo Verde, S.A. in liquidation	Members of the board of directors	TOTAL
ASSETS							
Deposits at other credit institutions	5	-	1.118.571	22.829.055	-	-	23.947.626
Other assets	12	371.449	-	-	-	-	371.449
LIABILITIES							
Deposits from financial institutions	13	-	196.837.856	-	-	-	196.837.856
Deposits from clients	14	-	-	-	-	1.063.048	1.063.048

	Note	Bank BIC Namibia Holdings Ltd	Banco BIC, S.A.	Banco BIC Português, S.A.	Banco BIC Cabo Verde, S.A. in liquidation	Members of the board of directors	TOTAL
Other liabilities	16	-	-	-	-	-	-
COMPREHENSIVE INCOME							
Directors' remuneration and benefits	20	-	-	-	-	(4.627.497)	(4.627.497)

		2024	2023
26	**COMMITMENTS**		
26.1	**Undrawn committed funding**		
	Unutilised credit facilities	11.225.317	18.130.074
	Undrawn overdraft facilities	5.663.126	7.862.239
	Guarantees	150.000	1.636.000

		2024	2023
26.2	**Contingent Liability**		
	Financial Intelligence Centre fine	5.000.000	5.000.000

On the 28th of December 2020, the Bank received a notice to pay N$ 1 million for an administrative penalty from the Financial Intelligence Centre. The total penalty is for N$ 5 million of which N$ 4 million remains suspended for a period of 5 years. The Bank has exercised its rights in terms of the Financial Intelligence Act and appealed against the imposition of the penalty in it's totality taking into consideration the background of the penalty. To date, the Bank awaits a decision from the appeal board.

The Bank filed a suspicious transaction report to the Financial Intelligence Centre on the 9th of July 2019. On the same day, the Financial Intelligence Centre (FIC) issued an Intervention order to block the account in question and maintain the balance of the account as at 9th July 2019. The account was blocked on the 10th of July 2019 and between the time of notice and execution of the block, an amount of N$ 3.000 was withdrawn from the clients account via ATM. As a result, the FIC issued the penalty based on the amount withdrawn after the intervention order was issued.

	2024	2023
Financial Intelligence Centre fine	1.500.000	1.500.000

The FIC has furthermore issued an administrative penalty in the amount of NAD1,5million as it considered the AML/CTF/CPF Compliance Programme to be inadequate for in as far as it relates to Politically Exposed Persons (PEPs) and Targeted Financial Sanction Screening (TFS) related matters. The Bank has appealed the order.

27	**CASH UTILISED IN OPERATIONS**		
	(Loss) before taxation	(58.656.001)	(54.659.803)
	Adjusted for:		
	-Depreciation and amortisation	14.314.871	15.963.381
	-Foreign exchange gains/losses	(46.928)	429.199
	-Impairment of loans to customers	(269.060)	(881.411)
	Supplier and provision for leave accruals	1.703.961	988.447
	Disposal of Asset	-	-
	Impairments property, plant and equipment	4.761	57.949
	Fee and commission revenue	(2.833.750)	-
	Accrued interest		

	2024	2023
-Financial assets	(804.440)	(1.491.630)
-Loans from financial institutions	527.055	-
-Loans and advances to financial institutions	(48.365)	21.253
-Loans to customers	(670.367)	(563.446)
-Deposits from clients	1.409.345	1.442.468
IFRS 16 - finance cost on lease liability	1.321.704	889.314
	(44.047.214)	**(37.804.279)**

28 CAPITAL RISK MANAGEMENT

The capital adequacy is managed in terms of the Banking Institutions Act, 2023 ("Act"). The aim of capital risk management is to ensure that Bank BIC Namibia Limited maintains a level of capital which

(i) is adequate to protect its depositors and creditors;
(ii) is commensurate with the risk activities and profile of the Bank; and
(iii) promotes public confidence in the Bank and the banking system.

Capital is managed under the following definitions:

Tier 1 (Core) Capital

Tier 1 Capital includes permanent shareholders' equity (issued and fully paid-up ordinary shares and perpetual non-cumulative preference shares) plus disclosed reserves (additional paid-in share premium plus retained earnings/undistributed profits) plus minority interests in consolidated subsidiaries, less intangible assets (goodwill, equity funded through capitalisation of revaluation reserves).

Tier 2 (Supplementary) Capital

Tier 2 Capital includes asset revaluation reserves; general loan loss provisions; subordinated debt; and hybrid (debt-equity) capital instruments.

Total Qualifying Capital

Total qualifying capital means the sum of Tier 1 capital and Tier 2 capital after the deduction of investments in and loans to unconsolidated financial subsidiaries; investments in the capital of other financial institutions; encumbered assets (assets acquired using capital funds but subsequently pledged to secure loans or that are no longer available to cover losses from operations); and reciprocal holdings of capital instruments of banks.

Capital measures

The ratios used for measuring capital adequacy are:
Leverage (equity) capital ratio (i.e. Tier 1 Capital divided by gross assets; for purposes herein, "gross assets" means total assets plus general and specific provisions);
Tier 1 Risk-based Capital ratio (i.e. Tier 1 Capital divided by Total Risk-Weighted Assets); and
Total Risk-based Capital ratio (i.e. Total Qualifying Capital divided by Total Risk-Weighted Assets).

Total Risk-Weighted Capital

Total Risk-weighted Capital is the total assets reported in financial returns required to be submitted to the Bank of Namibia, less intangible assets and the excess of assets classified as loss but not fully provisioned for, after applying the different risk weights to the prescribed category of assets as set forth in BID-5 of the Act.

Minimum requirements

The following minimum ratios shall apply (unless higher ratios are set by the Bank) for an individual bank based on criteria set forth below:

(a) Leverage Capital: the minimum leverage ratio shall be 6.0%. In accordance with the Act, if a bank is pursuing or experiencing significant growth, has inadequate risk management systems, an inordinate level of risk, or less than satisfactory asset quality, management, earnings or liquidity, a higher minimum may be required;

(b) Tier 1 Risk-Based Capital: the minimum Tier 1 ratio shall be 7.0%. In accordance with the Act, if a bank is pursuing or experiencing significant growth, has inadequate risk management systems, an inordinate level of risk, or less than satisfactory asset quality, management, earnings or liquidity, a higher minimum may be required;

(c) Total Risk-Weighted Capital: the minimum total ratio shall be 10.0%. In accordance with the Act, if a bank is pursuing or experiencing significant growth, has inadequate risk management systems, an inordinate level of risk, or less than satisfactory asset quality, management, earnings or liquidity, a higher minimum may be required.

	2024	2023
Regulatory Capital (Unaudited)		
Share capital	551.000.000	421.000.000
Retained earnings	(404.414.000)	(345.759.333)
Total qualifying Tier 1 capital	**146.586.000**	**75.240.667**
General impairments	2.671.000	2.290.000
Subordinated loan	73.293.000	-
Total qualifying Tier 2 capital	**75.964.000**	**2.290.000**
Total regulatory capital	**222.550.000**	**77.530.667**
Risk weighted assets:		
Credit risk	204.772.391	220.751.096
Operational risk	60.316.786	49.815.108
Market risk	619.773	1.658.957
Total risk weighted assets	**265.708.950**	**272.225.161**

	2024	2023
Capital adequacy ratios:		
Leverage Capital	24%	15%
Tier 1 risk-based capital ratio	55%	28%
Total risk-based capital ratio	84%	28%

29 OTHER RESERVES - CREDIT RISK RESERVE

	2024	2023
Balance at the beginning of the year	1.579.241	1.618.606
Current year movement	648.993	(39.365)
Balance at the end of the year	**2.228.234**	**1.579.241**

30 EVENTS AFTER THE REPORTING PERIOD

No Significant events occurred subsequent to year end.

31 FINANCIAL INSTRUMENTS

31.1 Categories of financial instruments

	At fair value through profit and loss	Financial instruments at amortised cost	Non-financial	Total
2024				
ASSETS				
Cash and balances with central bank	-	15.353.771	-	15.353.771
Deposits at other credit institutions	-	66.254.814	-	66.254.814
Financial assets	-	54.447.485	-	54.447.485
Loans and advances to financial institutions	-	220.333.872	-	220.333.872
Loans to clients	-	211.533.421	-	211.533.421
Property, plant & equipment	-	-	9.595.674	9.595.674
Intangible assets	-	-	6.822.262	6.822.262
Right-of-use asset	-	-	9.989.858	9.989.858
Other assets	-	19.025.623	-	19.025.623
	-	**586.948.986**	**26.407.794**	**613.356.780**
LIABILITIES				
Deposits from financial institutions	-	51.894.760	-	51.894.760
Loans from financial institutions		150.527.055	-	150.527.055
Deposits from clients	-	240.935.154	-	240.935.154
Lease liabilities	-	-	10.896.763	10.896.763
Other liabilities	-	10.632.352	1.886.030	12.518.382
	-	**453.989.321**	**12.782.793**	**466.772.114**
2023				
ASSETS				
Cash and balances with central bank	-	17.599.336	-	17.599.336
Deposits at other credit institutions	-	79.556.473	-	79.556.473
Financial assets	-	101.220.876	-	101.220.876
Loans and advances to financial institutions	-	51.875.266	-	51.875.266
Loans to clients	-	228.859.691	-	228.859.691
Property, plant & equipment	-	-	9.585.086	9.585.086
Intangible assets	-	-	10.091.752	10.091.752
Right-of-use asset	-	-	4.769.047	4.769.047
Other assets	-	11.838.565	-	11.838.565
	-	**490.950.207**	**24.445.885**	**515.396.092**
LIABILITIES				
Deposits from financial institutions	-	209.440.397	-	209.440.397
Deposits from clients	-	204.933.393	-	204.933.393
Lease liabilities	-	-	6.025.209	6.025.209
Other liabilities	-	18.324.568	1.431.858	19.756.426
	-	**432.698.358**	**7.457.067**	**440.155.425**

31.2 Liquidity risk

Liquidity risk is the risk that an institution might have insufficient funds to finance its assets or to honour its commitments without incurring unacceptable losses.

Liquidity risk management is based on the daily analysis of residual maturity dates of the different assets and liabilities of the balance sheet, showing, for each of the ranges considered, the expected volumes of cash inflows, as well as the respective liquidity gaps.

The table below sets out the contractual maturity of cashflows (excluding unearned interest) for financial assets and liabilities at year - end:

	On demand and up to 3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Non-financial	Total
2024							
ASSETS							
Cash and balances with central bank	15.353.771	-	-	-	-	-	15.353.771
Deposits at other credit institutions	66.254.814	-	-	-	-	-	66.254.814
Financial assets	18.057.554	17.013.455	19.376.476	-	-	-	54.447.485
Loans and advances to financial institutions	220.333.872	-	-	-	-	-	220.333.872
Loans to clients	48.362.756	296.433	4.633.853	60.410.833	98.856.378	(1.026.832)	211.533.421
Property, plant & equipment	-	-	-	-	-	9.595.674	9.595.674
Intangible assets	-	-	-	-	-	6.822.262	6.822.262
Right-of-use asset	-	-	-	-	-	9.989.858	9.989.858
Other assets	19.025.623	-	-	-	-	-	19.025.623
	387.388.390	**17.309.888**	**24.010.329**	**60.410.833**	**98.856.378**	**25.380.962**	**613.356.780**
LIABILITIES							
Deposits from financial institutions	(51.894.760)	-	-	-	-	-	(51.894.760)
Loans from financial institutions	-	-	-	-	(150.527.055)	-	(150.527.055)
Deposits from clients	(221.037.186)	(18.753.918)	(1.127.000)	(17.050)	-	-	(240.935.154)
Lease liabilities	-	-	-	-	-	(10.896.763)	(10.896.763)
Other liabilities	(12.518.382)	-	-	-	-	-	(12.518.382)
	(285.450.328)	**(18.753.918)**	**(1.127.000)**	**(17.050)**	**(150.527.055)**	**(10.896.763)**	**(466.772.114)**
Net funding gap	101.938.062	(1.444.030)	22.883.329	60.393.783	(51.670.677)	14.484.199	146.584.666
Cumulative liquidity gap	101.938.062	100.494.032	123.377.361	183.771.144	132.100.467	146.584.666	-
2023							
ASSETS							
Cash and balances with central bank	17.599.336	-	-	-	-	-	17.599.336
Deposits at other credit institutions	79.556.473	-	-	-	-	-	79.556.473
Financial assets	100.735.991	484.885	-	-	-	-	101.220.876
Loans and advances to financial institutions	51.875.266	-	-	-	-	-	51.875.266
Loans to clients	56.857.980	218.730	169.195	39.617.739	133.012.108	(1.016.061)	228.859.691
Property, plant & equipment	-	-	-	-	-	9.585.086	9.585.086
Intangible assets	-	-	-	-	-	10.091.752	10.091.752
Right-of-use asset	-	-	-	-	-	4.769.047	4.769.047
Other assets	11.838.565	-	-	-	-	-	11.838.565
	318.463.611	**703.615**	**169.195**	**39.617.739**	**133.012.108**	**23.429.824**	**515.396.092**
LIABILITIES							
Deposits from financial institutions	(209.440.397)	-	-	-	-	-	(209.440.397)
Deposits from clients	(187.567.593)	(12.411.800)	(4.699.000)	(255.000)	-	-	(204.933.393)
Lease liabilities	-	-	-	-	-	(6.025.209)	(6.025.209)
Other liabilities	(19.756.426)	-	-	-	-	-	(19.756.426)
	(416.764.416)	**(12.411.800)**	**(4.699.000)**	**(255.000)**	**-**	**(6.025.209)**	**(440.155.425)**
Net funding gap	(98.300.805)	(11.708.185)	(4.529.805)	39.362.739	133.012.108	17.404.615	75.240.667
Cumulative liquidity gap	(98.300.805)	(110.008.990)	(114.538.795)	(75.176.056)	57.836.052	75.240.667	-

Undrawn facilities in Euro

Banco BIC, S.A. (Angola)	20.000.000	20.000.000

The facility is denominated in Euro, Banco BIC S.A. bear an interest rate of Euribor +1.25%.

31.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Bank is exposed to both currency and interest rate risk. Refer to note 31.4 and note 31.5 for disclosure regarding these risks.

31.4 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The exchange rate risk represents the risk of losses due to adverse variations in exchange rates. The Bank pursues a prudent policy of asset and liability management in foreign currency which minimizes the associated exchange rate risk. Below amounts is expressed in NAD equivalent:

	NAD	EUR	USD	GBP	ZAR	Non-Financial	Total
2024							
ASSETS							
Cash and balances with central bank	14.682.161	111.696	110.218	7.546	442.150	-	15.353.771
Deposits at other credit institutions	9.515.161	33.210.932	17.082682	-	6.446.039	-	66.254.814
Financial assets	54.447.485	-	-	-	-	-	54.447.485
Loans and advances to financial institutions	220.333.872	-	-	-	-	-	220.333.872
Loans to clients	211.533.421	-	-	-	-	-	211.533.421
Property, plant & equipment	-	-	-	-	-	9.595.674	9.595.674
Intangible assets	-	-	-	-	-	6.822.262	6.822.262
Right-of-use asset	-	-	-	-	-	9.989.858	9.989.858
Other assets	19.025.623	-	-	-	-	-	19.025.623
	529.537.723	**33.322.628**	**17.192.900**	**7.546**	**6.888.189**	**26.407.794**	**613.356.780**
LIABILITIES							
Deposits from financial institutions	(3.159.744)	(32.705.571)	(16.029.445)	-	-	-	(51.894.760)
Loans from financial institutions	(527.055)	-	-	-	(150.000.000)	-	(150.527.055)
Deposits from clients	(239.622.079)	(4.877)	(1.308.198)	-	-	-	(240.935.154)
Lease liabilities	-	-	-	-	-	(10.896.763)	(10.896.763)
Other liabilities	(12.518.382)	-	-	-	-	-	(12.518.382)
	(255.827.260)	**(32.710.448)**	**(17.337.643)**	**-**	**(150.000.000)**	**(10.896.763)**	**(466.772.114)**
Net exposure	273.710.463	612.180	(144.743)	7.546	(143.111.811)	15.511.031	146.584.666
Rates of exchange 31 December 2024	-	19.58	18.81	23.58	1.00	-	
2023							
ASSETS							
Cash and balances with central bank	17.021.727	218.300	21.519	-	337.790	-	17.599.336
Deposits at other credit institutions	12.924.265	48.488.932	8.605.281	-	9.537.995	-	79.556.473
Financial assets	101.220.876	-	-	-	-	-	101.220.876
Loans and advances to financial institutions	51.875.266	-	-	-	-	-	51.875.266
Loans to clients	228.859.691	-	-	-	-	-	228.859.691
Property, plant & equipment	-	-	-	-	-	9.585.086	9.585.086
Intangible assets	-	-	-	-	-	10.091.752	10.091.752
Right-of-use asset	-	-	-	-	-	4.769.047	4.769.047
Other assets	11.838.565	-	-	-	-	-	11.838.565
	423.740.390	**48.707.232**	**8.626.800**	**-**	**9.875.785**	**24.445.885**	**515.396.092**
LIABILITIES							
Deposits from financial institutions	(154.147.424)	(47.730.389)	(7.562.584)	-	-	-	(209.440.397)

	NAD	EUR	USD	GBP	ZAR	Non-Financial	Total
Deposits from clients	(204.561.431)	(32.167)	(339.795)	-	-	-	(204.933.393)
Lease liabilities	-	-	-	-	-	(6.025.209)	(6.025.209)
Other liabilities	(19.756.426)	-	-	-	-	-	(19.756.426)
	(378.465.281)	**(47.762.556)**	**(7.902.379)**	-	-	**(6.025.209)**	**(440.155.425)**
Net exposure	45.275.109	944.676	724.421	-	9.875.785	18.420.676	75.240.667
Rates of exchange 31 December 2023	-	20.43	18.44	23.50	1.00	-	

31.5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Bank incurs on interest rate risk whenever, during the course of its activity, it contracts operations with future financial flows that are sensitive to possible variations in the interest rate.

	Average interest rate	Expected change %	Expected change on profit and loss	Variable rate	Fixed rate	Non-interest sensitive	Non-financial	Total
2024								
ASSETS								
Cash and balances with central bank	-	-	-	-	-	15.353.771	-	15.353.771
Deposits at other credit institutions	6.49%	1.0	45.602	4.560.216	-	61.694.598	-	66.254.814
Financial assets	8.16%	1.0	-	-	54.447.485	-	-	54.447.485
Loans and advances to financial institutions	6.85%	1.0	1.863.199	186.319.899	34.013.973	-	-	220.333.872
Loans to clients	11.59%	1.0	2.125.603	212.560.253	-	-	(1.026.832)	211.533.421
Property, plant & equipment	-	-	-	-	-	-	9.595.674	9.595.674
Intangible assets	-	-	-	-	-	-	6.822.262	6.822.262
Right-of-use asset	-	-	-	-	-	-	9.989.858	9.989.858
Other assets	-	-	-	-	-	-	19.025.623	19.025.623
			4.034.404	**403.440.368**	**88.461.458**	**77.048.369**	**44.406.585**	**613.356.780**
LIABILITIES								
Deposits from financial institutions	-	-	-	-	-	51.894.760	-	51.894.760
Loans from financial institutions	6.75%	1.0	1.505.271	150.527.055				150.527.055
Deposits from clients	5.99%	1.0	1.480.266	148.026.649	52.448.145	40.460.360	-	240.935.154
Lease liabilities	-	-	-	-	-	-	10.896.763	10.896.763
Other liabilities	-	-	-	-	-	12.518.382	-	12.518.382
			2.985.537	**298.553.704**	**52.448.145**	**104.873.502**	**10.896.763**	**466.772.114**
2023								
ASSETS								
Cash and balances with central bank	-	-	-	-	-	17.599.336	-	17.599.336
Deposits at other credit institutions	7.25%	1.0	1.206.225	12.062.249	-	67.494.224	-	79.556.473
Financial assets	8.35%	1.0	-	-	101.220.876	-	-	101.220.876
Loans and advances to financial institutions	7.48%	1.0	5.187.527	51.875.266	-	-	-	51.875.266
Loans to clients	11.44%	1.0	22.987.575	229.875.752	-	-	(1.016.061)	228.859.691
Property, plant & equipment	-	-	-	-	-	-	9.585.086	9.585.086
Intangible assets	-	-	-	-	-	-	10.091.752	10.091.752
Right-of-use asset	-	-	-	-	-	-	4.769.047	4.769.047
Other assets	-	-	-	-	-	-	11.838.565	11.838.565
			29.381.327	**293.813.267**	**101.220.876**	**85.093.560**	**35.268.389**	**515.396.092**
LIABILITIES								
Deposits from financial institutions	-	-	-	-	-	209.440.397	-	209.440.397

	Average interest rate	Expected change %	Expected change on profit and loss	Variable rate	Fixed rate	Non-interest sensitive	Non-financial	Total
Deposits from clients	3.45%	1.0	11.326.109	113.261.093	47.924.984	43.747.316	-	204.933.393
Lease liabilities	-	-	-	-	-	-	6.025.209	6.025.209
Other liabilities	-	-	-	-	-	19.756.426	-	19.756.426
			11.362.109	113.261.093	47.924.984	272.944.139	6.025.209	440.155.425

31.6 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bank.

Total exposure (items where credit exposure exists)

	2024	2023
Balance with the central bank	5.160.261	4.145.329
Deposits at other credit institutions	66.254.814	79.556.473
Financial Assets	54.447.485	101.220.876
Loans and advances to financial institutions	220.333.872	51.875.266
Loans to customers	211.961.069	228.859.691

	2024			2023		
ASSETS	Carrying amount	Loss allowance	Maximum exposure to credit risk	Carrying amount	Loss allowance	Maximum exposure to credit risk
Balance with the central bank	5.160.261	-	5.160.261	4.145.329	-	4.145.329
Deposits at other credit institutions	66.254.814	-	66.254.814	79.556.473	-	79.556.473
Financial Assets	54.447.485	-	54.447.485	101.220.876	-	101.220.876
Loans and advances to financial institutions	220.333.872	-	220.33.872	51.875.266	-	51.875.266
Loans to customers	211.961.069	433.030	211.518.039	229.368.575	711.090	228.657.485
Overdrafts	51.520.074	372.157	51.147.917	56.250.594	5.101	56.245.493
Asset finance	22.613.096	30.443	22.582.653	23.525.028	271.245	23.253.783
Mortgage loans	42.015.018	37.091	41.977.927	40.568.773	343.316	40.225.457
Commercial loans	91.013.197	-	91.013.197	102.825.054	44.200	102.780.854
Personal loans	439.464	3.339	436.125	1.127.243	37.458	1.089.785
Business loans	4.348.170	-	4.348.170	4.990.308	6.415	4.983.893
Credit cards	12.050	-	12.050	81.575	3.355	78.220

ANNEXURE A: RISK REPORT

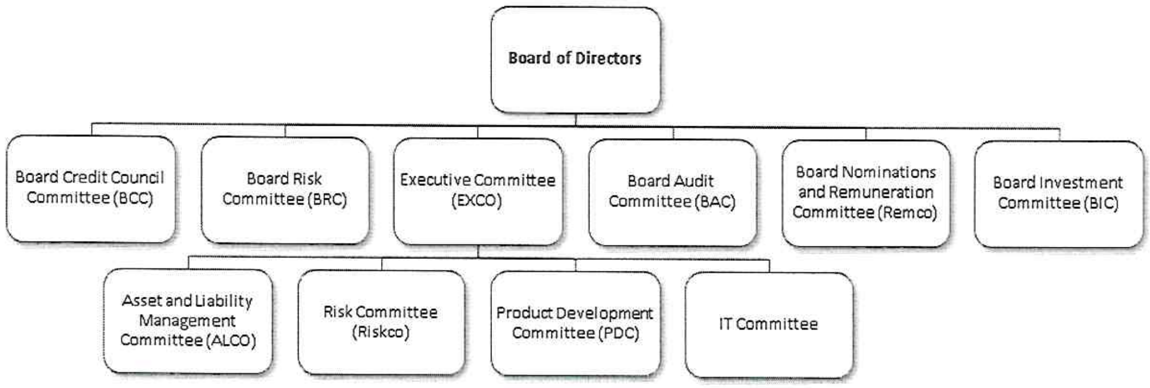
The Bank engages in commercial banking business. Its short-term objective is to achieve break-even while it prepares to become profitable over the medium term. Due to these risk-taking activities the Bank is exposed to a variety of risks. The Bank therefore adopted measures to avoid, reduce, transfer and mitigate the risks inherent in doing its business.

DIRECTOR'S RESPONSIBILITY

The Board is ultimately responsible for the risk governance of the Bank. To this end the Board Risk Committee (BRC) and Board Audit Committee (BAC) assist them in carrying out its risk responsibilities, whilst management is responsible for risk management.

RISK GOVERNANCE AND POLICY STRUCTURE

The Board established a robust governance structure to facilitate oversight of the risk management framework.



The structure is governed by a framework of Board-approved policies and charters. Board and board sub-committees generally convene quarterly, and management oversight committees convene monthly.

To direct the activities of the Bank, the Board approved a series of policies that establish the minimum strategic and operational standards within which the Bank operates. These include the Risk Management Policy; Credit Risk Policy (related to credit approval and decision-making); Credit Risk Management Policy (related to the management of credit risk in general); Liquidity Risk Management Policy; Market Risk Management Policy; Compliance Risk Management Policy; AML Compliance Policy; Business Continuity Management Policy; Treasury Policy; Information Security Policy; Information Security Regulation Policy; Human Resource Policies; Health and Safety Policy and Procedures and the Business Continuity Policy.

Board Risk Committee

The Board Risk Committee (BRC) is responsible for creating comprehensive risk management processes to control and/or mitigate all material risks inherent to the Bank. It furthermore provides oversight over senior management's activities in managing credit, market, liquidity, operational, compliance, reputational, strategic and country risk.

The composition and attendance of the Committee is as follows:

Member	Meetings Attended	Appointed
Jaime Pedro Galhoz Pereira	3	13/07/2015
Lindsay Peter Crawford	3	01/08/2015
Fernando Leonidio Mendes Teles	0	13/07/2015
Hugo Miguel Silva Teles	0	13/07/2015
Mauro Anselmo Cipriano Rogério	3	06/12/2018

During the period under review the Committee executed its duties through:

26 March 2024	27 June 2024	12 December 2024
Risk Management and Control		

Overseeing the development and maintenance of sound risk management policies, processes and practices at the bank and to review and approve any (periodic) amendments.
Review, challenge and recommend risk appetite and tolerance to the board for approval.
In regard to the risk management framework: • Review results of the risk management process and ensure corrective actions are executed. • Overseeing the execution of the responsibilities assigned to risk owners and business units in respect of risk management policies • Overseeing the implementation of internal controls that are adequate and effective in mitigating undesired risk exposures • Monitoring the adequacy and effectiveness of the bank's risk management framework, internal control systems and governance processes. • Review and approve the bank's risk management policies
Review and approve the bank's risk profile as submitted by the Risk Committee.
Review the impact of identified risk exposures and, where necessary, consider and approve strategies to improve the mitigation of identified risk.
Compliance
Satisfy itself that policies, processes and practices are in place for achieving compliance with relevant laws, regulations and supervisory requirements and that these policies, processes and practices are effectively communicated in line with industry standards and norms, that any material non-compliance is reported, and that steps to rectify these matters are taken and effectively monitored.
Review and approve the bank's compliance policies, including policies related to anti-money laundering, counter terrorist finance and sanctions.
Review and recommend the bank's anti-money laundering compliance program to the board for approval.
Review the relationship and material communications with the bank's regulators.
Satisfy itself that the CRCO reports material non-compliance with laws and regulations or supervisory requirements in a timely manner.
Asset and Liabilities
Review and ratify all strategies and limits/guidelines approved by ALCO.
Ensure decisions taken at the ALCO for the period since the previous committee meeting are in line with the bank's strategies
Ensure all market and other risks under ALCO responsibility are subjected to in depth analysis and testing, with adequate controls and hedges in place

Board Audit Committee

The Board Audit Committee is responsible for financial control, accounting systems and reporting, ensuring a combined assurance model is applied in terms of which a coordinated approach to all assurance activities are applied. It is furthermore responsible for the overseeing of the internal audit function which is outsourced to a recognized service provider.

The composition and attendance of the Committee is as follows:

Member	Meetings Attended	Appointed
Jaime Pedro Galhoz Pereira	3	13/07/2015
Lindsay Peter Crawford	3	01/08/2015
Fernando Leonidio Mendes Teles	0	13/07/2015
Hugo Miguel Silva Teles	0	13/07/2015
Mauro Anselmo Cipriano Rogério	3	06/12/2018

During the period under review the Committee executed its duties through:

26 March 2024	27 June 2024	12 December 2024
Financial control, accounting systems and reporting		
Review the adequacy and effectiveness of management information and internal controls to support the board in the discharge of its responsibilities.		
Review the measures introduced by management to enhance the accuracy and fair presentation of all matters proposed for inclusion in the bank's annual financial statements and any other relevant reports required by any regulatory/supervisory authority.		

Review the company's statement on internal control systems prior to endorsement by the board, and in particular to review: • The procedures for identifying business risks and controlling their impact on the company; • The company's policies for preventing or detecting fraud; • The company's policies for ensuring that the company complies with relevant regulatory and legal requirements; and • The operational effectiveness of the policies and procedures.
Oversee all reporting required by the Companies Act, the Banking Institutions Act and any other applicable law or regulatory provision.
Combined Assurance
Ensure that the combined assurance received is appropriate to address all the significant risks facing the company.
Monitor the relationship between the external assurance providers and the company.
Internal Audit and Internal Control
Assessing the adequacy of performance of the internal audit function, and the adequacy of available internal audit resources.
Ensure that internal audit has the right to perform unrestricted audit and control reviews within the bank without any scope restrictions except as may be determined by the committee from time to time in writing.
Reviewing significant matters reported by the internal audit function.
Reviewing the adequacy of corrective action taken in response to significant internal audit findings.
External Audit
Review the adequacy, independence, performance and effectiveness of the work performed by the external auditor
Discuss and review, with the external auditor before the annual financial statements audit commences, the auditor's engagement letter, the terms, nature and scope of the audit function, procedure and engagement, including the audit fee
Review and approve the annual external audit plan, the auditor's engagement letter, the budgeted audit fee and the timing and nature of reports from the external auditors.
Review any significant matters, illegal acts or material irregularities reported or to be reported by the external auditor either to the Public Accountants' and Auditors' Board in terms of the Public Accountant's and Auditors' Act or in terms of any other legal or statutory requirements applicable thereto and the steps taken by management to rectify the situation
Review any significant accounting or auditing problems encountered during the annual external audit and to take steps to rectify such problems.
Review the external auditors' report, management letter and its statutory report on the annual financial statements and satisfy itself that these matter are being properly addressed.
Obtain assurance from the external auditors that adequate accounting records are being maintained.
Discuss problems and reservations arising from the audit and any matters the auditors may wish to discuss (in the absence, where requested by the committee, of executive directors and any other person that is not a member of the committee).
Approve the final annual external audit fee, having regard to ensuring that the external audit fee will sustain a proper audit and provide value for money.

Board Credit Council

The Board Credit Council is mandated to oversee on credit sanctions and lending, credit mandates and – processes of the Bank.

The composition of the Committee is a follows:

Member	Meetings Attended	Appointed
Jaime Pedro Galhoz Pereira	18	13/07/2015
Lindsay Peter Crawford	11	01/08/2015
Mauro Anselmo Cipriano Rogério	22	06/12/2018
Hugo Miguel Silva Teles	0	13/07/2015

During the period under review the Committee executed its duties through:

Review and approval of credit business and lending methodologies, models, policies, delegation and mandates.

Review and approval of the bank's Credit Policy.
Oversight of arrear and legal accounts, credit provisions and write-offs to ensure that these remain within the provisions of Banking Institution Determination (BID-2).
Deal with any other matters that may be delegated or referred to the committee by board from time-to-time.

Board Nominations and Remuneration Committee

The Board Nominations and Remunerations Committee (REMCO) decides on board member nominations, appointment and remuneration.

Executive Committee

The Executive Committee (EXCO) is responsible for the execution of the board-approved strategy and directives; and operational oversight of all business operations.

The composition of the Committee is as follows:

Member	Meetings Attended	Appointed
Lindsay Peter Crawford	6	01/08/2015
Mauro Anselmo Cipriano Rogério	10	06/12/2018

Asset and Liability Management Committee

The Asset and Liability Management Committee (ALCO) is responsible for the holistic management of credit, market, liquidity and capital risk.

The composition of the Committee is as follows:

Member	Meetings Attended	Appointed
Lindsay Peter Crawford	5	01/08/2015
Mauro Anselmo Cipriano Rogério	9	06/12/2018
Whalter Gille	9	01/01/2016
Ashwald Hansen	9	01/09/2021
Wessel Coetzee	9	15/10/2020
Mada Opperman	9	01/02/2021

During the period under review the Committee executed its duties through:

Capital, market and liquidity risk management • Review and challenge the established limits/thresholds for risk appetite and tolerance through robust debate, and to recommend changes. • Monitor the actual capital, market and liquidity risk profile against approved risk appetite and tolerance thresholds. • Ensure that all ALCO strategies conform to the bank's risk appetite. • Deliberate the adequacy of the capital, market and liquidity risk management framework and recommend enhancements. • Consider potential risk issues that may arise as a result of developing internal or external trends and recommend and oversee appropriate mitigation or changes in the risk profile and /or risk policies. • Evaluate capital, market and liquidity risk trends, events and concentrations and discuss and challenge remediation strategies. • Evaluate the results of key risk metrics against established thresholds. • Review and deliberate the results of risk and control assessments. • Review and deliberate issue remediation performance
• Review commitments and action plans with regulatory authorities concerning matters related to capital, market and/or liquidity risk to ensure that commitments and action plans are on track and to take corrective action if necessary.

• Review developments and prospective changes in the regulatory environment and plans to help influence future regulatory policies. • Review significant breaches, or potential breaches, of regulation and the steps taken to ensure that the underlying root causes of any regulatory control failures are being addressed
Monitor the management of market risk that includes currency risk, interest rate risk, liquidity risk, trading risk and investment risk.
Discuss and challenge capital, market and liquidity risk policies and processes to determine their continued relevance.
Develop and monitor the implementation of appropriate risk mitigation strategies for capital, market and liquidity risks.
Evaluate liquidity trigger reports and highlight/discuss any change in trends or concerns.
Assess the bank's current balance sheet position. Analyse and evaluate the composition and market share of the bank's balance sheet inclusive of trends in growth.
Analyse and evaluate the foreign currency asset and liability position.
Concerning stress testing and modelling, to: • Simulate the ALCO strategies over time, including projections on exogenous factors. • Develop, define and monitor the actions that will be taken if stress conditions materialize. • Evaluate capital, market and liquidity risk sensitivity to extreme market conditions. • Review internal and external capital, market and liquidity quality trends and monitor the assessment of the impact of economic scenarios on the capital, market and liquidity risk profile. • Monitor the deployment and consistent operation of capital, market and liquidity risk measurement models in terms of defined goals. • Approve adjustments to market and liquidity models

Risk Committee

The Risk Committee (RISKCO) is responsible for managing risk and compliance oversight.

The composition of the Committee is as follows:

Member	Meetings Attended	Appointed
Lindsay Peter Crawford	8	01/08/2015
Mauro Anselmo Cipriano Rogério	12	06/12/2018
Whalter Gille	12	01/01/2016
Joe Moller	12	06/01/2020
Wessel Coetzee	11	15/10/2020
Mada Opperman	12	01/02/2021

During the period under review the Committee executed its duties through:

Submitting regular reports to BRC.
Challenging practices and processes relating to business continuity management to ensure business operations are sustainable and to take corrective action if necessary.
From a risk management perspective: • Review and recommending and initiating remedial measures. • Considering potential risk issues that arise as a result of internal control deficiencies • Monitoring remediation activities until it is successfully concluded • Discuss and evaluate the adequacy of the internal control environments for each principal risk • Monitor adherence of management to data collection deadlines and requirements. • Review and recommend risk reports to EXCO
In terms of compliance and regulatory matters: • Ensure all regulatory requirements of the bank are delegated to one or more business units and to ensure that those business units assume responsibility for implementing the necessary internal controls. • Review and challenge the bank's anti-money laundering compliance programme.

PRINCIPAL RISKS AND RISK ASSESSMENT

The risk management framework follows a 5-step approach that involves the following main activities that are applied to the risk universe: risk identification, risk assessment, risk control, risk monitoring and risk treatment. The risk universe is managed in terms of the following principal risk structure:

- Strategic risk, which includes the following categories: business strategy; reputation; capital; and sustainability.
- Finance and tax risk, which include the following categories: accounting; financial reporting; performance; and taxation.
- Operational risk, which includes the following categories: business continuity; information; facilities; processes; customers; products; services; legal; financial crime; people and information technology.
- Compliance risk, which includes the following categories: regulatory; AML / CTF; conduct of business; governance; reporting; and disclosure. Although compliance risk is technically an operational risk, for purposes of the principal risk structure it is classified separately
- Credit risk, which includes the following categories: sanctioning; collateral; valuation; counterparty risk; concentration and collection.
- Treasury risk, which includes the following sub-categories, market risk and liquidity risk.

Risks included in the risk register are classified and reported on in terms of the above principal risks. The risk register covers both existing and emerging risks. Residual risk is regularly assessed and risks with high residual risk ratings are classified as top risks. These are emphasised in the risk report submitted to the Risk Committee and the Board Risk Committee. Risk and Compliance assists with the collection of information that supports risk assessments and risk ratings.

RISK APPETITE

The purpose of risk appetite is to articulate the Board's expectations and requirements in terms of risk-taking activities and decision-making that will be performed by Directors and management. Risk appetite is divided into two components: qualitative assertions and quantitative metrics. Metrics are regularly measured as part of the risk metric data collection process. Reporting on the risk appetite parameters occurs monthly to the Risk Committee and quarterly to the Board Risk Committee. Risk appetite is ultimately approved by the Board, typically when approving risk management policies. Risk appetite breaches, if any, are escalated to the Board Risk Committee and finally to the Board of Directors. Only the Board may take decisions regarding risk acceptance.

CAPITAL ADEQUACY

As approved by the Bank of Namibia, the Bank adopted the Basel II standardised approach for credit and market risk and the basic indicator approach for operational risk in terms of BID 5. The Bank is not classified as a systemically important financial institution. The Bank adheres to the minimum capital requirements as a result of a capital injection received from shareholders in 2024. Credit risk constitutes the most significant portion of risk-weighted assets.

Risk-Weighted Assets	**Minimum**	**2024**	**2023**
Credit risk		204.772.000	220.751.096
Market risk		60.317.000	49.815.108
Operational risk		620.000	1.658.957
Capital Adequacy			
Leverage ratio	6%	25%	15%
Tier 1 risk-based ratio	7%	58%	28%
Total risk-based ratio	10%	87%	28%

Capital is seen as the last defence against unexpected losses and therefore the Bank aims to maintain capital that is sufficient not only to meet regulatory requirements, but also its own assessment of risks. Until profitability is achieved, the Bank intends to cover its accumulated losses through its capital buffer. The capital management and capital adequacy assessment processes aim to accomplish the following (in no particular order):

- Maintain a sound balance to cover accumulated losses while simultaneously holding sufficient capital to support growth in risk-weighted assets
- Adherence to the regulator's minimum capital requirements
- Safeguard the Bank's ability to continue as a going concern
- Transition to a profit-making stage where adequate shareholder returns can be generated
- Structure capital in such a way that the cost of capital is optimized

Capital is not regarded as a replacement for sound corporate governance or adequate and effective internal control systems.

OPERATIONAL RISK MANAGEMENT FRAMEWORK

The operational risk framework is intended to operationalize the risk management framework and execute the 5-step risk management process during day-to-day operations. Much of the operational risk framework is centrally coordinated by Risk and Compliance, who also acts as a central repository of risk information and data. The Bank is committed to effective operational risk management as it considers that there are considerable financial and reputational benefits to which it contributes, such as:

- Reducing operational risk incidents and associated financial losses
- Strengthening the Bank's brand
- Meeting regulatory expectations
- Enabling pro-active management and follow-up of operational deficiencies
- Defining and refining the allocation for the ownership of operational risks
- Embed operational risk awareness culture throughout the Bank. (e.g. with training)
- Improve the Bank's ability to remediate pressing issues with limited resources

Each business unit and branch are required to manage its operational risks in compliance with the Risk Management Policy. Risk assessments are conducted monthly and follow a top-down approach. Risk assessments are supported by the following information:

- Risk metrics are quantitative measurements that support the monitoring of risk appetite
- Operational loss and near-miss events are monitored for adverse trends. Due to limited volumes operational loss events are generally insignificant
- The issue remediation and closure process track high impact issues identified by management and issues raised by internal audit, external audit and regulators

Data collected from the above processes are included in risk reporting and form part of the Bank's overall risk assessment and remediation processes.

REPUTATION AND STRATEGIC RISKS

The Bank remains focused on strategic projects, in particular the refinancing of the loan book and growth in merchant acquiring and ATM's.

The Bank's main top risk relates to difficulty experienced with raising depositor funding within the Namibian market. The Bank's current low profile in the market and the lack of a full range of electronic services are seen as the primary contributors to this risk.

CREDIT RISK

Credit risk is defined as the potential risk that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximise the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Credit risk is considered one of the most important risks to the Bank. It emerges through the losses and uncertainty over future gains generated by the loan portfolio, due to the possibility of a default on the part of the customer (and guarantor, when applicable), issuer of security or counterparty in a contract. Strict and prudent criteria are maintained in the granting of loans so as to preserve the good quality of the Bank's portfolio as part of the Credit Policy approved by the Board.

Credit risk management is undertaken by the Credit Department, whose activity is regulated by the principles and rules of granting and monitoring the loans defined in the Credit Policy. All credit applications are submitted to the Board Credit Council for approval. No other person or committee has any credit mandates.

	2024	2023
Credit loss ratio (% of advances)	0%%	0.16%
Non-performance loans (% of advances)	1.15%	0.64%
Arrears (% of advances)	0.74%	0.53%
Specific impairments (% of advances)	0%	0%

For purposes of determining credit risk-weighted assets the Bank does not net loans or advances against liabilities from the same client. Collateral used in credit operations primarily constitute property mortgages, cession of insurance policies and cash securities and valuation is based on the best fair value estimate of the collateral. The Bank does not trade in credit derivatives. Besides loans and advances to clients the Bank's main credit counterparties are the Government of Namibia and the Namibian interbank market. Loans and advances are not granted beyond the borders of Namibia.

Although the Bank has credit concentration risk in the central and coastal region of Namibia and in the fishing, construction, and trade and accommodation industries, it intends to diversify these exposures as the credit book grows. The Bank's significant capital buffer serves as defence against unexpected credit losses and as a result credit risk stress testing is still limited. The Bank intends to develop more sophisticated stress testing and scenario analyses as more resources become available and the sophistication of the credit book increases.

MARKET RISK

Market risk is the exposure to adverse fluctuations in the price or value of an instrument traded or held as an investment, including risk associated with re-pricing, yield curve, basis and options. The Bank does not take speculative positions and uses derivatives only for the purpose of hedging open positions. The Bank's market risk primarily arises in the form of interest rate risk and currency risk.

INTEREST RATE RISK

Interest rate risk is the risk of loss from fluctuations in interest rates. The book of interest-sensitive assets and liabilities is seen as asset-sensitive since in general more assets are sensitive to re-pricing compared to liabilities. The Bank expects floating interest rates to decrease. If interest rates decrease, net interest income will decrease due to its asset-sensitive variable rate exposure.

interest rate risk is monitored by ALCO on a monthly basis.

CURRENCY RISK

Currency risk arises from fluctuations within the currency market. The Bank adopts a neutral policy whereby all transactions giving rise to currency risk are immediately hedged. For the financial year foreign currency trade volumes were relatively low. The Board sets specific limits for open positions, which is monitored by ALCO and Finance. The Bank complied with its internal limits.

LIQUIDITY RISK

Liquidity risk relates to the potential that the Bank may be unable to meet its obligations as they become due. Liquidity risk is managed in terms of contractual maturity mismatches as reflected by the Bank's maturity ladder of assets and liabilities. The Bank developed a behaviour analysis of liquidity mismatches to supplement the existing contractual mismatch approach. The Liquidity Risk Management Policy as approved by the Board is based on conservative criteria that aim to ensure adequate liquidity levels to cover the Bank's needs, to comply with liquid asset requirements and to cater for unplanned cash outflows.

Operationally, liquidity is monitored on a daily basis by the Treasurer, who reports to the Financial Manager and CEO. The Financial Manager and Treasurer are responsible for executing decisions taken by ALCO. They provide ALCO and the Board with sufficient and accurate information on the current economic climate and the state of affairs of the Bank's deposits, loans and liquidity risk exposure. Oversight of liquidity risk has been implemented as follows:

- ALCO is responsible for monthly monitoring as per the requirements of the Board-approved ALCO Charter.
- The Risk Committee is responsible for noting of key outcomes and risks associated with liquidity and to challenge actions taken by ALCO to remedy issues.
- The Board Risk Committee is responsible for Board-level oversight of liquidity risk and reporting to the Board on material matters.
- The Board of Directors approves the liquidity risk appetite, policies, limits, targets and guidelines, as well as approving any risk acceptance that may take place.

Deviations from the Liquidity Risk Management Policy and any materially adverse changes to the liquidity risk exposure are dealt with by the Contingency Funding Planning team as described in the liquidity policy.

In terms of contingency lines of funding, the Bank possesses the following standby facility available from a related party. Currency risk exposure created by utilising this standby facility is fully hedged through forward exchange agreements.

Standby facilities	Total EUR	Utilised EUR	Available EUR
Banco BIC. S.A.	20.000.000	-	20.000.000

FINANCE AND TAX RISK

The implementation of strategic projects is planned to put the Bank on track to meet its financial performance targets. Once break-even is achieved, the assessed loss will be utilized.

OPERATIONAL RISKS

Operational risk is defined as the risk of financial losses resulting from failures or inadequacies in the information systems, internal processes and persons, or as a consequence of external factors. Operational risk includes legal risk but excludes reputation and strategic risks. The Bank is exposed to a wide variety of operational risks.

Projects

Project delivery is impacted by the Bank's limited economies of scale and consequent dependency on external vendors and resources. Projects are carefully prioritised, which may sometimes result in delays in other areas. A significant portion of the Bank's activities remain focused on strategic start-up projects.

Cyber Risk

Cyber risk is defined as a combination of the probability of an event occurring within the realm of the Bank's information assets, computer and communication resources and the consequences of the event for the Bank. Cyber risk typically resorts as sub-category under information technology, however given the ransomware attack which the bank has been subjected to in February 2024 and the effect it had on the bank from an operational resilience perspective and more specifically as it relates the Bank's critical operations and the emphasis placed thereon at National level given the threat it poses to financial stability by disrupting interconnected operational networks and its critical nodes a strategic decision to incorporate this risk as subcategory of operational risk specifically and not just as threat to information Technology.

In regard to the said cyberattack significant progress has been made in terms of remedial actions taken. It however remains work in progress to the extent that the entire framework is under review.

Business Continuity

Business continuity management (BCM) occurs in terms of a Board-approved Business Continuity Policy, which requires the development of both a Business Continuity Plan (BCP) and Disaster Recovery Policy and Plan (DRP). The BCP has been created, it has been tested in the past. The DRP is in development. The Bank is aiming to conduct a disaster recovery test during January 2025.

People Risk

Due to limited economies of scale specific succession planning risks exist

Workforce	**2024**	**2023**
Authorised head count	74	74
Actual head count	44	47

Financial Crime Risk

The Bank recorded both an internal and external event for the person under review.

#	Event	Volumes	Value
1	Internal	1	NAD 99,769.00
2	External	1	NAD 146,000.00

Legal Risk

The Bank's appointed corporate legal attorneys are Engling, Stritter and Partners. It has also utlised the services Ellis Shilenguwa Incorporated for external legal support, more particularly as it relates to AML/CTF/CPF compliance related matters.

#	Category	Volumes	Values
1	Litigation	1	NAD 1,110,00.00

Compliance Risk

The Bank maintains a compliance universe that serves as the foundation for its compliance oversight efforts and further assesses the degree of compliance through the use of compliance risk management plans for key and core legislation. This process is still at an early stage, which is commensurate with the maturity of the overall compliance process and available resources. New legislation and changes to existing legislation are regularly communicated to management and also included in monthly compliance reporting to the Risk Committee.

In terms of AML/CTF/CPF, customer due diligence occurs for new clients and monitoring is conducted for accountholders and transactions within the branches and departments where they originate.

The Bank conducted manual monitoring exercises given the Ransomeware attack it was subjected to in February 2024. In this regard, regulatory intervention and supervision were necessitated and it was with regulatory approval that it proceeded with the processing of transactions and the monitoring of its accountholders and potential customer.

As at 31 December 2024 the Bank was issued with a Notice in terms of section 69(2) of the Banking Institutions Act, 2023 in terms of which it was afforded the opportunity to make representation and to remedy self-disclosed non-compliance for in as far as it relates to:

- Audited financial statements for the year ended 31 December 2023;
- Conduct detrimental to customers;
- Minimum prudential requirement related to capital and liquidity; and
- Governance and financial risk management.

Technology Risk

The core banking system and supporting systems reside in Namibia. The Bank outsources part of the IT function to Banco BIC S.A. Angola and a local vendor, which is arranged through formal written agreements. The top focus areas of technology risk include timely management of IT service delivery by the different vendors and the development of a comprehensive IT policy framework that adapts to the ongoing changes in the operating environment. Information security penetration testing facilitated by an external specialist is conducted at least once per annum.

Insurance

Short term insurance cover underwritten by Hollard Namibia is in place for damages, theft, crime and civil liability, loss of documents, legal costs, wrongful arrest, employers' liability and other general claims.

EMERGING RISKS

The following is considered to be emerging risks and does have a direct impact on the Bank:

- Geopolitical risk for in as far as it relates to Namibia's neighboring countries.
- Climate Risk – Drought in Namibia and water shortages.
- Regulations under review – Numerous regulations are under review and expected to be implemented during 2025.
- Industry Projects – Numerous projects such as Open Banking Project, Instant Payment Program and ISO 20022 migration.
- Namibia Unemployment rate
- Banking Supervision – Focus on Digital maturity, credit Risk modelling, Operational Risk and Remedial Action: Cyber and Governance Assessments