nampost

INTEGRATED ANNUAL REPORT 2024

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About this report

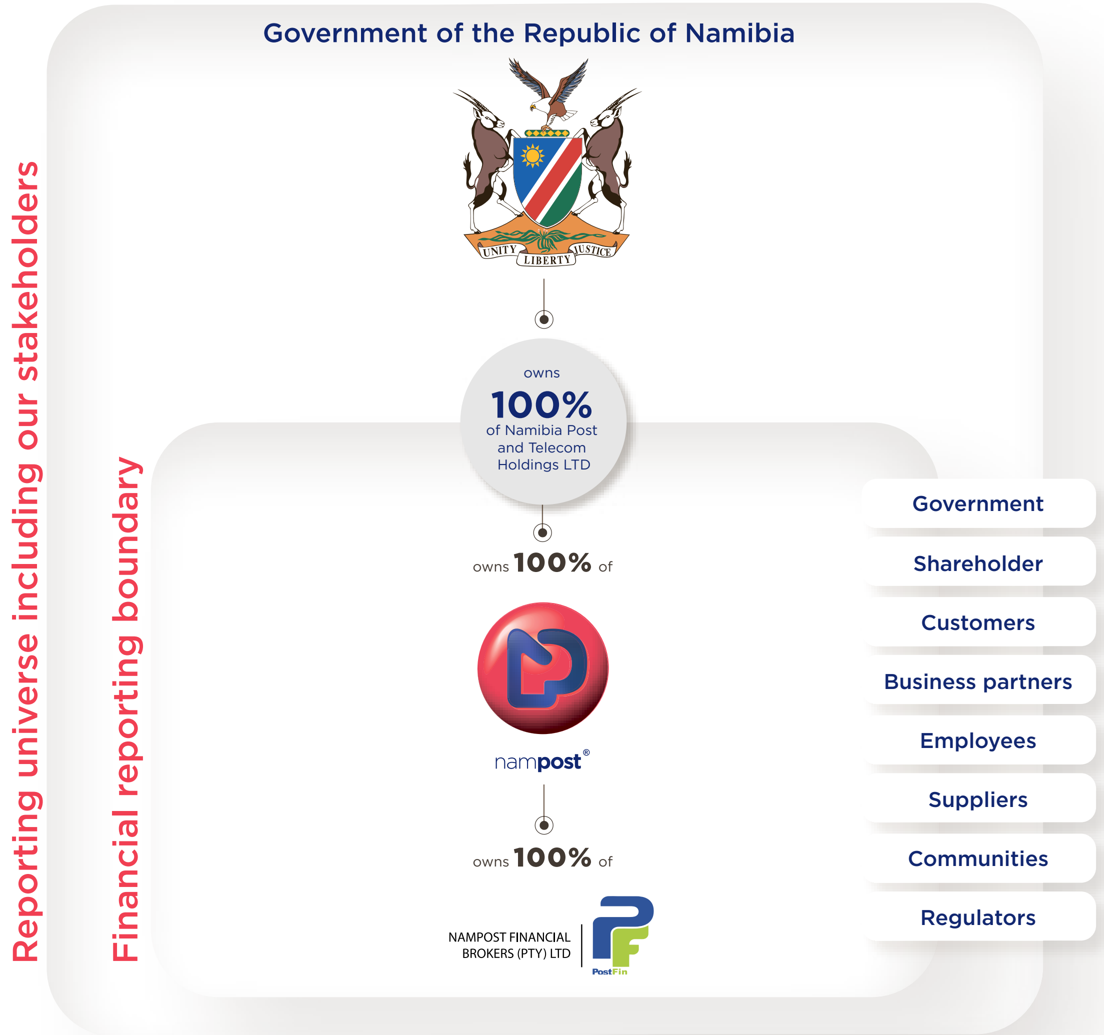
We are proud to present NamPost's 2024 integrated annual report. The report covers the financial year from 1 October 2023 to 30 September 2024 and provides relevant information about our mandate, strategy, performance and outlook for our stakeholders.

Scope and boundary

The Namibia Post Ltd (NamPost) Group (the Group) is a wholly owned subsidiary of Namibia Post and Telecom Holdings (NPTH). The Group has three business units, which together comprise NamPost Ltd (NamPost or the company), as well as a 100%-owned subsidiary, NamPost Financial Brokers (Pty) Ltd (PostFin).

Group Business Units:

- Financial Services
- Mail and Logistics
- Retail Channel



NamPost and PostFin are consolidated in the Group annual financial statements as required by International Financial Reporting Standards. Information in this report is comparable to our previous report and there were no restatements of previously reported information.

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Content frameworks and reporting requirements

In preparing this report, we considered several requirements and frameworks, including:

> The Corporate Governance Code for Namibia (NamCode) while taking guidance from the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™)[1]
> The International Integrated Reporting Framework (International <IR> Framework)
> Companies Act of Namibia, 28 of 2004 (Companies Act of Namibia)
> Posts and Telecommunications Companies Establishment Act, 17 of 1992

NamPost operates under the Communications Regulatory Authority of Namibia (CRAN) licence for postal services. In addition, NamPost is authorised by the Bank of Namibia to issue payment instruments and to participate in the national payment and clearing systems.

NamPost's mandate is to "conduct postal services and supplementary services", under a Universal Services Obligation, which stipulates that "all consumers have access to basic services at affordable, uniform prices and that the services have a minimum level of quality". Supplementary services are defined as "the control and management of the Savings Bank" and "the rendering of a money transfer service".

Post and Telecommunications Companies Act (Act 17 of 1992)

"The company shall exercise its powers with a view to enhancing corporate profit and shareholder gain, taking into account the enhancement of corporate profit and shareholder gain by the company in the promotion of an economically prosperous and efficient postal system conducted on sound business principles".

NamPost's Memorandum of Association, section 6.

Content development and approval

The content for this report is prepared from interviews with executive management and additional information provided by the team, focusing on the implementation of the strategy, financial and operational performance, governance practices and priorities for the year ahead.

More information about NamPost is available on our website at www.nampost.com.na.

We welcome feedback from readers of the report. Please send suggestions for improvement and appreciation to marketing@nampost.com.na.

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About NamPost

Connecting Namibians since 1992

NamPost is the national designated postal operator for Namibia. Our comprehensive offerings include financial, mail, logistics and retail services for individual customers, businesses and communities nationwide.

NamPost has been part of Namibia's fabric for 32 years, connecting its people and providing services that have a sustainable, positive social impact. Our suite of products and services has grown over the years and continues to evolve. NamPost's network of post offices across Namibia provides access to postal, financial, logistics and retail services, often in remote areas where these services are otherwise inaccessible. Our digital transformation journey has unlocked opportunities to deliver potential market-leading mail and financial products through new channels.

Our mandate to serve

NamPost's mandate is to "conduct postal services and supplementary services".[1] Supplementary services are defined as "the control and management of the Savings Bank" and "the rendering of a money transfer service"[1]. NamPost's CRAN licence authorises us to provide postal services under a Universal Service Obligation, stipulating that all consumers have access to essential services at affordable, uniform prices and that the services meet quality requirements.

NamPost's Memorandum of Association (MoA) states that "the company shall exercise its powers with a view to enhancing corporate profit and shareholder gain, taking into account the enhancement of corporate profit and shareholder gain by the company in the promotion of an economically prosperous and efficient postal system conducted on sound business principles".

Vision

To be a modern, vibrant, customer-centric company that delivers value for its stakeholders.

Mission

We enhance quality of life by providing postal, financial and logistics solutions.

Values

Integrity

Uphold ethical behaviour, respect and good governance

Accountability

Take ownership of our actions

Caring

For ourselves, our customers and our stakeholders

Teamwork

We work together to achieve our mission

[1] *As defined in the Posts and Telecommunications Act 19 of 1992, the Post and Telecommunications Amendment Act 20 of 1995 and the Communications Act 8 of 2009.*

OUR SOCIAL IMPACT

Connectivity

NamPost creates value for the people of Namibia by providing social, transactional and financial connectivity, with physical branches across all regions of the country, even remote towns, villages and settlements. Our post offices provide a key point of contact in communities to send and receive mail and packages. Around 40% of our branches are the only places where people can access financial services in their area.

Inclusion

NamPost's financial services offerings promote financial inclusion by making it quick, easy and affordable for people to save money securely, earn interest on their savings, make and receive payments, access loans to improve their lives and secure insurance to mitigate financial risk. Our digital channels also expand access to our services beyond our physical branch network.

Investment

The Group's corporate social investment (CSI) programme (page 58) aims to directly contribute to Namibian communities, focusing on education and skills development, enhancing living standards and partnering to achieve greater social impact.

Our activities support the Namibian Government's priorities, including those in the Harambee Prosperity Plan II (2021 – 2025), which aims to enhance economic recovery, service delivery and inclusive growth. Our offerings align with three of the plan's five pillars:

Social progression

The plan's cornerstone aims to improve the quality of life for all Namibians, especially the most vulnerable members of society.

Our branches and offerings promote social connectivity and a point of contact to access products and services that improve livelihoods. Our corporate CSI programme aims to achieve social impact.

Economic progression

Achieve a balance between pursuing inclusive socio-economic growth and necessary economic transformation.

NamPost's offerings promote financial inclusion in unbanked and underbanked communities, enabling Namibians nationwide to participate in the economy and benefit from economic growth.

Effective governance

A critical component for socio-economic development and social cohesion.

We are committed to making good governance a way of life. More information is available in the Governance section from page 59.

In creating value through social impact, NamPost has to balance our obligation to provide universal services regarding our CRAN licence with the imperative in our MoA to enhance corporate profit and shareholder gain. This requires a trade-off between maintaining the post office footprint even in unprofitable areas and being financially sustainable and responsible.

OUR SOCIAL IMPACT (continued)

A measurable impact

Stable employment and a significant contribution to the economy

699
people employed by NamPost Group in 2024
(2023: 714)

N$317 million
paid in salaries and benefits to NamPost Group employees
(2023: N$300 million)

N$87 million
paid in taxes to the Namibian Government
(2023: N$89 million)

Accessible and affordable products and services that improve the quality of life for Namibians

251 455
NamPost VISA SmartCard holders can access affordable payment services and secure savings facilities
(2023: 270 649)

151 290
people, primarily at the low end of the market, are insured via NamPost
(2023: 126 618)

N$671 million
in responsible PostFin microloans empowers pensioners and small businesses, particularly those run by women
(2023: N$629 million)

Our post office infrastructure reaches those who might otherwise not have access to essential services

51
of our service points are the only access points for financial services in remote communities
(2023: 51)

44
unprofitable outlets provide an essential service in remote areas and are subsidised by our profitable services
(2023: 61)

70%
of our post offices are profitable
(2023: 53.4%)

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Expanding access beyond our physical network

Mobile connections

According to Global System for Mobile Communications (GSMA) Intelligence, Namibia had 2.9 million cellular mobile connections in January 2024, equivalent to 110.8% of the total population[1]. Approximately 60% of the country's population uses the internet, with 67% accessing web pages from mobile phones and 30% from computers.

Postal networks

The Universal Postal Union states that postal networks have a pivotal role in advancing financial inclusion by providing a vital link and access point for underserved postal customers, particularly micro, small and medium enterprises (MSMEs), women, youth, small-holder farmers, government employees and government payment disbursement recipients.[2]

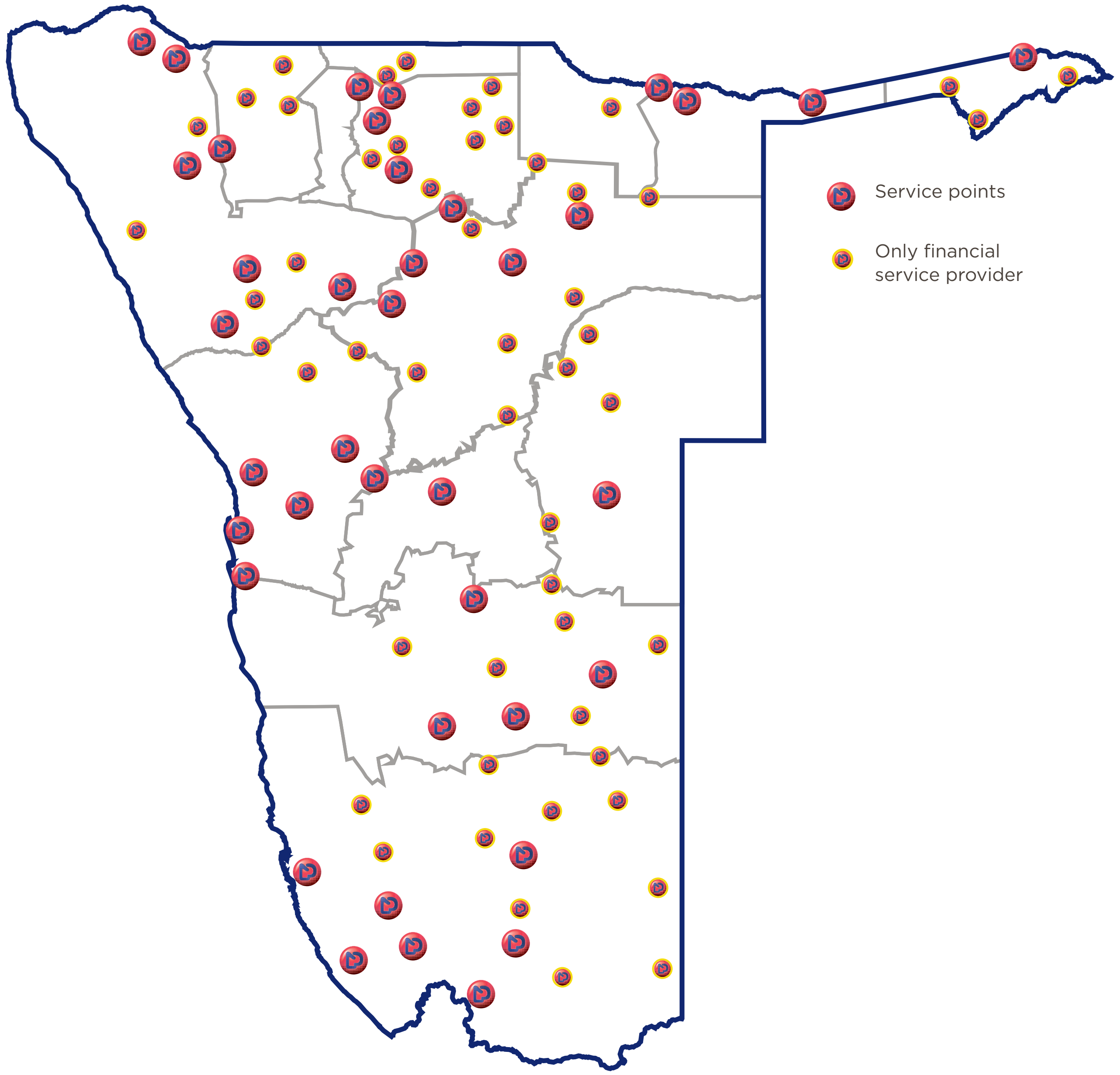
Digital opportunities

NamPost's digital transformation strategy aims to enhance customer experience and promote financial inclusion in underbanked and unbanked communities by growing our service capabilities in the digital space. Over the past few years, we have launched several solutions, including digital postal orders and money transfer services, that enhance access to financial services and improve customer functionality and convenience. In the current year, we fully integrated into Namibia's Enhanced Electronic Funds Transfers (EEFT) system, allowing anyone to transfer funds directly into a NamPost account. In October 2024, NamPost officially launched its banking app and internet banking platforms, providing customers with convenient, affordable, real-time access to financial services from anywhere. Within the Mail and Logistics Business Unit, we are enhancing our digital capabilities in new products and services such as Registered Electronic Mail products and improving customer service capabilities, for example upgrading International Postal System and developing an online payment portal for Mail.

[1] *2024 Digital Namibia www.datareportal.com*
[2] *Postal Networks: A Platform for Financial Inclusion Enablement, 2023*

OUR FOOTPRINT

NamPost's national footprint provides a key point of contact in communities across all regions of Namibia. We serve over three million people, spread across 825km². In line with our Universal Service Obligation, we have service points in Namibia where it is unprofitable for competing service providers, like commercial banks, to operate.



136
Service points

51
The only financial service provider in the area

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PRODUCTS AND SERVICES

NamPost's three business units aim to consistently create a modern, vibrant, customer-centric experience at every touchpoint.

Financial Services

Provides access to financial products and services, primarily servicing low-income Namibian residents, the unbanked and the underbanked[1].

Retail Banking through NamPost Savings Bank

NamPost is mandated by statute to take deposits and to transfer money locally and internationally. The Savings Bank:

> Serves individual retail customers with its transactional VISA SmartCard in an interoperable environment
> Provides convenient real-time access through the MyNamPost Banking App and Internet Banking platforms
> Offers insurance and bancassurance products through its joint venture with Hollard Insurance Namibia, including affordable funeral and life cover
> Delivers competitive retail investment products such as fixed-term deposit accounts, call accounts, notice accounts and save-as-you-earn accounts
> Provides the infrastructure necessary to facilitate payments for the low-income market segment of the Namibian population

Treasury

Wholesale deposit-taking catering for corporate and institutional customers' investment needs.

PostFin

A wholly-owned subsidiary of NamPost, providing responsible micro-lending and financial brokering services. PostFin offers unsecured personal loans to pensioners, government employees, and customers employed by companies that have a payroll deduction agreement. Permanently employed customers with NamPost VISA SmartCards are also eligible for loans.

[1] *According to the World Bank, in 2021, 29.6% of the Namibian population of people over 14 years of age, did not have bank accounts. www.databank.worldbank.org*

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PRODUCTS AND SERVICES (continued)

Mail and Logistics

Transports, sorts and distributes mail and parcels to post offices and mailboxes. We also provide logistics and supply chain solutions to our customers within Namibia and worldwide.

Mail Services

We receive, sort and distribute mail and post parcels to and from domestic and international destinations. This includes sorting and distributing letters, franking and posting letters and parcels, government mail, business and bulk mail and hybrid mail services (NamPost Digital Solutions), including International Express Mail Services (EMS) international service and other.

Courier Services

NamPost is the largest domestic overnight courier company in Namibia. Services comprise domestic and international shipments, collection and door-to-door delivery, including overnight express parcels within Namibia to selected destinations (approximately 60 towns).

Courier Services include a transportation fleet, logistics and supply chain solutions for business and private customers, and prepaid products such as EasyPack and EasyBox. We also facilitate airfreight, sea freight and customs clearance for customers through our business partners.

Retail Channel

NamPost's nationwide postal network serves as the Retail division for all our offerings and manages customer service, distribution, cash, sales and stock. Each post office services multiple customer needs in the local community.

Post office infrastructure and post box rental

The post office infrastructure enables NamPost's other business units by:

> Delivering financial services products and services through retail outlets
> Moving stock and mail from the central Mail and Logistics hub to each retail outlet
> Serving as delivery points for Financial Services, Mail and Logistics products and services such as EasyPacks, EasyBox and Express Mail Services

The Retail Channel manages Courier regional hubs on behalf of Mail and Logistics.

Our digital postal orders allow customers to send and redeem money at your Post Office after receiving the notification via SMS.

Third-party agencies

Optimises post office use and provides an efficient and affordable network for businesses that require national reach. Services include bill payments, airtime sales, payment collections, and electronic device sales.

Philately

We sell current postage stamps and a range of collectable postage stamp products, including digital stamps.

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MORE THAN MAIL FOR MORE THAN 30 YEARS

1992
Established:
92 post offices

1995
Commenced:
Counter automation project

2003
Introduced:
Treasury services for public investment

2006
Launched:
Biometric SmartCard

2007
PostFin established

2010
Introduced:
Automated mail sorting

2013
Launched:
Prepaid courier products

2015
Commenced:
International courier service

2017
Enhanced:
Insurance products

2019
Launched:
Inter-operable VISA SmartCard

2021
Developed:
Integrated e-commerce platform

2022
Launched:
PostPay Money Transfer Service

2023
Launched:
Cooling trucks

2024
Launched:
MyNamPost Banking App and Internet Banking platforms. Full integration into National Payment System (NPS) Enhanced Electronic Funds Transfer (EFT)

Service Points
136
(2023: 131)

PO boxes
124 210
(2023: 124 210)

Vehicles
102
(2023: 108)

Mail items handled
1.8 million
(2023: 7.9 million)

Courier waybills handled
1.5 million
(2023: 1.3 million)

VISA SmartCard customers
251 455
(2023: 270 649)

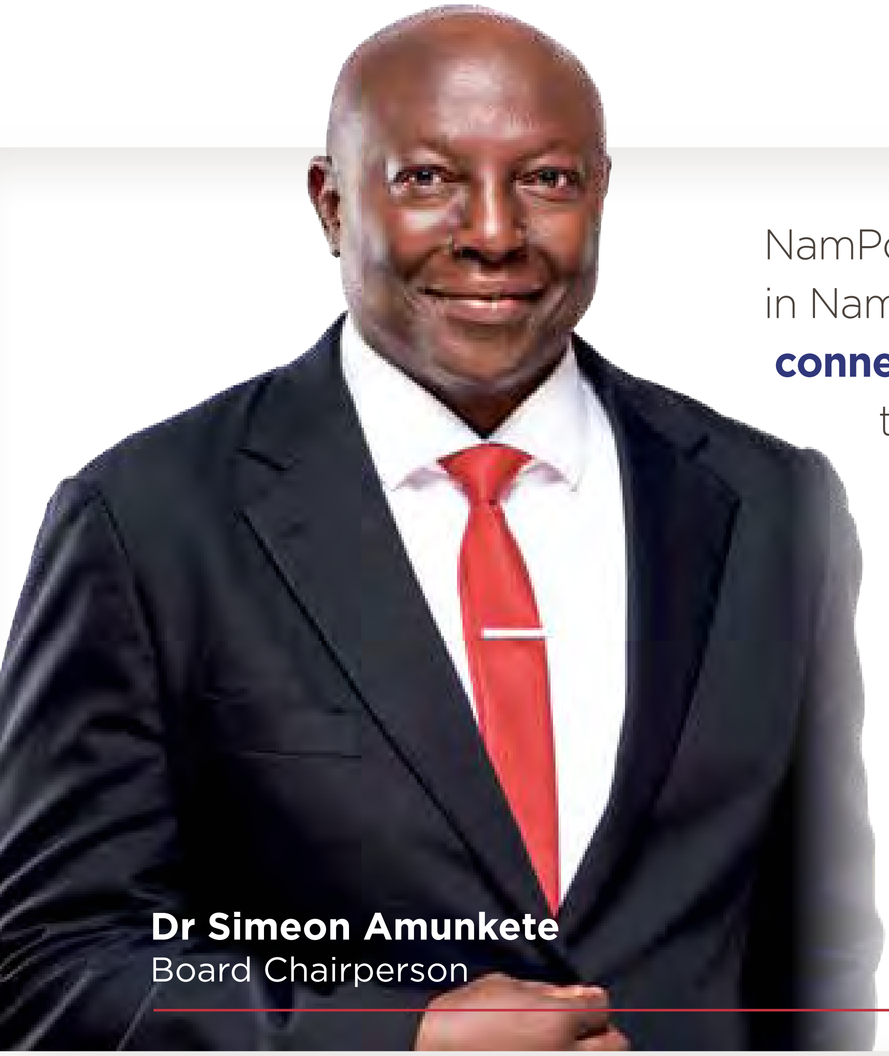
Average number of Namibians served per post office
22 100
(2023: 20 000)

Customer satisfaction
85%
(2021: 81)*

* *Rating from the biannual customer satisfaction survey. 2021 was the most recent previous survey.*

Leadership messages

CHAIRPERSON'S REVIEW



Dr Simeon Amunkete
Board Chairperson

NamPost plays an essential role in Namibian society, providing **connectivity and access** that drive **social and financial inclusion**. The Board **approves the strategy and oversees implementation**, ensuring that the Group continues to meet the expectations of **the people of Namibia and its shareholder**.

Since its inception more than 30 years ago, NamPost has played an essential role in facilitating the movement of goods and communication domestically and internationally, providing an essential link between families, friends, associates, businesses and their customers.

NamPost's expanding suite of financial products and services mobilises savings, supports financial sustainability and contributes to investment, with a focus on the unbanked or underbanked. Our network of post offices nationwide provides access to affordable savings and financial services, even in areas where people would otherwise not have access to banking.

The Namibian people trust NamPost to embody its motto, "We Deliver More", by providing timely, reliable and affordable postal and financial services wherever they find us.

Revenue growth in a challenging market

Globally, postal operators are challenged to adapt their business models to declining mail volumes. With Namibian consumers under sustained economic pressure, NamPost produced a creditable performance, growing revenue by 5% yearly. However, our core business units could not achieve their revenue goals and Group profitability declined. Highlights included pleasing growth in non-interest revenue, PostFin's strong performance and the launch of several well-received new digital financial offerings.

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We are excited about the prospects for increased growth and opportunities from Namibia's commitment to green industrialisation and developments in the oil and gas industry. We are developing strategies to ensure that we are relevant and ready to take up opportunities as these arise. Our existing facilities and experience position us well to help with logistics and supply chain services as these industries develop.

As Namibians, we are proud of the significant milestone our country achieved with the election of our first female president in November 2024. We recognise NamPost's vital role in supporting the government's reform agenda, promoting social and financial inclusion, and delivering sustainable development for all Namibians.

A transformative strategy to 2027

The NamPost Strategy to 2027 aims to transform NamPost into a modern, vibrant, customer-centric company that unlocks value for all its stakeholders. The strategy is founded on four pillars – Financial Sustainability, Customer Centricity, Business Transformation and High Performance Culture. Progress with the implementation of these pillars is discussed on page 17.

Management develops the strategy, which is reviewed and approved by the Board. The Board receives quarterly briefings from management on progress in implementing the strategy against defined timelines. Strategic goals are included in the CEO's performance agreement to incentivise performance.

Engaging with key stakeholders

The Board meets each quarter with NPTH, our shareholder, to provide updates on NamPost's performance and to stay informed about their expectations. We also regularly engage with the Minister of Information and Technology on policy-related issues and representatives of the Minister of Finance and Public Enterprises. We invite representatives from government to attend our workshops to develop our annual business and financial plans to enhance their understanding and ensure clear communication. We also interact regularly with the Communications Regulatory Authority of Namibia (CRAN) to share ideas and provide feedback on our progress.

In addition to our ongoing Mystery Shopper surveys and the information we receive on our customer portals, we also conduct customer satisfaction surveys every second year. This year's survey results showed pleasing improvements in several areas and highlighted aspects of our business where we need to improve.

Board focus during the year

The Board's three-year term ended in April 2024 and was extended to November 2024 by the shareholder. During the year, the Board's oversight activities included:

> Monitoring management's implementation of the annual strategic business plan
> Reviewing and approving annual tariff increases for banking and mail services, salary and wage increases, policy updates, new policies and the Code of Conduct and Business Ethics
> Reviewing and approving key strategies such as the digital channel operationalisation and agency model for the Retail Channel
> Engaging an expert in ICT and cybersecurity to provide technical insights
> Reviewing the risk landscape and risk register and ensuring that risk levels remain within the risk appetite
> Considering the implications of Namibia's greylisting by the Financial Action Task Force (FATF) on our business and approving additional resources to ensure NamPost remained compliant with increased regulatory requirements
> Reviewing audit matters raised

Managing our environmental impacts and making a positive social difference

NamPost is conscious of the need to manage our activities' environmental impact and consider the impact of long-term environmental trends such as climate change. We are implementing several initiatives to improve efficiencies and reduce emissions from our logistics fleet and activities, which account for most of the Group's environmental impact. We are proud of our significant positive social impacts (see page 5) and invest in making a difference in communities through our CSI programme (see page 58).

In the year ahead, the Board will continue to assist management in executing the annual business plan and Project Sky, which operationalises NamPost's digital strategy. We will monitor the rollout of the postal agency model and the logistics strategic plan and oversee the rollout of culture initiatives to reposition NamPost as an employer of choice.

Dividend

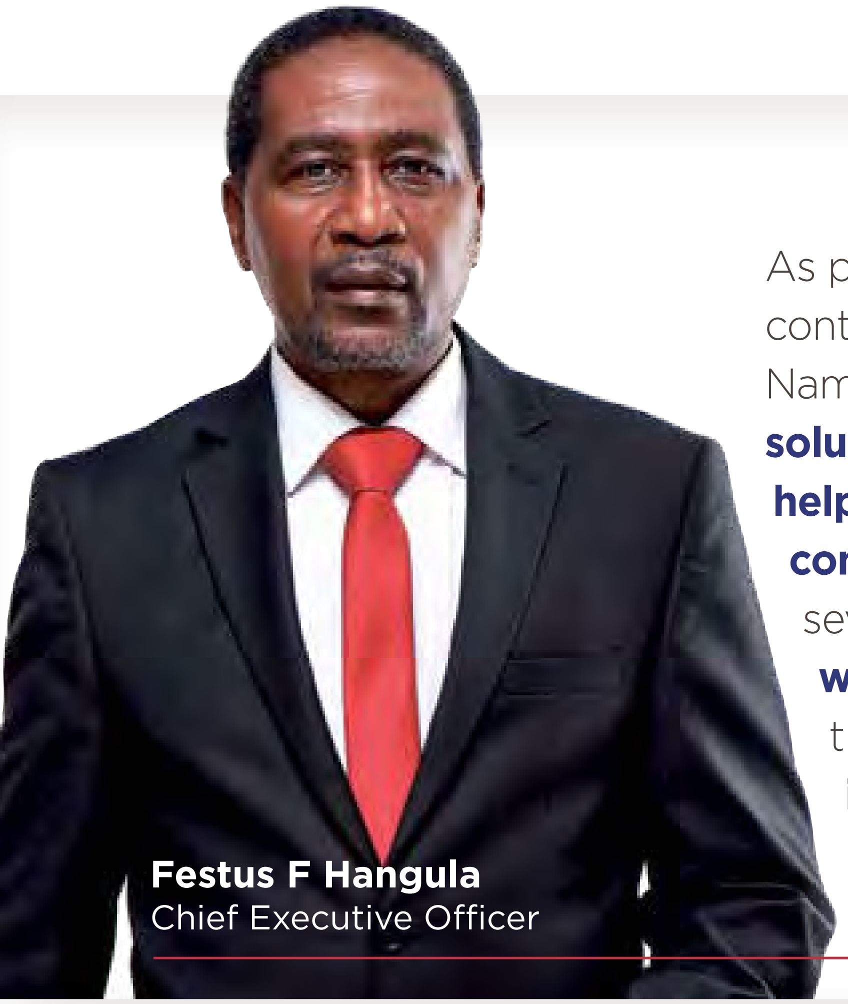
The Board approved a dividend of N$5 million after year-end. The dividend of N$5 million declared for the 2023 financial year was paid during the year under review.

Appreciation

I want to thank our shareholder and the two Ministries we report to for their guidance and counsel during the year. The Board thanks our CEO, the management team and NamPost's employees for their hard work during the year – without their best efforts, NamPost would not have achieved what it did. I thank my colleagues on the Board for their contribution to the Group. Finally, we thank the Namibian public for their continued support and for trusting NamPost to deliver more.

Dr Simeon Amunkete
Board Chairperson

CHIEF EXECUTIVE OFFICER'S REVIEW



Festus F Hangula
Chief Executive Officer

As physical mail volumes continue to decline globally, NamPost is developing **digital solutions to replace mail and help companies streamline their communications**. We launched several digital solutions **aligned with customer needs** during the year and **upgraded our infrastructure to support future growth**.

Performance in 2024

Group revenue increased by 5% to	Operating expenses increased by 4.5% to	Profit before tax (PBT) decreased by 8% to
N$1.12 billion	**N$555 million**	**N$58 million**
(2023: N$1.07 billion)	*(2023: N$531 million)*	*(2023: N$63 million)*

Highlights

- Launched EFT functionality, mobile banking app and online banking
- Continued excellent take-up of PostPay
- Ongoing recovery in Courier Services
- Upgrades to ICT infrastructure
- Recovery in international mail

Challenges

- Decline in domestic mail volumes, particularly in NamPost Digital Solutions (Hybrid mail)
- High interest rates squeezing net interest margins
- Treasury deposits moving to South Africa to take advantage of the interest rate differential
- Delays in procurement processes

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Macroeconomic challenges facing Namibia included high interest rates, unemployment and inflation, all of which reduced disposable income and spending in the market. While reported GDP growth has been relatively good, growth appears to be mainly happening in big corporates, with NamPost's grassroots target market not experiencing the benefits.

Consumers are showing reduced ability to save, and many are withdrawing savings to fund day-to-day costs. The high interest rates negatively affected net interest margins in Financial Services, our most significant profit contributor, due to our funding structure (see page 42). In addition, the interest rate cut in Namibia during the year saw treasury customers shift funds to South Africa to take advantage of higher interest rates there.

Progress against our strategy

Financial sustainability

The business units did not achieve their financial targets this year due to the substantial decline in mail volumes and the impact of high interest rates on Financial Services. Financial Services reported revenue growth of 6%, Courier Services' sales increased by 7%, and Mail-related revenue decreased by 6%. PostFin showed strong growth in revenue and profit supported by good demand for loans and fixed funding costs in the face of increasing interest rates, which widened margins. Group profit before tax decreased 8% to N$58 million from N$63 million in 2023. However, NamPost's balance sheet remains strong, supporting the Group's sustainability.

Customer centricity

NamPost develops products and services to meet the needs expressed by our customers and improve ease of use and convenience. The EFT functionality and digital banking channels launched during the year directly address needs raised in the current and prior customer and stakeholder satisfaction and perception surveys. We plan to pilot NamPost ATMs in the year ahead, which was another issue flagged in this year's survey. We will launch a retail app to provide digital functionality for our post office products and services.

In response to the global trend of declining paper mail, we are working to develop digital solutions that help customers do business in the online environment. An example is our specialised digital mail solution, which provides corporations a more dynamic and simpler way of corresponding with customers.

During the year, we rolled out handheld scanners all regional hubs in the Mail and Logistics Business unit, and Courier in particular, so customers could easily track mail items. We are upgrading the technology in the Financial Services customer contact centre and upskilling employees to improve customer support and service and enable upselling.

With the rise of e-commerce, we have seen several small parcels coming into the country. Mail and Logistics has streamlined the inbound process to significantly reduce the time it takes for parcels to reach Namibia and we are working to further reduce clearance and dispatch time within Namibia. This could be an area of continued growth.

Business transformation

We continue to progress in transforming our business, with Financial Services showing good growth in non-interest revenue. We plan to diversify PostFin's funding sources beyond the traditional development finance source. In the Retail Channel, we are exploring an agency model where some of the post offices and future points of contact will be run by independent agents on our behalf. We are also reviewing our sales models across business units and developing a revised logistics strategy.

High-performance culture

Our employee value proposition aims to position NamPost as an employer of choice to secure the talent we need to achieve our strategic targets and to ensure they receive the training and support they need. We are upskilling employees across the Group to equip them to keep pace with technological change and regulatory requirements.

Attracting and retaining skills continues to be a significant challenge, particularly in Financial Services, where poaching of employees by commercial banks and new entrants is an ongoing issue.

Driving digital transformation with Project Sky

Project Sky, our five-year digital transformation initiative, aims to improve operational efficiency, enhance customer experience and foster financial sustainability. The digital initiatives launched this year and upgrades to IT infrastructure are deliverables under Project Sky. We also enhanced the VISA SmartCards to provide contactless functionality and launched a digital stamp, primarily for collectors. Furthermore, various digital initiatives were launched to increase customer satisfaction and address customers' requirements in the mail and courier environment.

The Namibian government has a big drive towards open banking and a cash light society to address high financial transaction costs and improve financial inclusion. This will significantly change the payment environment and opportunities in the financial services space, and we are positioning our value proposition accordingly.

Shareholding restructure

NPTH is being dismantled, which will result in NamPost being directly owned by the government and reporting directly to the Minister of Information and Communication Technology. NamPost is also likely to take ownership of some of the post office properties we previously rented from NPTH, which would reduce our cost base and strengthen our balance sheet.

Future focus areas

In the year ahead, we will focus on continuing to make progress on our strategic objectives, solidifying the systems in the Financial Services unit, especially regarding access to payments. We will continue to roll out customer-centric projects in Project Sky and hope to start seeing the benefits of the agency model in the Retail Channel. There will be a strong focus on identifying quick wins in the logistics strategy that can be implemented in the year ahead.

Festus F Hangula
Chief Executive Officer

How we meet our mandate

BUSINESS DRIVERS AND OPERATING CONTEXT

While the global postal sector faces numerous challenges and our customers remain under pressure, digitisation creates opportunities to provide innovative solutions that promote social and financial inclusion aligned with NamPost's mandate.

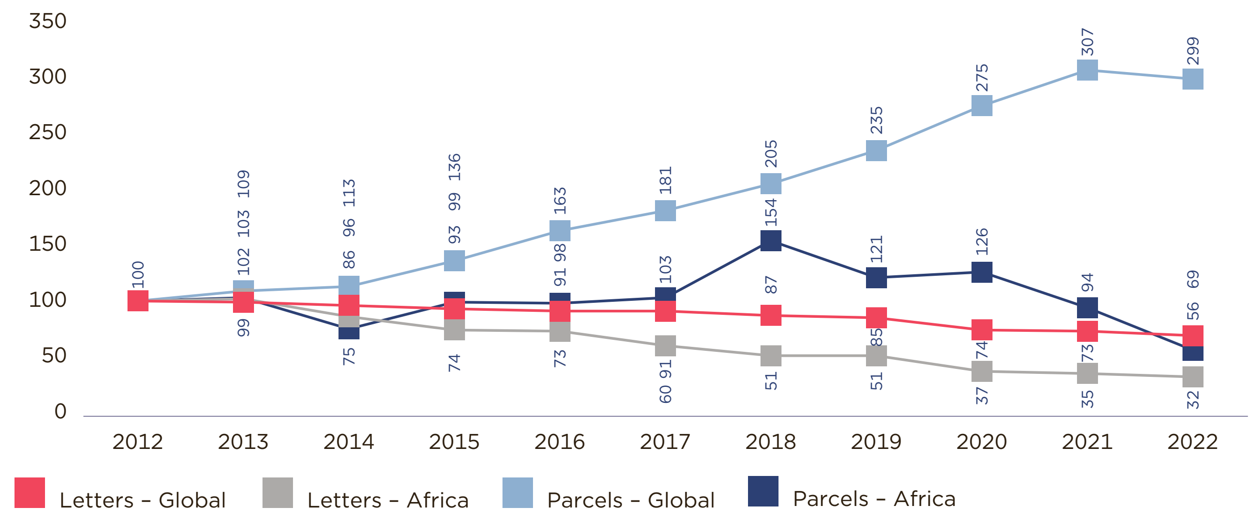
Global decline in traditional postal services

Globally, the postal sector is adapting to its numerous challenges, including the drop in letter deliveries caused by Covid-19 and the shift away from physical letters that followed, as well as the shift to digital communication channels, which have had a significant impact on traditional postal services.

Data from the Universal Postal Union[1] show that global letter post volumes decreased by 30% from 2012 to 2022, with volumes in Africa declining by 68%. Global volumes fell by 14% in 2020, and in the African region, they fell by 27%, with the expected recovery in volumes not materialising once the pandemic passed.

In contrast, global parcel post volumes tripled from 2012 to 2022, while volumes in the Africa region fell by almost half.

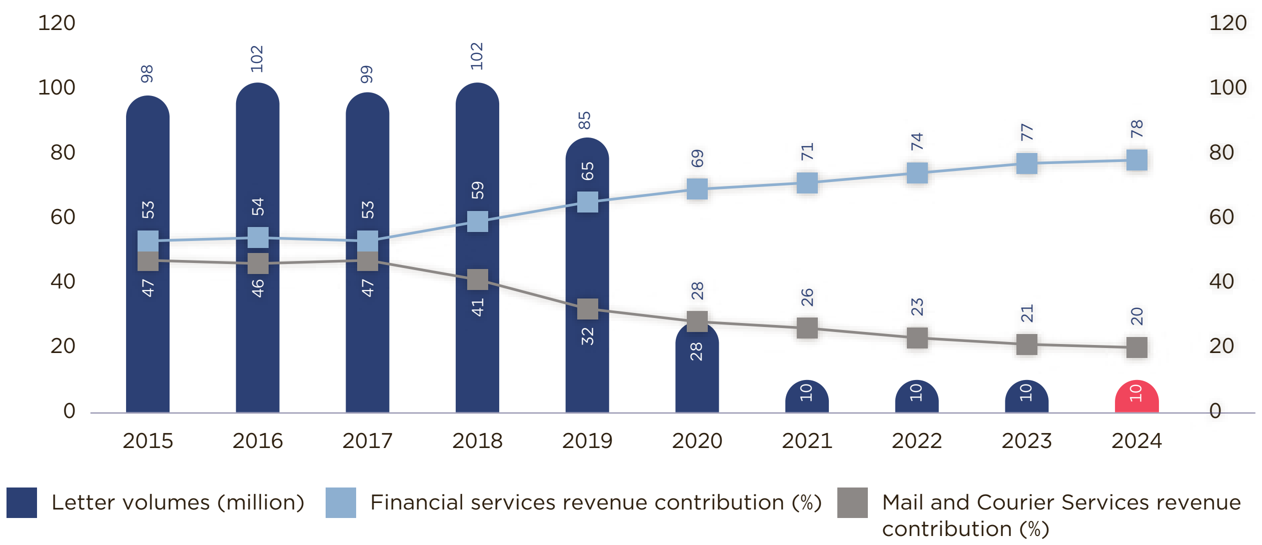
Global mail deliveries (2012 = 100%) (%)



Namibia has experienced similar trends, with letter and parcel volumes falling to nearly 50% of 2015 volumes in 2024 and post-box occupancy rates declining from 90% in 2016 to 60% in 2024. NamPost has focused on growing its financial services businesses and exploring other revenue streams to compensate for decreased traditional post and parcel volumes.

[1] www.upu.int/en/universal-postal-union/activities/research-publications/postal-statistics

NamPost letter volumes and revenue contribution



While opportunities for parcels and logistics are expected to increase in Namibia in line with the global trend driven by e-commerce and online shopping, there is growing competition in this area.

Mail delivery in the region has unfortunately also been severely affected by dysfunction in the South African Post Office, which has been in business rescue since July 2023. The Southern African Development Community (SADC) uses the South Africa post mail hub in Johannesburg as a regional hub, with most international mail destined for the region passing through South Africa in transit. This continues to affect the flow of mail and parcels to and from Namibia and we are actively participating in efforts to find an alternative solution, especially for e-commerce.

The Namibian macro-economic context

Following GDP growth of 5.3% in 2022 and 4.2% in 2023, growth is forecast to moderate to 3.1% in 2024[1] as a result of the weak global economy affecting demand for Namibia's mineral exports, the prevailing drought conditions and lower growth in the mining industry due to high base effects. Risks to growth forecasts include a slower than expected decline in global interest rates, supply chain disruptions and the high cost of imported commodities affected by the Russia/Ukraine war and conflict in the Middle East, including fuel, wheat and cooking oil.

Our customers remain under severe pressure. Although inflation has fallen significantly from levels above 7% at the start of 2023, prices of essential inputs remain high. While interest rates have started to decline, they remain at levels last seen in 2009. Price inflation has arisen mainly due to increases in input costs (supply-side inflation) rather than on the demand side when demand for products and services supports revenue growth for companies and institutions like NamPost.

The discovery of offshore oil and gas in Namibia early in 2022 can significantly increase economic growth and diversification, attract foreign investment, promote infrastructure development and create job opportunities in the years ahead. The government is taking steps to introduce market policies to ensure in-country value is generated from the exploitation of these resources. Namibia's Green Industrialisation Blueprint creates a roadmap for the country to leverage its vast solar and wind resources to drive sustainable industrialisation by creating a green hydrogen industry.

Our mandate to promote social and financial inclusion

Namibia has a population of just over three million people and is one of the most sparsely populated countries in the world. Around half of the population is rural. Namibia's population is also relatively young, 37% younger than 15 years of age.[2] The incidence of multidimensional poverty is 43% across the country but rises to 59% in rural areas.[3]

In line with our mandate (page 4), NamPost's network of 136 service points nationwide provides essential connections and financial services to many of the underserved population. We continue researching new products and services to improve connectivity, financial inclusion and economic activity, ultimately supporting Namibia's prosperity.

Despite the logistical challenges during the general election at the end of November 2024, the overall conduct demonstrates Namibia's commitment to democratic processes and the peaceful transition of power. NamPost remains committed to playing its part to support government's initiatives to promote economic growth, service delivery and social inclusion.

[1] Bank of Namibia Economic Outlook August 2024
[2] Namibia 2023 Population and Housing Census
[3] Namibia Multidimensional Poverty Index Report 2021

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BUSINESS DRIVERS AND OPERATING CONTEXT (continued)

Unlocking digital connections

Digitisation and increased internet connectivity have affected all aspects of life, directly impacting postal and financial services. Digital payments provide an opportunity to improve financial inclusion and unlocked opportunities for consumers and small and medium enterprises.

NamPost continues to investigate ways to ensure that our core postal services remain relevant in a digital world, including digitising mail and repositioning NamPost Digital Solutions. We introduced our inter-operable VISA SmartCard in 2019 and launched the MyNamPost Banking App and Internet Banking platforms in 2024. Our digital transformation initiative, Project Sky, aims to improve operational efficiency and business performance while enhancing the customer experience by continuing to innovate and expand our services. We are committed to bridging the digital divide to ensure that all customers, regardless of location, have access to essential, convenient and affordable financial services.

Attracting the right skills

The pool of critical skills in Namibia is small, particularly in information technology, data and digital skills relating to financial services. Demand for skills is likely to grow strongly with the focus on realising Namibia's green industrialisation aspirations. Employees' expectations continue to evolve, including various lifestyle factors, wellness, and other benefits.

NamPost's business requires a range of employees, from lower-skilled to highly specialised. Our new strategy and digital transformation journey will require us to acquire or develop these skills in existing employees. NamPost's compelling employee value proposition (EVP) which includes remuneration, rewards and employee wellness, aims to ensure we can attract and retain the skills needed to achieve our strategic goals.

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OUR BUSINESS MODEL

NamPost's business model is designed to create value over the short, medium and long term by integrating financial, human, social and environmental resources. It aims to align our operations with the needs of our stakeholders while addressing challenges such as the changing nature of global postal services, the Namibian socio-economic context, sustainability and innovation.

Our pools of value

Financial capital
- The capital required to deliver our products and services is generated from business operations, Savings Bank deposits and external borrowings

People and expertise
- The knowledge and skills of our diverse leadership teams and employees, together with the expertise developed from over 30 years of operation
- We care about the well-being and development of our 699 employees

Infrastructure
- Our network of 136 service points across Namibia, our IT infrastructure and our logistics fleet
- NamPost owns some of these properties and leases the others from NPTH and other landlords

Relationships
- Regular engagements with our customers, shareholders and communities improve our understanding of their needs and expectations

Brand and reputation
- The NamPost brand is trusted across Namibia
- Customer satisfaction surveys and segmentation research inform product development and entrench brand equity

Natural capital
- Our business operations need access to water and electricity
- The logistics fleet requires fuel in the form of diesel and petrol

Connecting Namibians to our products and services

Financial Services
- Savings accounts, NamPost VISA SmartCards, funeral cover and life insurance, unsecured personal loans and treasury services
- MyNamPost Banking App and Internet Banking platforms

Mail and Logistics
- Transport, sort and distribute mail to post offices and mailboxes
- Logistics and supply chain solutions
- Local and international courier services, including domestic overnight express

Retail Channel
- Our post offices serve our customers and distribute and sell all NamPost products and services, including mail delivery, logistics and financial products
- The Retail Channel manages customer service, sales, stock, cash and inventory at the post offices
- Third-party agency services and postage stamp sales

Enabled by

- Our dedicated and effective workforce
- Read more in Our people from page 54.

- Customer centricity – understanding and serving our customers' needs
- Read more in Promoting the NamPost brand from page 51.

- Efficient business processes with fit-for-purpose Information and Communication Technology (ICT)
- Read more about Information and communication technology from page 49.

- Rigorous risk management processes
- Read more about risk management from page 67.

Creating current and future value

- A large and stable employer providing meaningful work for employees
- Promoting financial inclusion for the unbanked and underbanked, contributing to Namibia's prosperity
- Providing social inclusion for people in remote areas
- A known and trusted brand with a focus on customer service
- Creating a more sustainable economy by being a reliable partner for business growth in Namibia
- Stimulating innovation through new products and services to meet our customers' evolving needs
- Investing in skills development, digital infrastructure and systems for a sustainable business
- Diversifying beyond physical mail and banking
- Supporting the changing requirements of communities and customising services for both ageing customers and the new generation

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OUR BUSINESS MODEL (continued)

Outcomes

Financial capital

- N$6.2 billion deposits (2023: N$6.0 billion)
- 10% increase in assets (2023: 7.5% decrease)
- 4.5% increase in expenses (2023: 7.7%)
- 5% increase in revenue (2023: 9.4%)
- 13% return on equity (2023: 18%)
- 1 147% return on investment (ROI) before tax (2023: 1 243%)
- N$58.2 million PBT (2023: N$63.1 million)
- 35.6% decrease in profit after tax (PAT) (2023: 15%)
- 47% operating expenses to income ratio (2023: 47%)

We enforce stringent cost control measures and closely monitor liquidity to ensure long-term sustainability and value creation for all our stakeholders.

Read more in the Financial Review from page 37.

People and expertise

- N$317 million paid out in remuneration (2023: N$300 million)
- N$4 million invested in training (2023: N$3 million)

NamPost continues to invest in upskilling our people to improve customer service and increase our intellectual capital.

Read more in Our people from page 54.

Infrastructure

- 136 Service Points (2023: 131)
- 1 872 655 mail items handled (2023: 7 877 996), consisting of mainly letters and approximately 5 000 parcels
- 50% of PO boxes rented (2023: 64%)
- N$83 million mail-related revenue (2023: N$88 million)

Maintaining our infrastructure and retaining unprofitable post offices in remote areas erodes financial capital but aligns with our mandate and increases social value by providing essential services in those communities. It also creates opportunities to realise future value through diversified services.

Refer to Mail and Logistics from page 45 and Retail Channel from page 48.

Relationships

- 251 455 VISA SmartCards active (2023: 270 649)
- 41 138 new insurance policies (2023: 37 355)
- N$87 million tax paid (2023: N$89 million)

NamPost's products and services create value for our customers and promote financial and social inclusion for all Namibians.

Read more about our contribution to financial inclusion on pages 5 and 19, and Connecting with stakeholders from page 33.

Brand and reputation

- 85% Customer Satisfaction Rating (2021*: 81%)

The bi-annual customer and stakeholder satisfaction and perception survey showed improvements in several metrics and identified areas for improvement.

Read more in Promoting the NamPost brand from page 51.

* *Rating from the bi-annual customer satisfaction survey. 2024 was the most recent previous survey.*

Natural capital

- Transport emissions from our logistics fleet are NamPost's primary source of carbon emissions.
- 7 491 105 litres fuel consumption.
- 2 398 577 km travelled.

Our operations aim to minimise waste produced and transport inefficiencies to reduce our environmental impact.

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THE NAMPOST STRATEGY TO 2027

NamPost's five-year strategy builds on previous achievements and responds to current challenges. Our trusted brand and enduring trust from the Namibian public offer a strong foundation to deliver on our five-year goal.

Five-year goal

To transform NamPost into a modern, vibrant, customer-centric company that unlocks value for all its stakeholders.

Our strategic pillars

	Financial stability	Customer centricity	Business transformation	High-performance culture
Strategic objectives	> Achieve profitability target	> Delight customers > Serve diverse customer needs	> Transform Mail and Logistics > Transform Retail Channel > Transform Financial Services	> Position NamPost as Employer of Choice
Key performance indicators	> Increase profit before tax	> Implement continual improvement with customer-centric solutions to delight customers > Align new product development to serve diverse customer segment needs	> Transform Financial Services > Transform Mail and Logistics > Transform Retail Channel	> Develop a compelling EVP > Develop a Leadership Development programme
Progress in 2024	> NamPost did not meet profitability targets in 2024 due to the challenging operating environment Read more about our performance in the Financial review from page 37.	> NamPost achieved full integration into the NPS EFT stream during the year > Launched the MyNamPost Banking App and Internet Banking platforms > We upgraded technology and upskilled employees in the contact centre > We continued our Mystery Shopper initiatives and used our website to gather feedback about customer experiences > We commissioned a customer and stakeholder satisfaction and perception survey > We completed a customer segmentation exercise to inform future product development Read more in the section on Promoting the NamPost brand from page 51.	> NamPost unlocked new value, increasing non-interest income by 7% > We are exploring options to increase digitised hybrid mail options and finding alternative e-commerce solutions > We streamlined incoming e-commerce processes and diversified Courier Services into new areas > The Retail Channel is trialling an agency model to expand services Read more from page 37 in the Financial, operational and digital performance section.	> NamPost's EVP aims to position the Group as an employer of choice > We are exploring partnering options to develop future leaders Read more in the section on Our people from page 54.

GOVERNANCE OVERVIEW

NamPost's governance practices are guided by the Corporate Governance Code for Namibia (NamCode), which is based on the King III Report on Corporate Governance for South Africa 2009 (King III) principles, as well as taking guidance from King IV™ (2016) and other relevant codes of good practices.

The Board comprises five independent non-executive directors appointed by NPTH. Directors are appointed for three years and generally do not serve for more than two consecutive terms. The current Board was appointed in May 2021 and ended its term in April 2024. The NPTH Board, with the concurrence of the Ministry of Finance and Public Enterprises, extended the term for a further ten months.

The Board is responsible for NamPost's long-term success and ensuring leadership within a framework of effective controls. It sets NamPost's strategic direction and approves the strategy.

Our Board

Dr Simeon Amunkete (58)
Non-executive Chairperson
> Master of Commerce and Doctor of Philosophy (Industrial Psychology)
> BA Honours in Psychology
> Master of Arts (Industrial Psychology)
> BA

Leezhel Sartorius Von Bach (54)
Non-executive Deputy Chairperson
> BA LLB LLM (Law)

Martha Shingenge (47)
Non-executive director
> Master in Operations and Supply Chain Management
> B-Tech in Accounting and Finance
> National Diploma in Accounting and Finance

Ndangi Katoma (53)
Non-executive director
> MBA (Strategic Management)
> Master of Science (Financial Economics)
> Bachelor of Administration

James A Cumming[1] (49)
Non-executive director
> CFA Charter Holder
> CA (Nam)
> BSc
> PGDip (Accounting)

[1] *First appointed to the NamPost board in 2016 and served a three-year term. Re-appointed in May 2021.*

Gender
40% female
60% male

Race
80% previously disadvantaged

Average age
52.5 years

Skills and experience
> Industrial relations
> Legal and governance
> Finance and investment
> Supply chain management

Board focus areas in 2024

> Overseeing key strategic areas
> Monitoring progress in implementing the annual operating and financial plan
> Overseeing the financial services expansion strategy
> Reviewing the postal agency model
> Considering a NamPost Group reporting and operational model
> Approving the revised five-year Integrated Strategic Business Plan, the Annual Operating and Financial Plan 2024/25, annual tariff/fee/rate increases 2024/25 and salaries and wages mandate 2024/25
> Reviewing and approving policies and frameworks

Read more about NamPost's governance framework, progress and focus areas in the Governance review from page 59.

GOVERNANCE OVERVIEW (continued)

Our Exco team

Festus F Hangula
Chief Executive Officer

Appointed
January 2010

- MBA (Finance)
- MEFMI Fellow
- BAdmin

Robert Eiman
PostFin CEO

Appointed
1 November 2023

- MBA (Business Administration)
- C.A.I.B SA (Certified Associate of the Institute of Bankers in South Africa)

Willem Mouton
Chief Operating Officer

Appointed
September 2022

- MBA (Business Administration)
- National Diploma – Accounting and Finance

Ekonia Mudjanima
Executive Human Resources

Appointed
November 2021

- Honours Degree: Human Resources: Peninsula Technikon
- National Diploma: Personnel Management: Polytechnic of Namibia

Komao Ndjarakana
Head: Internal Audit

Appointed
October 2022

- CA (Nam)
- Postgraduate Diploma in Accountancy
- Bachelor of Accounting

Gender

25% female
75% male

Race

75% previously disadvantaged

Eldorette Harmse
Executive Legal Services, Compliance and Governance

Appointed May 2006

- BProc
- LLB
- Admitted Legal Practitioner

Benjamin Jakobs
Executive Retail Channel

Appointed March 2020

- BA Economics
- MSc Economics (International Trade and Finance)

Batsirai Pfigirai
Executive Finance

Appointed March 2017

- MBA
- CA (Nam), CA (Zim)
- BAcc (Hons)
- BCompt (Hons)

Michael Feldmann
Executive Mail and Logistics

Appointed February 2020

- MBA (General Management)
- MSc in Project Management
- Hons BCom (Economics)
- BCom (International Finance and Trade)

Average age

47 years

Average executive tenure

8 years

GOVERNANCE OVERVIEW (continued)

Our Exco team (continued)

Berlindi van Eck
Executive Marketing, Communications and Business Development
Appointed August 2006
- MBA (Executive Management and Business Administration)
- Bachelor's Personnel Leading, Communication and Marketing (B.P.L)

Mbo Luvindao
Executive Financial Services
Appointed March 2021
- Master's in Business Administration
- Post Graduate Diploma in Business Management

* *Resigned 31 October 2024*

Deon Claasen
Executive Enterprise Risk Management
Appointed May 2017
- Dip (Accounting and Finance)

Jörn Schnoor
Executive Technology
Appointed December 2015
- BSc (Information Technology and Computing)

CONNECTING WITH STAKEHOLDERS

The NamPost Stakeholder Engagement Plan sets out the principles we follow when engaging with our diverse stakeholder groups with unique expectations.

The principles are

- Mutual involvement
- Openness
- Relevance
- Learning
- Action to meet stakeholder needs

We engage with our key stakeholder groups to understand our impacts and learn about their expectations so that we can respond accordingly.

In the first half of 2024, NamPost commissioned a comprehensive customer and stakeholder satisfaction and perception survey, which included 1 801 engagements with customers, members of the public and the media. A qualitative survey of key customers of the Courier Services, NamPost Digital Mail and Treasury business units supplemented the quantitative survey.

Together, these surveys provided a wealth of insight into these key stakeholders' perceptions, needs and expectations. While we were pleased with the positive response in many areas, including an overall positive score for our corporate image of 75% and an improvement in the net promoter score from 2021, we note where we need to improve and are committed to progressing in these areas.

More information on the survey results is available from page 51 in the Promoting the NamPost Brand section.

Government

The Namibian Government owns 100% of our shareholder, NPTH, and guarantees NamPost's loans. It creates an enabling policy and trade environment and provides the infrastructure required for our business activities. The government is also one of the key customers of Mail and Logistics.

How we engage	What they expect from us	Our response	Quality of relationship
Direct interaction and engagements through NPTH	Reliable and relevant postal and financial solutions that create positive social impact and promote financial inclusion	NamPost acts on behalf of the Namibian Government to deliver on its mandate	8/10

CONNECTING WITH STAKEHOLDERS (continued)

Shareholder

NamPost is accountable to NPTH, its sole shareholder, for delivering sustainable performance and long-term shareholder value. NPTH appoints the Board and participates in the annual general meeting.

Read more about this relationship in the Governance section from page 59.

How we engage	What they expect from us	Our response	Quality of relationship
Regular engagements in person and through our annual reporting cycle.	Responsible capital growth, dividends and a strong reputation	Our activities align with our mandate and aim to balance our social obligations with the need to enhance corporate profit and shareholder gain.	9/10

Customers

NamPost's customers include individuals, businesses and communities across Namibia.

Read more in the section on Promoting the NamPost brand from page 51.

How we engage	What they expect from us	Our response	Quality of relationship
Public and direct one-on-one communication, engagements on our online portal, Mystery Shopper surveys at post offices, bi-annual stakeholder surveys including customers, members of the public and the media.	Reliable, affordable and accessible postal and financial products and services. Social and financial connection.	NamPost serves all customer income segments with bespoke solutions based on their needs. We connect communities, keep people and businesses in touch and serve the aim of financial and social inclusion for all Namibians.	8/10

Business partners

NamPost has several business partners offering complementary products and services. These include a joint venture with Hollard Insurance Namibia and our investment in PostFin.

How we engage	What they expect from us	Our response	Quality of relationship
Regular meetings, formal written communication and agreements.	Continuity of access to market and growth opportunities.	We engage with our business partners fairly and ethically to ensure beneficial relationships for all parties.	8/10

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Employees

NamPost's 699 employees are the company's most valuable assets, serving over 200 000 customers at 136 service points nationwide. Through our employees, we strive to transform NamPost into a modern, vibrant, customer-centric company that unlocks value for all its stakeholders.

Read more in Our people from page 54.

How we engage	What they expect from us	Our response	Quality of relationship
Regular employee surveys, daily mentoring and on-the-job skills development and training, company newsletters, events, information sessions with management and our new employee portal.	Fair treatment, skills development, career opportunities, competitive remuneration and benefits such as medical aid, housing and a performance bonus.	NamPost offers a compelling employee value proposition to attract and retain talent by positioning the Group as an employer of choice. Our human resources initiatives aim to create a high-performance culture and provide relevant training opportunities.	8/10

Suppliers

NamPost contracts with local and global suppliers to deliver professional and outsourced services and products such as packaging and software. We contract with third-party suppliers who sell through our Retail Channel.

How we engage	What they expect from us	Our response	Quality of relationship
Service-level agreements and orders. We also involve our suppliers in future growth planning.	Fair treatment, business stability, contractual compliance and growth opportunities.	We offer favourable payment terms to suppliers and comply with the Public Procurement Act (Act 3 of 2022).	8/10

CONNECTING WITH STAKEHOLDERS (continued)

Communities

NamPost serves various rural and urban communities through our services and recruits employees and service providers from these areas.

Read more about our community engagement in the Responsible business practices section from page 58.

How we engage	What they expect from us	Our response	Quality of relationship
Direct interactions and engagements through non-governmental organisations promoting social upliftment in local communities	Commitment to responsible corporate citizenship and support.	We consider requests for funding and support with a positive and sustainable social impact.	8/10

Regulators

NamPost is a state-owned entity regulated by the Communications Regulatory Authority of Namibia, the Bank of Namibia and the Namibia Financial Institutions Supervisory Authority (NAMFISA).

Read more about Compliance on page 66.

How we engage	What they expect from us	Our response	Quality of relationship
Direct engagements as required.	Compliance and ethical business practices. Adherence to regulations, ethical actions and demonstrating responsible corporate citizenship.	NamPost is committed to the highest standards of integrity, professionalism and ethical behaviour. We strive to fully comply with applicable laws, regulations, regulatory directives and guidelines.	9/10

Financial, operational and digital performance

FINANCIAL REVIEW

NamPost is committed to creating shareholder value and financial sustainability is one of the four strategic pillars. Increasing profitability is vital to maintain our investment in developing NamPost into a modern, customer-centric company that creates value for all its stakeholders.

Performance in 2024

Highlights

> Received N$406.8 million in long-term funding from KfW in January 2024, earmarked for PostFin's microlending business

> Continued increase in Savings Bank transactional business, which boosted non-interest income

> Continued improvement in trade receivables collections for Courier Services and Mail business

Challenges

> High interest rates kept the cost of deposits elevated, which shrunk the net interest margin

> High supply chain costs, notably fuel and vehicle fleet leasing costs

> Competitively mobilising deposits in a high-interest environment posed difficulties

Challenging macro-economic conditions persist

While inflation and interest rates have started to decline, NamPost's customers remain under pressure against the backdrop of moderating economic growth and ongoing geopolitical uncertainty that continues pushing supply chain costs and disrupting the flow of goods.

These trends also affected NamPost's cost of doing business and financial results, with Group revenue growth limited to a 5% year-on-year increase and profit before tax declining by 8%. Revenue growth was affected by the low growth in the average investment portfolio as deposit mobilisation in a high-interest environment faced hurdles and the continued decline in paper mail. Reduced spending by the Namibian Government, one of the Group's largest customers, on our products and services affected results in the Mail, Logistics and Financial Services business lines.

Excellent growth in non-interest income and an increased contribution from micro-lending was offset by overall growth in the cost base due to the high cost of Savings Bank deposits and transport-related costs.

Higher interest rates generally have a detrimental effect on NamPost's earnings. Unlike commercial banks, NamPost cannot use deposits as low-cost funding for lending activities, which would support higher margins. A significant proportion of our deposits on which we pay interest is wholesale and has shorter maturities than the longer-dated financial investments on which we earn interest income. In a high interest-rate environment, deposits reprice faster at a higher cost than our financial investments, whose interest returns are largely fixed. With the cost of deposits growing faster than the growth in interest revenue, NamPost's net interest margin remained under pressure.

NamPost's Euro-denominated EUR3 million loan is repayable until 2042, which exposes the Group to foreign exchange risk. The domestic currency strengthened against the Euro during the year, resulting in an unrealised foreign exchange gain of N$9 million. Given the long period over which the loan is repayable, the year-on-year foreign exchange movements on the repayments are considered insignificant. NamPost has not deemed it necessary to take out foreign exchange cover on the outstanding foreign loan.

Strategic initiatives driving performance

> Our growing suite of Financial Services digital solutions is increasing customer convenience and growing transaction business

> Consistent implementation of the Financial Services revised pricing model has boosted non-interest income

> Implementing a refined sales strategy on insurance and other Savings Bank products has improved insurance commission and dividend distribution and supported growth in non-interest income

FINANCIAL REVIEW (continued)

Good cost management in a low revenue growth environment

Group revenue increased by 5% to N$1.12 billion (2023: N$1.07 billion), with the Financial Services contribution (including PostFin) increasing to 78% of total revenue (2023: 77%). The contribution of mail-related services reduced to 7% (2023: 8%), while Courier Services and Agency Services maintained their contribution at 13% and 2%, respectively.

Profit before tax declined by 8% to N$58.2 million (2023: N$63.1 million) due predominantly to a 4% increase in Financial Services funding cost in a subdued revenue growth scenario.

Overall operating expenses (including credit loss allowance) increased by 4.5%, below the average CPI for the financial year, with some cost lines exceeding this average. For example, technology and compliance operating costs continued to escalate significantly as the business expands its banking products.

We continue implementing cost management initiatives in the context of the slow revenue growth. The impact of these measures is reflected in the expense-to-income ratio, which remained at 47%.

Capital expenditure increased to N$29 million (2023: N$15 million), with more than 50% spent on replacing IT infrastructure for banking, business and enterprise resource planning (ERP) systems.

In line with our mandate, NamPost continues to create financial value for stakeholders while delivering social impact:

N$87 million

was paid to the government as value-added tax (VAT), income tax, import VAT and pay-as-you-earn contributions

(2023: N$89 million)

N$589 million

was paid to local suppliers for goods and services

(2023: N$667 million)

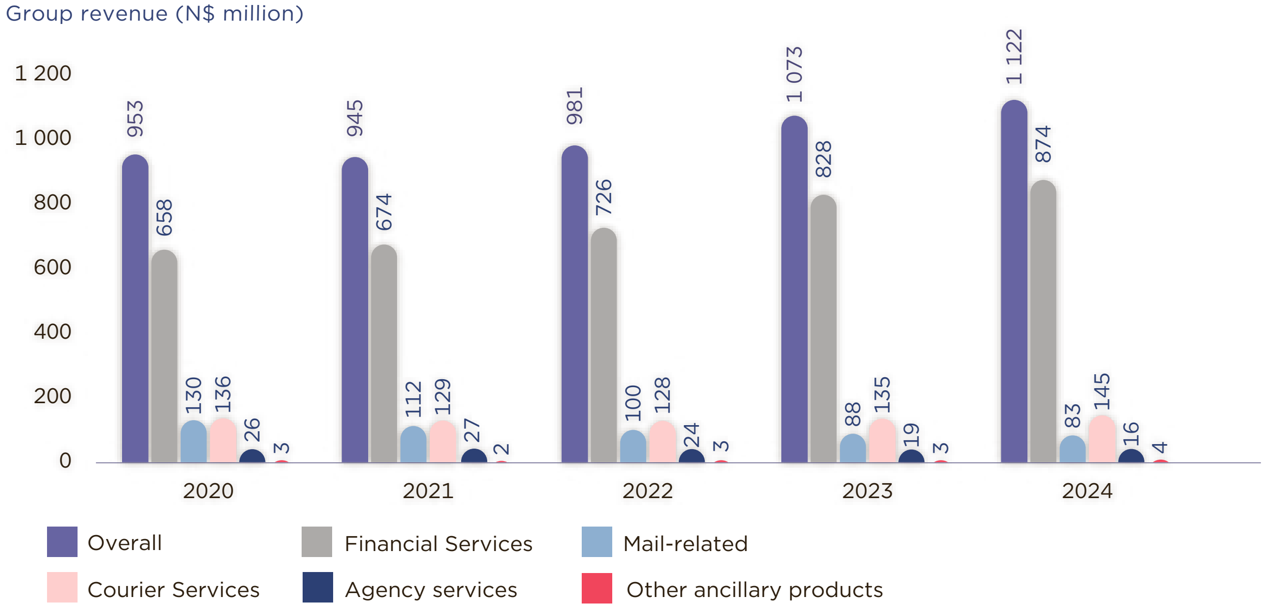
N$317 million

was paid to employees as remuneration and benefits

(2023: N$300 million)

Overall revenue growth was driven by 7% growth in Courier Services and 6% growth in Financial Services, which offset declines of 6% in Mail-related business and 16% in Agency services.

Group revenue (N$ million)



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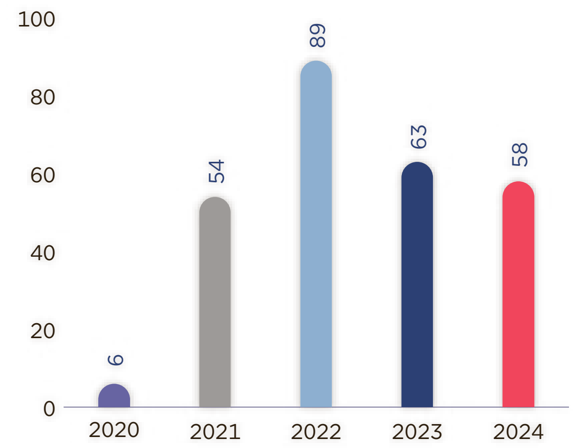
Group profit before tax (N$ million)



Banking and Insurance

Financial Services receives interest income on treasury-related investments, non-interest income and insurance income through our Hollard Insurance Namibia joint venture, which generates commissions and dividends. Revenue increased by 5.6% to N$874 million (2023: N$828 million).

Interest and similar income increased by 3.4% year on year, whereas the cost of funding increased by 4%, which exerted severe pressure on the net interest margin, which decreased to 1.2% (2023: 1.74%). Non-interest income grew by 7% despite not significantly increasing fees during the period. Growth in investment and other income was primarily due to an extra dividend payment from Hollard Insurance Namibia and a release of dormant SmartCard accounts, respectively.

Interest and similar income increased by 3.4% to

N$564 million

(2023: N$545 million)

PostFin revenue increased by 13.2% to

N$143 million

(2023: N$126 million)

Bancassurance commission payments increased by 0.2% to

N$7.32 million

(2023: N$7.30 million)

Transactional (non-interest) income increased by 7.2% to

N$160 million

(2023: N$149 million)

Bancassurance dividend income increased by 20% to

N$19 million

(2023: N$17 million)

PostFin

Revenue increased by 13%, underpinned by the high interest rates and growth in the loan book due to improved sales initiatives. High interest rates benefit net interest income as PostFin's lending rate is linked to the prime rate while the cost of funds remains relatively fixed. However, higher interest rates hurt the loan book's growth by affecting potential customers' affordability and can lead to higher impairments.

PostFin has been funded through NamPost's partnership with the Kreditanstalt für Wiederaufbau (KfW) Development Bank in Germany and the Agence Française de Développement (AFD), with a previous combined funding of €38 million. During the year, KfW extended a further N$406.8 million (€20 million) at a 195 basis points higher cost than the existing KfW loan, increased funding costs. We continue investigating ways to access funding beyond our traditional development funding base.

The gross value of the loan book grew by 7% to N$671 million (2023: N$629 million). PostFin issued 10 271 loans (2023: 9 553) with an average value of N$26 000 (2023: N$22 000). The net impairment rate after recoveries increased slightly to 3.10% (2023: 2.63%), partly owing to the strained economic conditions, but remains well within our tolerance levels.

PostFin profit before tax increased by 31% to N$52.0 million (2022: N$39.7 million) and return on investment increased to 234.5% (2023: 180.1%). ROE was 23.9% based on profit after tax (2023: 22.5%) and 35.4% based on profit before tax (2023: 33.25%). The expenses-to-income ratio improved to 26.7% (2023: 30.2%), with Human Resources costs representing 15.67% of total income (2022: 19.55%).

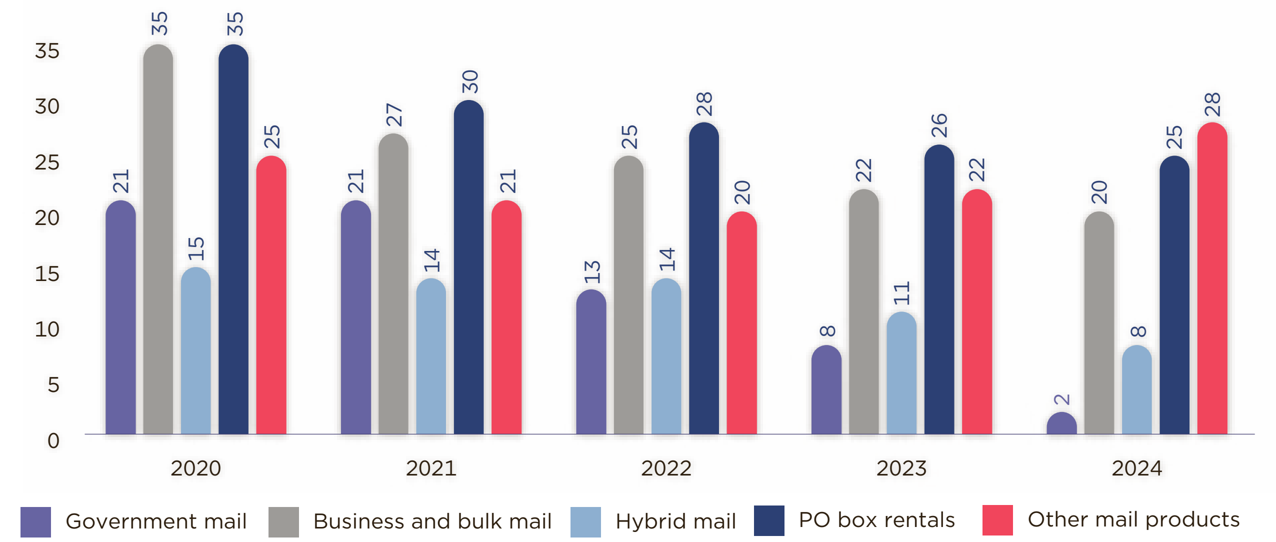
PostFin contributed N$37.1 million (2023: N$30.2 million) in insurance premiums (net of commission) over the past financial year to the NamPost/Hollard Insurance Namibia joint venture.

FINANCIAL REVIEW (continued)

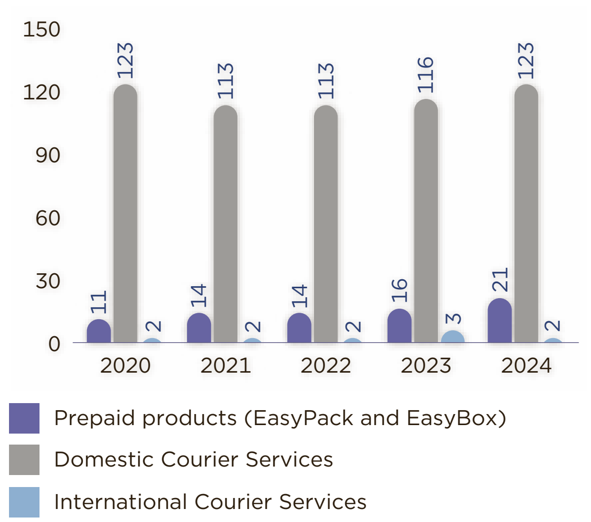
Mail and Logistics

Revenue from mail products (including Philately) declined by 5.3% year-on-year, while Courier Services revenue increased by 7.5% based on annual price adjustments. Profitability continued to be suppressed in a year of unplanned costs, mainly related to higher fuel and higher truck leases. Nonetheless, Courier business permanent improved, from a loss position of N$1 million in the previous year, to a profit of N$5 million, after elimination of internal departmental transfers.

Mail-related revenue (N$ million)



Courier-related revenue (N$ million)

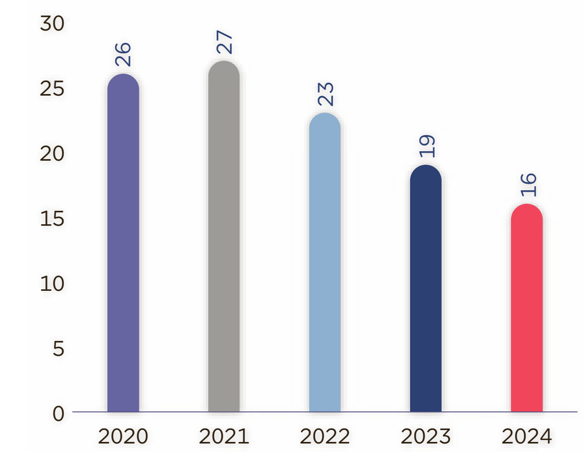


Retail Channel

The Retail Channel manages NamPost's nationwide postal network and serves as a retail distribution platform for all our offerings. It also manages customer service at the post offices, distribution, sales, stock and cash. The Retail Channel carries the cost of this infrastructure, paying a rental fee for post office space and presence. It earns a fee on Group products sold or transacted at the branches and third-party agency sales.

PO box rentals are the Retail Channel's core product and primary revenue driver. PO Box rental revenue declined by 4% year on year (2023: 8.9% decline), and we continue to focus on retention through incentives and adjusting pricing structures. Revenue from postal agency services declined by 15%, primarily caused by a drop in net commission from airtime sales via scratch cards as telecom companies increasingly move to digital options.

Third-party agency revenue (N$ million)



Fees on financial services charges also declined due to the shift to withdrawals at ATMs and new digital channels. However, the retail channel improved its financial performance on the prior year due to two extraordinary items. The first was a project from the Namibian Revenue Agency to print revenue stamps; the second was a writeback on unclaimed money orders. Other performance drivers were a significant increase in sales of prepaid courier products and international dues on e-commerce parcels.

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Balance sheet and cash flow

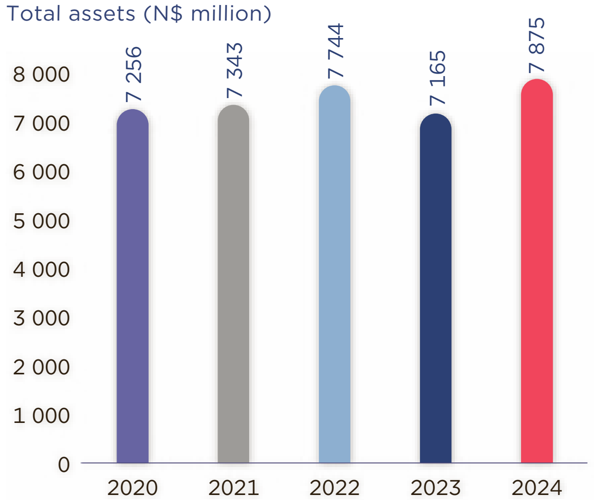
The Group's total assets increased by 9.9% to N$7.9 billion (2023: N$7.2 billion) due to a 7% growth in investments and an increase of 7% in PostFin's loan book. Financial assets are primarily funded from Savings Bank deposits, which grew by 8%. Note that most of the growth in deposits and investments came in the last quarter of the financial year, with average deposits remaining at similar levels to last year's close for the bulk of the period. Thus, although the deposits reflect an increase at year-end, this did not increase interest earned over the entire year.

There were no changes to NamPost's capital structure during the year.

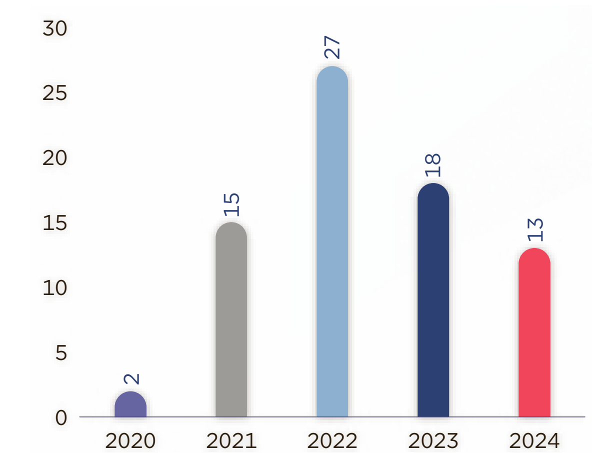
The Group reported a net cash outflow from operating activities of N$268.4 million (2023: N$16.7 million (restated)), mainly contributed by increased purchase of financial assets. About N$29 million was allocated towards capital expenditure.

We actively manage financial risks, including interest rate and liquidity risk. Read more about the governance structure providing oversight from page 59.

Total assets (N$ million)

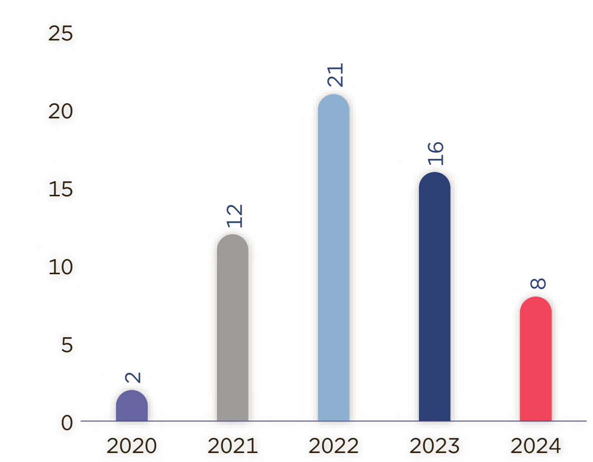


Return on equity (PBT) (%)

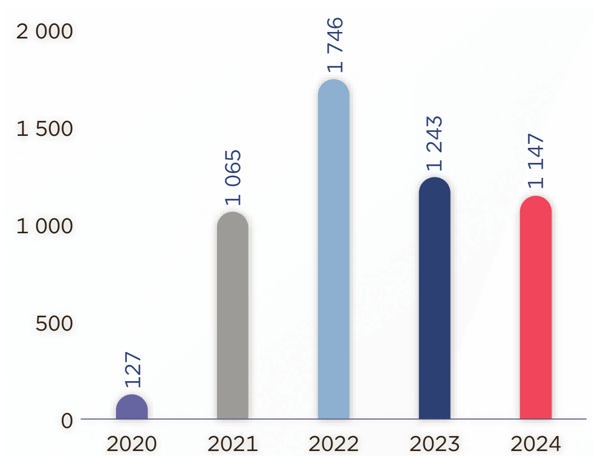


ROE reduced due to the decrease in profit reported for the year and the after-tax positive effect of unrealised fair value adjustments on financial instruments, which increased the equity balance.

Return on equity (PAT) (%)



Return on investment (PBT) (%)



Outlook and priorities

The finance function will continue to support NamPost's strategy by ensuring that sufficient capital is allocated towards strategic projects and assisting business to improve profitability and develop additional revenue streams by:

> Exploring strategic partnerships with fintech companies to diversify product offerings
> Collaborating with stakeholders to formulate strategies for growing the insurance business
> Revising the pricing model across various product lines
> Continuously implementing cost management measures to improve and preserve profit margins
> Firming up the long-term funding strategy for PostFin
> Coordinating with stakeholders on the ongoing dismantling of the Holding Company (NPTH) to ensure the successful transfer of allocated NPTH properties to NamPost over the next six months
> Considering long-term positioning regarding potential economic growth opportunities deriving from green hydrogen, oil and gas

FINANCIAL SERVICES

The launch of the MyNamPost mobile app and online banking platforms means our customers can now transact on their chosen devices and in person at our physical post offices.

Highlights

> Good financial results despite the challenging operating environment

> Launch of the MyNamPost mobile app and online banking platforms

> Achieved a green report from the Financial Intelligence Centre (FIC) for the compliance review

Challenges

> Intense competition with commercial banks and government for funding

> High interest rate environment

> Sustained pressure on customers

> Withdrawals of retail deposits to fund living expenses

Financial services provides various products and services, primarily servicing low-income Namibians, the unbanked and the underbanked. Financial inclusion is an important priority, and NamPost's post offices across the country provide access to financial products and services in many areas where no other financial service providers exist.

Contribution to Group revenue	Revenue growth	Employees	Savings Bank customer satisfaction
78%	5.6%	63	81%
(2023: 77%)	(2023: 14.0%)	(2023: 56)	(2021*: 82%)

Products and services

Savings Bank

The Savings Bank serves individual retail customers with competitive investment products and provides the infrastructure for payments to and from other participants.

The launch of EFT functionality during the year integrates NamPost into the Namibian payments system, making it easier to transfer money into and out of NamPost accounts. In October 2024, NamPost launched the MyNamPost mobile banking app and online banking platforms, enabling customers to access their accounts and transact online from their chosen devices.

Transactional VISA SmartCard

NamPost's VISA SmartCard provides a convenient and secure way for customers to manage their finances and conduct transactions. All pension payments are paid out to VISA SmartCard accounts. Although there was a decrease of 7% in SmartCard holders, transaction volumes increased, which supported the growth in non-interest income.

Insurance

Customers can access funeral cover and SmartLife protection through our insurance and bancassurance joint venture with Hollard Insurance Namibia. We onboarded 41 138 new insurance customers this year, contributing to financial sustainability in a country with low insurance penetration.

Treasury

NamPost offers call, notice and fixed-term deposits to corporate and institutional customers. This is a highly competitive and challenging market.

Performance in 2024

With customers under pressure in the current macroeconomic environment, some are withdrawing savings to meet daily living expenses. There is increasing competition from commercial banks in the mass market value segment, where we traditionally dominated. We have repositioned our sales team while focusing on innovative ways to go to market, leveraging our national post office footprint to limit costs and increase sales.

* Rating from the biannual customer satisfaction survey. 2021 was the most recent previous survey.

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In line with our customer-focused approach, we ensured that our transaction fees remained below those of commercial banks to meet the needs of our target customer groups. We conducted a customer segmentation exercise to improve our ability to provide differentiated products that meet their specific requirements.

Despite the challenging conditions, sales grew well as we could package products to meet the needs of most of the markets we serve, although the treasury business remains under pressure.

We are modernising our call centre to improve customer service and support users of our digital channels. The contact centre technology has been upgraded and employees are being upskilled. The upgrade will be completed during 2025.

Compliance requirements from the Bank of Namibia have increased significantly, increasing compliance workload and associated costs. We are increasing our efforts to educate consumers about responsible and secure financial behaviours. This included a series of articles on budgeting, the vital role of insurance in ensuring financial sustainability, and payment security (available on our website at www.nampost.com.na/news-and-events).

With the focus on launching the new banking channels during the year, the rollout of mobile USSD send money functionality is a priority.

Competition for specialised financial services skills, particularly in compliance and payments, remains intense. As part of our focus on investing in the skills of the future, we enrolled five employees members with the Retail Banking Institute in Ireland to become certified retail bankers. The course has a specific focus on transformation and the future of banking.

Future focus areas

Financial Services will continue to focus on growing revenue and market share by offering products and services that meet the needs of our customers. Priorities in the year ahead include:

> Customer and product segmentation to develop new offerings that will meet customers' needs.

> Expanding our digital channel offerings to better serve our customers and reach the unbanked and underbanked segments.

> Rolling out NamPost's End-User Mortgage Finance Mandate from the Government Institutions Pension Fund (GIPF).

MyNamPost Banking App and Internet Banking

In October 2024, NamPost launched two new digital banking channels, providing customers with convenient real-time access to financial services, in line with NamPost's commitment to bring modern financial services to the people of Namibia, wherever they are.

The new digital platforms aim to meet customers' evolving needs by enabling seamless, 24/7 access to their accounts, including balance inquiries, payments and EFTs.

The new platforms mean NamPost customers no longer need to visit branches to transact. Benefits of the platforms include:

> Real-time access to customers' accounts and the ability to transact from any location

> Lower transaction costs, keeping NamPost's fees among the most affordable in the market

> Enhanced financial inclusion, ensuring that even remote or underserved communities can access banking services on their smartphone or the internet

PostFin

NAMPOST FINANCIAL BROKERS (PTY) LTD

PostFin is a wholly-owned subsidiary of NamPost that provides affordable and responsible micro-lending and financial brokering services. PostFin aims to serve the unbanked and the underbanked by providing micro-loans to low-income and rural households and small enterprises. Target customers include pensioners, government employees, customers employed by companies holding a payroll deduction agreement with PostFin, debit order clients and permanently employed customers with NamPost VISA SmartCards. At the end of the year, 59% of PostFin's active loan accounts belonged to customers in rural areas.

Loan amounts range from N$750 to N$300 000, depending on affordability. We apply stringent loan criteria based on up-to-date, in-depth affordability assessments aligned with our robust credit policy to ensure responsible lending best practices and regulatory compliance and to manage non-performing loans. We treat our customers fairly and have developed an excellent reputation based on our existing customer referrals for new business.

FINANCIAL SERVICES (continued)

PostFin offers Credit Life cover underwritten by Hollard Insurance Namibia that covers customer loan repayments in the event of death. The Micro Plus offering pays out an additional amount to beneficiaries in addition to the loan repayment.

As micro-lending carries higher risk, we regularly update our risk profile management system and report to the Board every quarter to maintain high-risk awareness and mitigation levels.

Performance in 2024

While conditions remain challenging, PostFin delivered a strong financial performance. With consumers under pressure, we see high levels of indebtedness in applications, resulting in increased rejections. We provide information to improve financial literacy in our target market and promote NamPost savings products to help create a habit of saving and escape the debt trap.

We invested in marketing initiatives to raise PostFin's market profile, increased our social media presence and partnered with vehicle dealerships and building material retailers. A new mobile sales unit will be ready for use early in 2025 to travel around the country, providing access to our products outside the NamPost post office network. Brand awareness initiatives will be a strong focus in the year ahead and we will be moving into new office space in the new year, providing an upscale, well-branded location where more affluent customers can also access our products.

We are embarking on a digital journey to improve process efficiencies and make it easier for customers to apply for loans. During the year, we launched an affordable fixed-interest rate product for pensioners to provide certainty around instalments. We continue in our endeavours to diversify our loan book by developing offerings tailored to specific niches, including home loans, vehicle-related personal loans and products tailored for women.

Future focus areas

In the year ahead, PostFin will focus on brand awareness initiatives and improving process efficiencies and customer convenience. Other priorities include:

> Refining PostFin's offerings to target identified customer segments, including products aimed at female clients through our partnership with AfD.
> Finalising our capital raising strategy to diversify our funding base.
> Implementing the first phase under our digitisation strategy to enhance efficiencies and improve customer experience.
> Continue to invest in people through training and development.
> Further diversify the loan book to reduce the risk of overexposure to certain markets.

MAIL AND LOGISTICS

Mail and Logistics offers a range of products and services that connect Namibians and the wider world. We are on a transformative journey to reinvent ourselves to increase customer services through technology and digital improvements.

Highlights

> Streamlined incoming e-commerce processes
> Retained tenders
> Diversified Courier Services into new areas
> Partnered to improve NamPost Digital Solutions offerings

Challenges

> Move away from cash-on-delivery at courier services affected income
> Continued decline in paper mail
> Increased customer cost sensitivity
> Increased customs regulations and procedures

Mail and Logistics consolidates the Group's logistics-related activities in five areas:

> Sorting and distributing physical mail (both domestically and internationally)
> Ensuring compliance with international regulations and procedures (UPU)
> Courier Services
> Managing NamPost's fleet of vehicles
> NamPost Digital Solutions (previously Hybrid Mail)

NamPost Courier is Namibia's largest domestic overnight courier company and offers logistics and supply chain solutions for business and private customers. NamPost Digital Solutions provides a service where customers send their documents electronically or upload their data onto the cloud and NamPost email or print, package and distribute physical documents to their addressees.

Contribution to Group revenue	Revenue growth	Employees	Courier customer satisfaction
20%	**2.2%**	**148**	**88%**
(2023: 21%)	*(2023: -2.2%)*	*(2023: 143)*	*(2021*: 85%)*

Performance in 2024

Mail service

Total mail volumes decreased by 70% year-on-year, further driven by the Namibian government's move away from paper mail. With a large portion of fixed costs, lower revenue directly impacted profitability.

We remain focused on ensuring that we maximise opportunities to facilitate e-commerce deliveries. With customs procedures for incoming mail and packages changing (effective date of change was November 2023), we partnered with an international logistics company to streamline the clearing process for their products and make it more customer friendly. This was partially achieved, but regrettably the partnership volume declines because of aspects beyond our control.

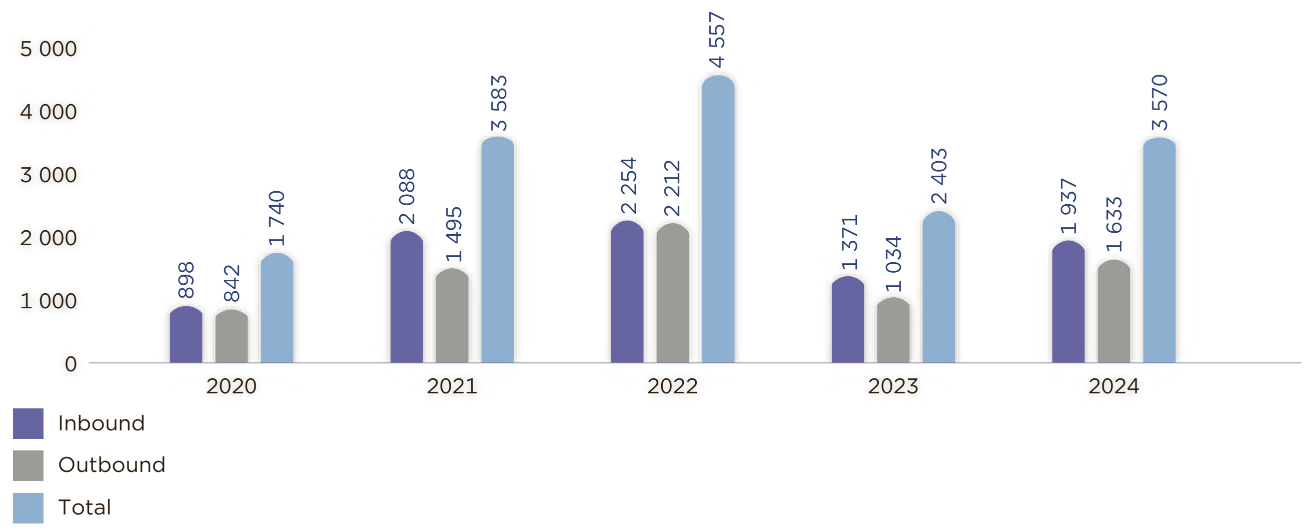
NamPost Digital Solutions partnered with an international provider of print workflow software to improve and offer new services. We are also developing new products and services, such as registered email, that mirror physical registered mail for legal purposes.

International mail continues to face challenges in the region. We are engaging with regional partners to address issues created by using South Africa as the current regional hub for incoming and outgoing international mail. The preference is to transfer mail through other existing African mail hubs (for example Addis Ababa) or directly from Europe wherever possible.

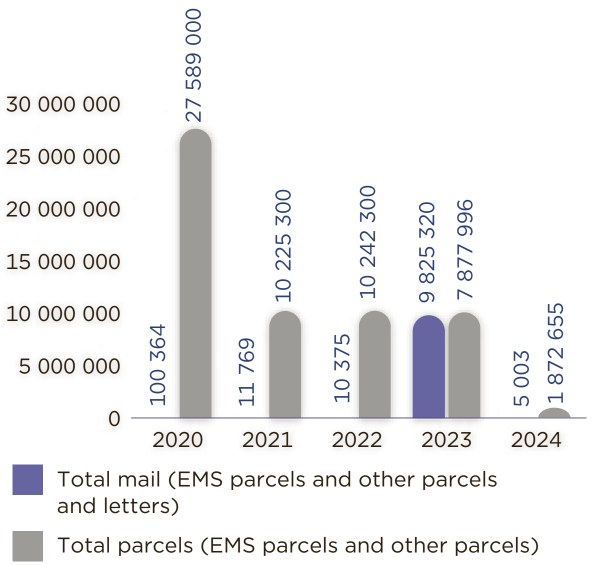
* *Rating from the biannual customer satisfaction survey. 2021 was the most recent previous survey.*

MAIL AND LOGISTICS (continued)

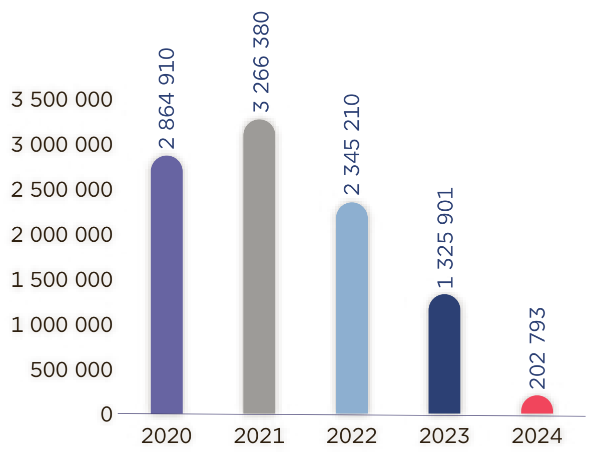
Express mail service parcels handled (Number)



Total mail-related volumes handled (Number)



Government mail volumes (Number)

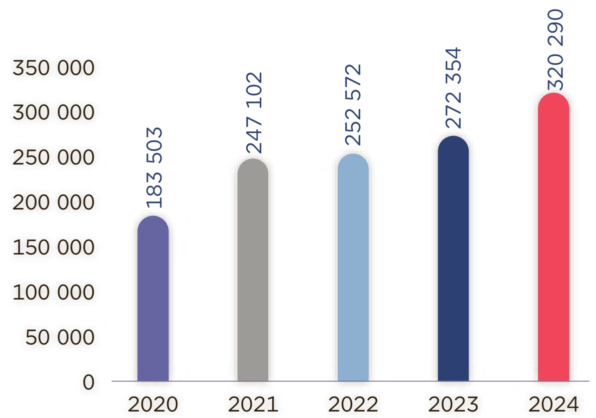


Courier Services

Volumes in Courier Services increased by 9%. We stopped offering cash-on-delivery (COD) courier services on the first of October 2023. While we successfully retained around half of that business in prepaid and accounts, the remainder moved to other service providers.

With NamPost Courier already the largest courier service in Namibia, it is difficult to grow market share significantly in a competitive industry. We are investigating ways to diversify outside our traditional business and successfully won a new tender with a major player in the financial industry.

Prepaid product volumes (Number)



Future focus areas

Although global mail trends and subdued local demand make the prospects of a significant increase in revenue challenging, we will continue to focus on improving efficiencies, reducing costs and developing new products (product diversification both horizontally and vertically) and services, including:

> Further streamlining our processes around e-commerce shipments to increase customer centricity
> Developing new digital mail solutions
> Investigating further opportunities to diversify our offerings into adjacent areas
> Striving for diversification to increase our product and services offerings
> Taking advantage of developments in the oil, gas and green hydrogen industries

RETAIL CHANNEL

NamPost's Retail Channel provides affordable products and services at 136 service points across Namibia. Our post offices are often the only financial service provider in remote areas.

Highlights

> Continued strong uptake of PostPay digital money transfers

> Customer satisfaction performance

Challenges

> Stagnant growth for third-party agency business

> Challenges with the roll-out of the Blind Balance system

> Security and theft at post offices

> Constrained customer purchasing power

Contribution to Group revenue	Revenue growth	Employees	Post office user satisfaction
N/A	N/A	209	82%
		(2023: 211)	*(2021*: 82%)*

Given Namibia's low population and geographic spread, 71 of our post offices are not independently sustainable. However, they have an essential role in communities, serving as retail outlets and providing financial services so low-income customers do not need to incur travel expenses to access these services. Our post offices provide deposit facilities for local government and public sector agencies, saving on cash in transit and bank fees.

There were no post office closures or openings in 2024.

PostPay, our digital money order, continues to experience strong uptake from customers and the wider public. We are investigating ways of expanding points of presence for these money orders and other services through an agency model that partners with retail outlets in rural areas, such as small businesses, supermarkets or service stations.

A mobile retail app that includes digital money order functionality and other solutions relevant to our services is being developed and will be launched in the new year. We upgraded our point-of-sale system to enhance functionality and controls.

We have set up a sales team to help us grow our topline and promote cross-selling within the unit and the broader Group. We are also investigating digital post boxes and digital lockers to target the younger market who do not use traditional post office boxes.

Future focus areas

The Retail Channel will focus on increasing revenue to return the unit to profitability. Initiatives include:

> Exploring new products and services, such as a digital post box and digital lockers aimed at the youth segment

> Increasing fee income from financial services, postal products and agency services

> Launching the mobile retail app

* *Rating from the biannual customer satisfaction survey. 2021 was the most recent previous survey.*

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LEADING BUSINESS TRANSFORMATION

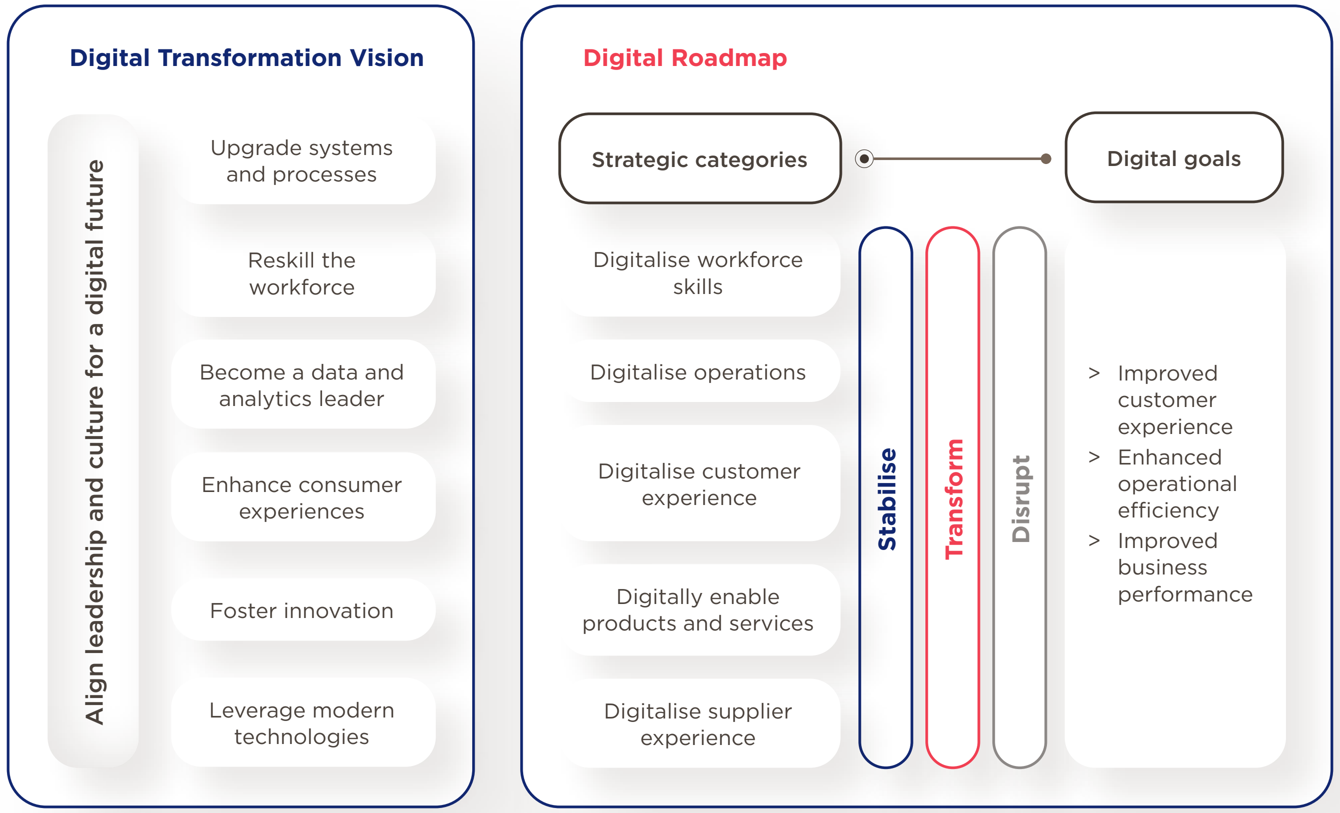
NamPost's business support services support the business units in their ongoing activities and implementation of strategic projects. They include the human resources, marketing, project management, enterprise risk and ICT departments. Support services are focused on cost management and optimising the operating model to increase cost efficiencies and effectiveness.

Our focus during the year was primarily on ensuring the successful launch and operation of banking enhancements, digital banking channels, and the banking infrastructure upgrade. These products were developed in-house over multiple years and consumed significant development and management resources. These resources can now be reallocated to low-hanging fruit in other areas.

Cybersecurity remains an ongoing focus that requires a significant investment in costs and resources, particularly with the shift towards 24/7 operations related to the digital banking channels. Increased regulatory compliance requirements in banking-related products and services remain an ongoing priority.

Project Sky

NamPost officially launched Project Sky as our digital transformation initiative to the public during the year to raise necessary awareness and take our customers on a journey of digital enablement, without alienating our long-standing customers. Project Sky's official slogan is 'Digitally driven', which complements the NamPost corporate slogan 'We deliver more'.



LEADING BUSINESS TRANSFORMATION (continued)

We are extending the ICT infrastructure overhaul to the rest of the Group's systems to continue accelerating the rate of change. This also necessitates cultural transformation in the organisation and there will be a big focus in the new year on increasing the pace of upskilling the workforce.

With mail volumes declining, we are focused on taking advantage of opportunities presented by the growth in e-commerce, international packages and NamPost Digital Solutions. We continue to work with the business units to improve the customer solutions available to improve customer convenience.

Development of our digital mailbox and digital registered mail solutions has taken longer than planned and is now scheduled for the second half of the 2025 financial year.

Future focus areas

In the year ahead, we will continue progressing on our digital transformation journey, focusing on ICT infrastructure upgrades, upskilling employees and aligning the organisational culture. Planned projects include:

> Launching the NamPost Retail app
> Piloting NamPost ATMs in large centres
> Enhancing our PostPay digital money order
> Launching Send-Money functionality in the banking suite
> Enhancing products and services in the retail and logistics business units, including rolling out new management systems in those areas

Business drivers

PROMOTING THE NAMPOST BRAND

NamPost is a proudly Namibian company. As custodians of the brand, we build, protect and promote NamPost to create awareness and drive demand for our products and services for various customer segments.

Highlights

> Concluded the bi-annual Customer Satisfaction Survey for users and non-users of NamPost products and services
> Introduced a qualitative survey with 10 VIP customers across business units as part of the Customer Satisfaction Survey 2024
> Rolled out a media questionnaire in 2024
> Finalised customer segmentation model for each business unit
> Conducted a NamPost Digital Solutions survey

Challenges

> The onerous procurement process impacted deliverables and timelines
> Meeting product sales targets in a tough economy
> Reduced customer disposable income
> Onboarding of two new advertising agencies
> Cost of communication and marketing initiatives against a limited budget

Promoting the NamPost brand and supporting growth

NamPost's brand is a treasured asset that promotes credibility, trustworthiness and customer-centricity among internal and external stakeholders. Employees protect this asset by upholding our values, growing our reputation and ensuring excellent communication with all stakeholders.

Marketing and communication initiatives support all business units by raising NamPost's profile and creating demand for our products and services amongst various customer segments. The Group's strategy is supported through a range of initiatives, such as:

> Branding, marketing and corporate communications
> New business development and product lifecycle management
> Evaluating innovative project ideas
> Conducting product viability studies for selected customer groups
> Researching operational environmental trends locally, in Africa and internationally
> Implementing quarterly Mystery Shopper surveys
> Conducting media analysis
> Strengthening media stakeholder relationships
> Conducting customer segmentation research and identifying strategic next steps
> Implementing the customer and stakeholder engagement plan for the department
> Overseeing CSI and sponsorship initiatives

New product development

NamPost's Product Development and Review Committee has a standard procedure for introducing new products and services to reduce risk across the organisation and ensure that newly introduced products are profitable and meet market demand. The committee also oversees removing obsolete products and services from the market. Proposed new products and services are tabled to the committee for recommendation to the Executive Committee (Exco). Once approved by Exco, they are registered as official projects and introduced into the market, overseen by the Project Management Office.

The committee prioritises identifying innovative products and services satisfying customer needs to continue NamPost's transformation.

PROMOTING THE NAMPOST BRAND (continued)

Customer segmentation and understanding stakeholder perceptions

A customer segmentation research project for each business unit to assist them in developing revenue growth strategies for targeted products. The research project was based on research on market trends and competitive behaviour.

Our Mystery Shopper programme is an effective tool to measure customer satisfaction by directly observing evidence of customer service and getting feedback on how customers perceive our brand and service. The programme continued in 2024, highlighting operational issues, customer service and brand-related improvements and areas that need more focus. It also provides a way to benchmark customer service across our locations. Results in 2024 showed a pleasing improvement in cross selling techniques and product knowledge. When we started the programme in 2020, cross-selling was at a low of 1% and has now increased to 12%. Overall customer satisfaction over this period increased from 75% to 85%. This initiative will continue in 2025.

2024 stakeholder satisfaction and perception survey

A customer and stakeholder satisfaction and perception survey were conducted from March to May 2024, which included 1 801 engagements with customers of the business units and members of the public as well as the media. The survey aimed to solicit feedback on the core issues important to the organisation, identify areas for improvement and provide direct feedback from customers, helping us understand their preferences, needs and expectations.

The overall mean score for the NamPost corporate image was 75%, with the highest category scores for customer-centricity (81%) and reliability (79%). Satisfaction with overall service delivery increased to 85% from 81% in the 2021 survey, with Courier Services and NamPost Digital Solutions improving to 88% and 91%, respectively, while the rating for Post Office services remained unchanged at 82% and Treasury/Savings Bank declined by 1% to 81%.

Net promoter scores, an indicator of customer loyalty and satisfaction, followed a similar trend, increasing for Courier Services and NamPost Digital Solutions but declining for Post Office users and Treasury/Savings Bank. Overall Net Promoter Score improved from 21 in the 2021 survey to 30 in 2024.

A separate qualitative survey was conducted, which entailed nine in-depth interviews with key NamPost customers of the Courier Services, NamPost Digital Solutions Mail and Treasury business units. The key customers interviewed showed high loyalty, satisfaction and net promotor scores.

	Net promoter	Loyalty*	Satisfaction*
Courier Services	+100%	8.8	7.6
NamPost Digital Solutions	+100%	9.5	9.5
Treasury	+100%	10	9.5

* *Scores out of 10*

Key customers scored NamPost at 8 out of 10 or above for financial stability, corporate governance, sustainability, customer centricity and leadership. Areas for improvement identified included modernity (5.9), vibrancy/youthfulness (6.0) and corporate citizenship (no rating).

The surveys provided a wealth of insight into customers' perceptions, needs and expectations, as well as those of the public and the media. While we were pleased with the improvements in several areas, the feedback provided valuable information on areas we need to improve, which are being incorporated into our business plans to ensure these are addressed.

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Awards and recognition

We are delighted to report that NamPost's products and services were publicly recognised in several awards this year.

PMRafrica Diamond Arrow Award for Courier Services for the 13th consecutive year

PMRafrica Diamond Arrow Award for a company/ institution doing the most to accommodate and enhance the interests of the elderly/ senior citizens for the sixth consecutive year

Gold Award for **Best Indoor Stand** at the **Windhoek Agricultural Show**

Best of Namibia 2024: Winner for **Best Courier Services**

Windhoek Express Follower's Choice Award: **NamPost Courier**

Our brand and business development priorities

Brand and marketing focus areas for the year ahead include:

> The roll-out of a corporate campaign to lay the foundation for new financial services products to be launched in the second quarter of the new financial year
> Revamping the company website to align with the new strategy and to provide more emphasis on financial services
> Support business units to achieve sales targets
> Tracking customer centricity through our Mystery Shopper Programme
> Continued media engagement for relationship building and to promote the NamPost products and services

OUR PEOPLE

Our Employee Value Proposition (EVP) Strategy is starting to bear fruit. Successful implementation of our EVP during the year and our emphasis on employee engagement saw a pleasing improvement in the employee engagement survey results.

Our employee profile

NamPost Group (number)	2020	2021	2022	2023	2024
Management	53	55	53	47	**61**
Bargaining unit	547	578	513	667	**638**
Total	600	633	566	714	**699**

Previously disadvantaged employees
99.3%
(2023: 98.5%)

Female employees
57%
(2023: 51.3%)

Employee with a disability
1
(2023: 1 employee)

The NamPost Employee Value Proposition

The NamPost EVP aims to ensure we can attract and retain the top talent we need to achieve our goals and position NamPost as an employer of choice. It is an ecosystem of support, recognition and values that helps employees achieve their full potential.

Financial
> Competitive salary
> Performance bonus
> Other benefits

Employment
> Career growth
> Employee recognition rewards
> Work-life balance
> Open communication
> Leadership development
> Strong career path

Work environment
> Flexible working hours
> Work-life balance
> Performance recognition
> Safe working environment for all
> Approachable leaders
> Teams with a voice
> Onboarding of new employees

Culture
> Trust and collaboration
> Team support
> Innovative
> Inclusive
> Engaged employees
> Concise policies
> Flexible customer processes

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NamPost's culture

NamPost's people and culture are the foundation of our success and essential to providing excellent customer service, achieving our strategy and strengthening the trust and loyalty that underpin our brand. We aim to create a work environment where employees thrive and do meaningful work to improve employee experience and engagement. The NamPost values (page 4) define the standards of behaviour we expect from our people and are at the core of our culture.

During the year, we conducted an engagement survey to provide employees with an opportunity to provide their opinions on NamPost's employee practices and culture. The survey showed that employee engagement improved from 62% in the previous survey conducted in 2022 to 72% in 2024.

The employees' voices from the survey are captured in the table below.

Theme 1	**Areas of assessment**	**Our people speak**
Our People	I feel I am paid fairly for the work I do.	Salary benchmark to ensure competitiveness. Continuous employee recognition and awards. While there is a strong understanding of the company's core values, there are challenges in the application, especially at different employment levels.
Theme 2	**Areas of assessment**	**Our people speak**
Our Practices (Ways of Working)	Training and development opportunities and career growth.	Enhance career development opportunities. Many employees feel stuck in their current positions without clear pathways for career advancement. Develop a strategy to integrate long-serving Fixed Term Workers. Promote gender equality and balance in the courier division.
Theme 3	**Areas of assessment**	**Our people speak**
Our Workplace (Working Environment)	There are sufficient procedures to ensure the safety of employees in the workplace.	Provide adequate personal protective equipment. Develop a replacement plan for old furniture across all post offices.
	I am treated fairly in my workplace.	Staff at branch level feel neglected by leadership. Enhance communication.
	The people I work with care about my personal well-being.	Improve mental health programmes
	My work environment supports a balance between work and personal life.	Employees feel overworked and stressed. Implement flexible working arrangements.
Theme 4	**Areas of assessment**	**Our people speak**
Culture Change Enablers	Decentralise the transformation agenda.	Improve staff involvement in action planning and execution of the transformation interventions/ strategies.

OUR PEOPLE (continued)

Human resource strategy focus areas

Employee wellness

NamPost's employee wellness programme, in partnership with Walvis Bay Corridor Group, targets employee mental health, workplace health check-ups and referrals.

Health and safety

Our health and safety programme aims to prevent harm to employees from accidents, illnesses and potential hazards. This helps to reduce medical costs, enhances productivity, and supports employee health and quality of life.

Skills development

The Training Policy allows employees to access interest-free loans from the company to further their studies.

Improving performance

Our performance management process follows a structured approach that includes performance contracting, monitoring through mid-year reviews and evaluation at the end of the financial year. Although we made good progress with performance contracting this year, developing appropriate measures and aligning scorecards to the NamPost strategy at lower levels remains challenging.

Recruiting in focus areas

Significant strides have been made in the past year to focus our recruitment efforts on positions aligned with NamPost's strategic objectives in recognition that the quality of the services we provide ultimately depends on the quality of our employees. We have prioritised filling roles in compliance and payment systems to maintain operation efficiency in the changing financial services industry. We also made substantial progress in promoting the NamPost EVP, which has decreased the number of rejected job offers, establishing NamPost as an employer of choice.

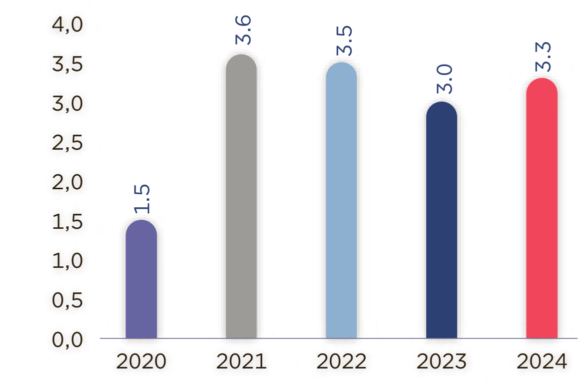
Training and development

Content for training related to specific NamPost policies and procedures is developed in-house and delivered by accredited internal trainers for postal services, financial and courier qualifications approved by the Namibia Qualifications Authority. Other training is provided by external service providers.

This year's training focused on preparing employees for the launch of the enhanced electronic fund transfer functionality, online and mobile banking platforms, and financial services compliance training. Other training included Procurement and Industry Regulatory Risk.

Number of people trained	2023	2024
Anti-Money Laundering	51	63
Product knowledge	21	263
System training	300	3
Management development	10	3
Other training programmes	127	58

Training spend (N$ million)



Competitive remuneration and benefits

NamPost endeavours to maintain good relations with employees and labour representatives to foster an equitable and mutually beneficial relationship. Fair and competitive salaries support a positive work environment, employee loyalty and overall organisational success. Our approach to remuneration aims to reward employees for their contribution and incentivise good performance.

Annual salary and benefit increases consider inflation and rising living costs to ensure employees can maintain their standard of living. For the FY2024/2025 year, salaries increased by 5%, the housing allowance increased by 3%, and the transport allowance increased from N$1 271 to N$1 321 per month for bargaining unit employees.

Outlook and priorities

In the year ahead, our initiatives to support the NamPost strategy and position the organisation as an Employer of Choice will include:

Strategic Initiatives Activities

Skills development for future talent needs

Align job descriptions and profiles to business needs and skills requirements in line with the transformation agenda. This will help the company to identify targeted upskilling and development initiatives in support of our employees.

Rightsizing of the mail business

To ensure that the mail business is sufficiently capacitated, and that employees are optimally deployed.

Implement culture change initiatives

Implement Culture Change initiatives in line with the culture survey results. Aligning a positive company culture with evolving employees' expectations will ensure that NamPost fosters trust and engagement.

RESPONSIBLE BUSINESS PRACTICES

NamPost's values exhort us to uphold ethical behaviour, take ownership of our actions and care for those around us. These values sit at the core of our commitment to responsible business practices that enhance our positive impacts on Namibian society while minimising our environmental impacts.

Our positive social impact (page 5) includes promoting social and financial inclusion for Namibians by providing connection points across the county where people can send and receive mail and parcels, access products and services, and complete financial transactions. More than 51 of our post offices are in communities with no other financial services provider. Many of these post offices are loss-making, but we continue to operate them to ensure these communities have access to financial and other services.

NamPost provides jobs for 699 Namibians who receive fair and competitive salaries and benefits.

Environmental responsibility

NamPost's Environmental Risk Management Policy shows our commitment to environmentally responsible business practices. It requires that we benchmark our environmental footprint and find ways to reduce energy use and emissions. The Mail and Logistics business unit has the most significant potential environmental impact through our motor vehicle fleet's emissions and other impacts. Fuel for our logistic operations represents our primary cost driver, and measures to improve fuel efficiency support financial sustainability and reduce emissions.

We lease our vehicles under full maintenance contracts, which ensures that vehicles are regularly serviced to ensure efficient operation and safety. All new fleet models comply with Euro 5-star efficiency and we aim to match the most efficient to each route and optimise routes. Trucks are replaced within three and a half years to ensure they remain efficient and environmentally appropriate.

Other initiatives to reduce our environmental impact include:

> Cameras and biometric starter technology on large trucks improve long-route efficiency.
> Our fleet home base fuel station is environmentally compliant and uses only biodegradable cleaning products.
> Our Windhoek Mail & Logistics warehouse has an 85kW solar installation and we updated the inverters on the installation during the year. This resulted in a significant reduction in grid electricity usage.
> We promote and practice recycling and have created an organisation-wide three-year recycling partnership.

Supporting communities in need

NamPost's corporate social investment programme makes a social contribution to Namibian communities with a focus on three areas:

> Education and skills development in line with the NamPost business
> Enhancing living standards
> Fostering strategic partnerships to achieve more significant social goals

Our Corporate Social Responsibility (CSR) Policy supports our value of care. The policy aims to:

> Complement the Namibian Government's efforts of socio-economic upliftment
> Build relationships with communities in which we operate
> Support the realisation of our strategic objectives
> Develop activities based on our corporate philosophy and positively contribute to society
> Enhance the NamPost image by establishing a corporate brand identity that aligns with the welfare of the people

NamPost's total investment in CSR initiatives during the year was N$719 336. Projects supported included:

Bank Windhoek Cancer Apple Project: We continued our 24-year partnership with the Bank Windhoek Cancer Apple Project. The project is run with the Cancer Association of Namibia to raise funds for cancer screening, financial assistance to vulnerable patients and palliative care support. NamPost provided transport through the Mail & Logistics Business Unit valued at N$500 000 for the apples to reach every part of Namibia, where Bank Windhoek distributed them to clients and supporters of the project.

Miss Namibia sponsorship: NamPost's Mail & Logistics Business Unit provided transport valued at N$150 000 for the Namibian Broadcasting Corporation (NBC) to move event production equipment from Windhoek to Lüderitz for the Miss Namibia and Miss Teen competition. In return, NamPost received exposure valued at N$98 492 to promote our products and services at the live television broadcast of the crowning ceremonies, reaching an audience of 1.6 million on television and radio services, and over 100 000 on the nbcPlus platform.

Education support: NamPost contributed to the educational advancement in the Otjozondjupa Region by donating two high-end projectors valued at N$22 310 to Coblenz Combined School and Donatus Secondary School, the most improved schools recognised in the Ministry of Education Regional Academic Awards.

Sport sponsorships: NamPost sponsored Mokganedi Tlhabanello High School with soccer and netball kit, and Mail and Logistics sponsored the Harders Cup soccer tournament in Lüderitz.

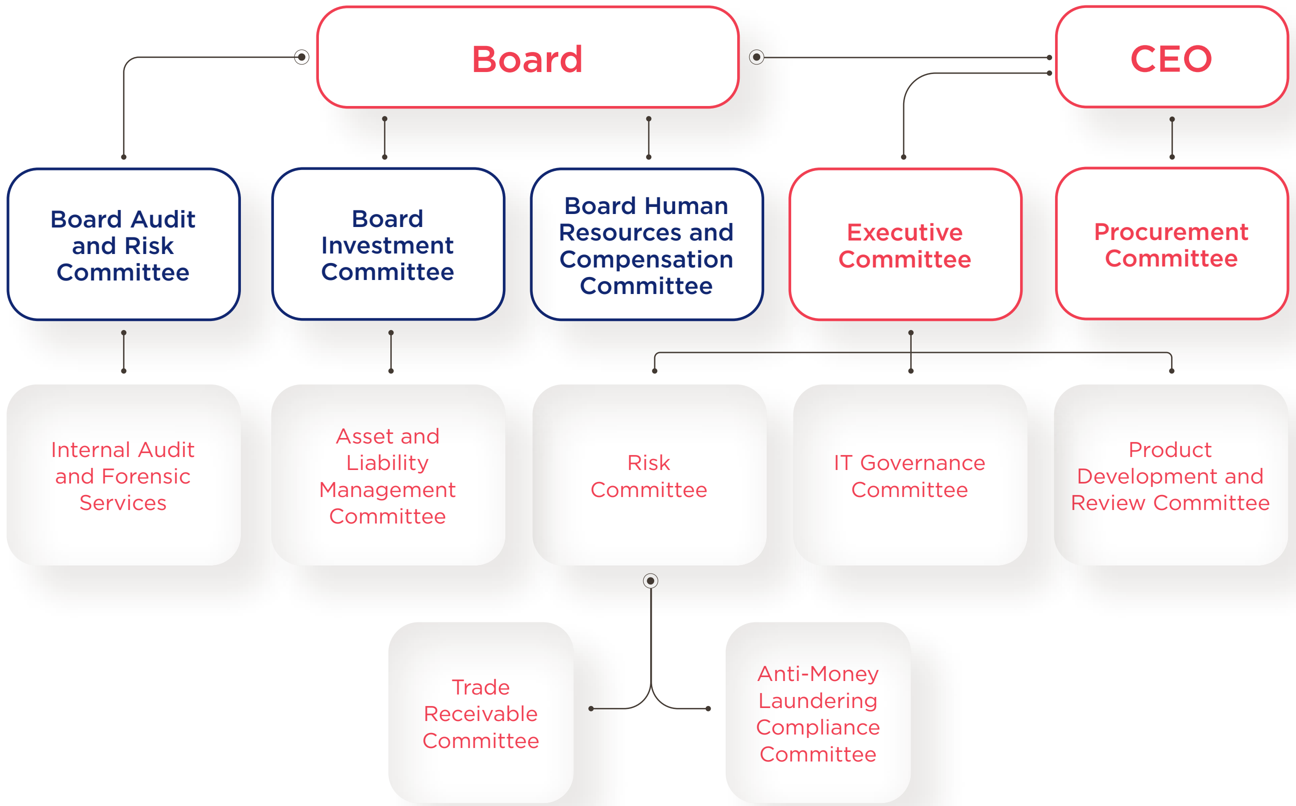
Other support: The Financial Services business unit sponsored the Endola Festival and Retail Channel supported the University of Namibia Awards ceremony.

Governance, compliance and risk

GOVERNANCE

The Board is accountable to NamPost's shareholder for creating and delivering sustainable financial performance and long-term shareholder value. The skills, experience and diversity of the Board uphold our principles of good governance.

Governance structure



GOVERNANCE (continued)

Embedding good governance in our day-to-day operations

The Board is accountable to its shareholder, NPTH, for creating and delivering sustainable financial performance and long-term shareholder value. The Board aims to maximise shared value creation by delivering on our purpose and ensuring the relevance and sustainability of the NamPost business model. This is achieved by monitoring the macro-environment, the availability and quality of capital inputs, and stakeholder needs.

The Board holds annual strategic planning sessions to review progress against the five-year strategic plan and oversee the development of the annual business and financial plan and the company scorecard. The strategy and its underlying strategic objectives support the Group in delivering its financial targets within a good governance framework.

Board focus areas in 2024

The substantive term of the current Board ended in April 2024. The NPTH Board, with the concurrence of the Ministry of Finance and Public Enterprises, extended the Board's term for a further ten months. The prescribed governance and performance agreements between the NamPost Board and its shareholder, NPTH, remain in force, individually and collectively. When the current Board was first appointed, NamPost conducted in-depth induction sessions premised on adopting the good corporate governance practices and guidelines of King IV. However, we continue to report against the NamCode.

The Board provided oversight during the year, holding meetings at least quarterly and when necessary. During these meetings, the Board considered key strategic areas, monitored progress in implementing the annual operating and financial plan, oversaw the financial services expansion strategy, reviewed the postal agency model and considered a NamPost Group reporting and operational model.

The Board approved the revised five-year Integrated Strategic Business Plan 2022 – 2027, in conformance to the Public Enterprise Governance Act, 2019, on 28 June 2024, as well as the Annual Operating and Financial Plan 2024/25, annual tariff/fee/rate increases 2024/25. Several Board development initiatives were held during the year, most notably in the area of cybersecurity.

Other key items considered by the Board:

> Board Audit and Risk Committee ICT advisor contract extension

> Executive contract renewals

> PostFin AGM

Policies revised and approved:

> Code of Conduct and Business Ethics

> Performance Management System Policy and Reward Procedure

> Recruitment and Selection Policy

> Project Management Office Governance Framework

> Dividend Policy

> Credit Card Policy

> Fixed Asset Policy

> Bank and Cash Policy

> Financial Delegation of Authority

Division of responsibilities

The Board comprises five independent non-executive directors, appointed by NPTH. Directors are appointed for three years and generally do not serve for more than two consecutive terms. The current Board's tenure began in May 2021.

The Chairperson and CEO have distinct roles to ensure a balance of power and responsibility. No individual has unfettered decision-making powers or the ability to dominate the Board's decisions.

The Board's duties and the Exco's day-to-day duties and implementation of the Board's mandate are separate and distinct.

The Board is satisfied that it executed its mandate and responsibilities in accordance with our Board Charter, which was reviewed in September 2023 and will be reviewed in the coming year. The Board's various Committee charters are due for review in 2025. We are confident the Board and its respective committees discharged their fiduciary duties in good faith, with due diligence and care, and in the best interests of NamPost and its stakeholders.

The Board represents a good set of core experience and skills, and we will assess any potential gaps as we move forward.

Current Chairperson
Dr Simeon Amunkete

Key responsibilities:
> The Chairperson leads the Board in effectively discharging its mandate

Current independent non-executive directors
Leezhel Sartorius Von Bach, Fillemon Katoma, James A Cumming, Martha Shingenge

Key responsibilities:
> Ensuring leadership within a framework of effective controls
> Setting NamPost's strategic direction and approving the strategy
> Considering the impact of decisions and NamPost's responsibilities to all stakeholders

CEO
Festus F Hangula

Key responsibilities:
> Leading and overseeing Exco and is responsible for the day-to-day management of NamPost. This includes formulating and implementing strategy as well as Board-approved actions

Executive Committee
Ekonia Mudjanima, Deon Claasen, Berlindi van Eck, Michael Feldmann, Eldorette Harmse, Benjamin Jakobs, Batsirai Pfigirai, Jorn Schnoor and Mbo Luvindao, Willem Mouton and Komao Ndjarakana

Key responsibilities:
> The Exco assists the CEO in the overall leadership and management of NamPost. More details are available on page 64

Company Secretary
Eldorette Harmse

Key responsibilities:
> Acts as secretary to the Board and its committees
> Accountable to the Board to ensure its processes and corporate governance practices are followed

All directors have access to the Company Secretary's advice and services. Directors also have access to independent professional advice at the company's expense where relevant to their duties. The Board considers its arrangements effective for accessing professional corporate governance services.

More information about the directors and executives is available on pages 28 to 31.

Board diversity

The Affirmative Action (Employment) Act, 1998 (Act 29 of 1998), outlined by Namibia's Employment Equity Commission, dictates and assesses our employment of previously racially disadvantaged people and women. The Department of Labour annually certifies our affirmative action. The NamPost Board is represented by two female directors and three male directors, and has 90% Employment Equity representation.

Ethical leadership

Governing and managing our code of ethics

NamPost's values are incorporated into the Code of Conduct and Business Ethics. The Board sets the ethical tone for the Group and, with the management team, is committed to the highest standards of openness, probity and accountability. The Board Conflict of Interest Policy was revised in September 2022 to incorporate minor amendments per the latest best practices.

We have a zero-tolerance approach towards fraud and the updated Whistleblower Policy lays out whistleblowers' rights. We encourage employees and others with serious concerns about any aspect of the company's work to communicate those concerns through our independently managed anonymous whistle-blowing hotline.

Fraud risk assessments, in line with the Board-approved Fraud Risk Management Framework, were conducted in the 2022/23 financial year for the revenue-generating business units and two of the five service units. During the year under review, assessments were carried out for the remaining support units, namely Legal, Governance and Compliance, and Marketing. The fraud risk assessment produced fraud risk registers for each department and potential key fraud risk areas were identified to strengthen controls in response to the risks.

During the year, NamPost established the Insurance Committee, a management committee reporting to the Risk Committee. The committee was established to address the short-term need to strengthen fraud controls around insurance claims and remedial actions to address control weaknesses.

We conduct due diligence on all our commercial suppliers. The declaration of interest is a standing item at every Board meeting.

Governing and managing stakeholder relationships

The Board recognises the importance of good relationships with its shareholder and all stakeholders.

The Chairperson, CEO and Executive Finance hold quarterly sessions and regular additional engagements with NPTH to provide updates on finance, governance and strategy. The Chairperson ensures the Board appreciates the shareholder's views on NamPost's strategy. At the statutory annual general meeting (AGM), the company's external auditor is present to address any questions the shareholder may have. It is standard practice to invite the Minister of Public Enterprises to the AGM as a platform to address any pertinent matters regarding company performance. The Minister oversees all commercial public enterprises and has a direct bearing on the country's economic outlook.

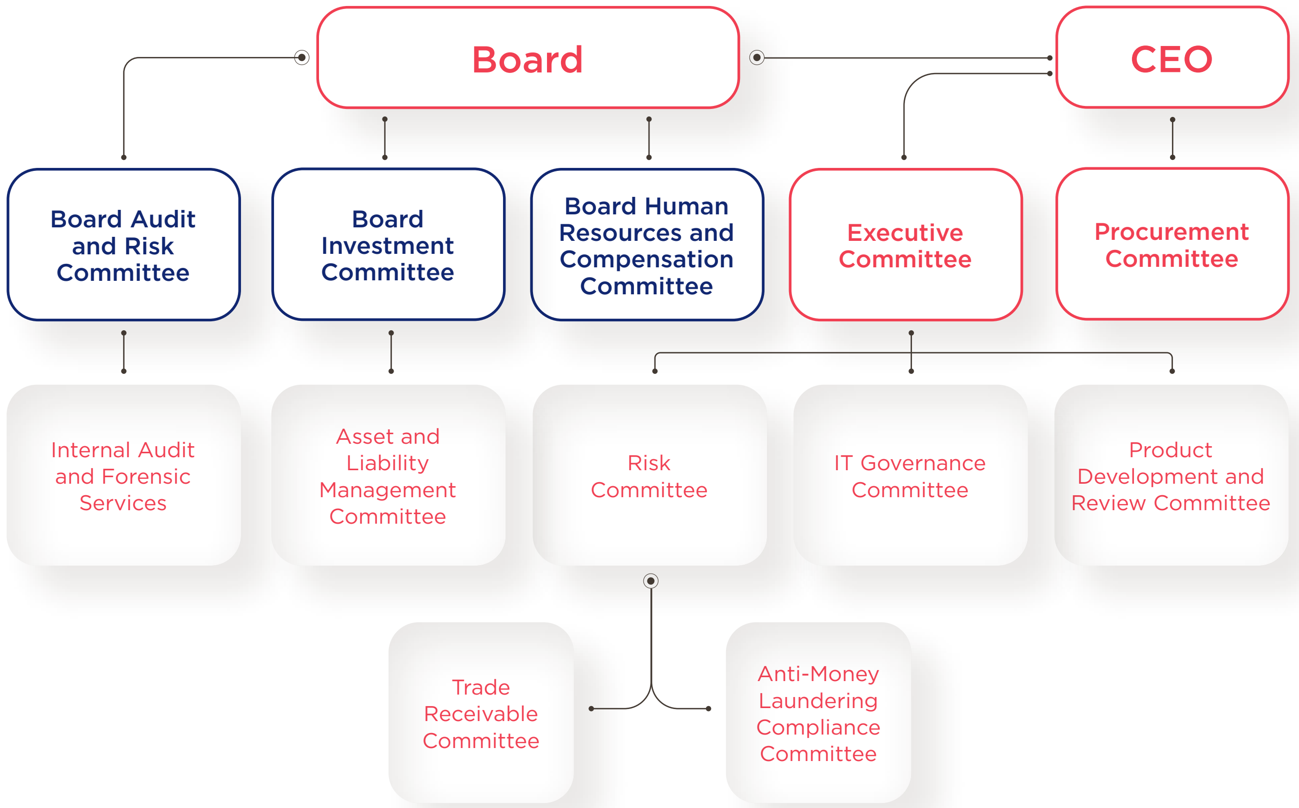
GOVERNANCE (continued)

Board committees

Delegation of authority

Our Board is supported by three committees and has delegated specific responsibilities to them. These include the Board Audit and Risk Committee (BARC), the Board Human Resources and Compensation Committee (HRCC), and the Board Investment Committee (BIC). A brief description of the terms of the committees is set out on page 63.

The Chairperson sets the Board's agenda, ensures directors receive accurate, timely and precise information, and promotes effective relationships and open communication between directors. At the discretion of the Board or relevant committee, executives and/or senior management are invited to attend meetings and make presentations on developments and results in their business areas.



Meeting attendance

Ordinary Board and committee meetings are held quarterly and extraordinary Board meetings are held as required. The CEO, Executive Finance and Company Secretary are standing invitees to Board meetings. During the year, the following meetings were held with attendance as shown in the table:

Member attendance	Board	BARC	HRCC	BIC
Meetings held	4	4	4	4
Dr Simeon Lasarus Nangolo Amunkete (Chairperson)	4		4	
Leezhel Sartorius Von Bach (Deputy Chairperson)	4		4	4
Martha Shuutheni Shingenge	4	3	4	
Fillemon Ndangi Katoma	3	2		2
James Arthur Cumming	4	4		4

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Board-level governance responsibilities and focus areas

Board	BARC	HRCC	BIC
> SLN Amunkete CC > L Sartorius Von Bach DC > MS Shingenge > FN Katoma > JA Cumming	> MS Shingenge CC > FN Katoma > JA Cumming	> L Sartorius Von Bach CC > SLN Amunkete > MS Shingenge	> JA Cumming CC > FN Katoma > L Sartorius Von Bach
The Board is responsible for NamPost's long-term success and for ensuring leadership within a framework of effective controls. It sets NamPost's strategic direction and approves the strategy. It considers the impact of its decisions on, and its responsibilities to, all stakeholders, including the shareholder.	In accordance with identified risks, the BARC assists the Board with oversight and review of financial, risk, ICT, audit and internal control issues. BARC strategically monitors aspects of financial management, as well as financial policies, technology, enterprise-wide risk management and assurance functions.	The HRCC deals with strategic aspects of human capital management and alignment of the operational structure to NamPost's strategic intent. In accordance with its terms of reference, it assists the Board in overseeing and reviewing the remuneration and incentive schemes and organisational alignment. The HRCC meets at least biannually.	The BIC primarily monitors and oversees Savings Bank funds' investment and manages related risks, including liquidity, credit and market risk. It assists the Board in its oversight responsibilities relating to managing the mix of the company's asset and liability portfolios, the maturity structure and market-related risks.
Five-year focus areas: > Enhance shareholder value > Increase focus on customer centricity > Enhance operational effectiveness > Measure and manage business risks > Enhance human capital and culture effectiveness	**2024 focus areas:** > Drafting and implementation of required governance frameworks, i.e. PMO and compliance > Compliance with all relevant accounting standards **Future focus areas:** > Technology and cyber risk > Compliance	**2024 focus areas:** > Organisation-wide HR structure alignment with new operating model > Review and amendment of HR policies in line with best practices **Future focus areas:** > Embedding the new HR structure > Review and amendment of HR policies in line with best practices	**2024 focus areas:** > Revision of Treasury Policy > Portfolio Risk Management **Future focus areas:** > Compliance with Treasury Policy > Prudent cost-of-funds management > Portfolio Risk Management

Key
CC Committee Chairperson
DC Deputy Chairperson

GOVERNANCE (continued)

Management level responsibilities

Executive Committee (Exco)	Procurement Committee	Asset and Liability Management Committee (ALCO)
> FF Hangula CC > M Feldmann > EC Harmse > B Pfigirai > D Claasen > E Mundjamina > J Schnoor > B van Eck > B Jakobs > R Eiman > M Luvindao	> W Mouton CC > EC Harmse DC > B Pfigirai (Financial Advisor) > B Jakobs (Alternate Member) > B Van Eck (Alternate Member) > M Feldmann (Member) > T Mwashekele (Secretariat)	> FF Hangula CC > D Claasen > B Pfigirai > C Klazen > J Mouton > S Felix
The Exco Charter sets out the purpose of the Exco, which is to: > Assist the CEO in the overall leadership and management of NamPost to execute its mandate and fulfil the company's strategic objectives > Act as a medium of communication and coordination between business units, departments and the Board > Determine matters or make recommendations to the CEO and, through the CEO, make recommendations to the Board regarding the direction and operations of NamPost and progress made on strategic objectives > Individually and as a committee, support the CEO to lead, direct, coordinate and control NamPost's operations and performance in accordance with the policies, strategy and plans approved by the Board	The committee is vested with the responsibility to ensure compliance with the rules governing the procurement of all goods and services as set out in the Public Procurement Act, 2015, Public Procurement Policy and the company's Financial Delegation of Authority.	The ALCO is a standing committee responsible for monitoring the implementation of the Treasury Policy and reviewing NamPost's assets and liabilities. The ALCO reports to the BIC and ensures that BIC directives are implemented and adhered to.

Key
CC Committee Chairperson
DC Deputy Chairperson

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Management level responsibilities (continued)

Risk Committee (Exco sub-committee)	Product Development and Review Committee (Exco sub-committee)	IT Governance Committee (Exco sub-committee)
> W Mouton CC > M Feldman DC > D Claasen > EC Harmse > B Pfigirai > K Kahorongo > C Nikanor > J Drotsky > A Kauatuuapehi > J Mouton > R Muranda > C Viljoen > G Christ > G Groenewaldt > G van Wyk > K Mbuende	> B van Eck CC > D Claasen DC > M Hendriks (Legal) > G Sezuni (Finance) > C Viljoen (ICT) > A Kauatuuapehi (Compliance) > E Mudjanima (HR) > K Kahorongo (Enterprise Risk) > B Jakobs (Retail) > G Groenewaldt (Marketing and Communications) > M Feldmann (Mail and Logistics) > J Mouton (Financial Services)	> W Mouton CC > J Schnoor > D Claasen > J Mouton > B Jakobs > M Feldman > B Pfigirai > EC Harmse
The Risk Committee assists the Exco in fulfilling its management responsibilities to: > Identify, assess, measure, manage, monitor and report on all risk areas > Make recommendations to Exco on its findings > Ensure coordination of activity among Exco subcommittees > Ensure that controls, processes, procedures and systems deployed are within NamPost's risk appetite and the requirements of the regulatory authorities > Ensure an adequate risk-averse culture is adopted throughout NamPost by providing the relevant company-wide awareness and relevant training > Act as the central point for all risk enforcement in the organisation	The committee evaluates and makes recommendations to the Exco regarding its review of: > Proposed new products and services to ensure that these are profitable and meet market demand. > Obsolete products and services, and their removal from the market. > Monitor new product financial performance against projected targets as per the business case.	The IT Governance Committee is responsible for: > Review and recommend ICT controls and procedures necessary to deal with the NamPost cyber threat landscape and operational efficiency. > Ensure specific, measurable, attainable, reliable and time-bound strategies are implemented to prevent known and potential ICT breaches and system weaknesses. > Review the integrity of NamPost ICT systems and operational control to ensure legal and regulatory compliance. > Review NamPost ICT resource capacity to support business operations and strategic project development. > Advice Exco on pertinent ICT developments and organisation cyber security.

Key
CC Committee Chairperson
DC Deputy Chairperson

COMPLIANCE

Overview of arrangements for governing and managing compliance

NamPost is committed to the highest standards of integrity, professionalism and ethical behaviour. We strive to fully comply with applicable laws, regulations, regulatory directives and guidelines. The combined assurance model incorporates and optimises all assurance services and functions to enable an effective control environment and support the integrity of information used for internal decision-making by management and the Board.

NamPost's Compliance Division is mandated to provide independent assurance of compliance with laws, regulations, frameworks and policies to the Board of Directors and executive management. The unit assists in managing key regulatory relationships and provides specialist advisory and compliance risk management services to the respective business units within the company. Oversight and reporting are provided to the relevant governance forums.

Anti-money laundering

NamPost is an Accountable Institution as designated by the Financial Intelligence Act (Act 13 of 2012). NamPost consistently reviews its governance and policy framework to ensure compliance with the legislation. To address weaknesses raised in Namibia's ESAAMLG/FATF Mutual Evaluation Report, key regulatory amendments were made to the Financial Intelligence Act and to further align the Act with FATF Recommendations. NamPost swiftly amended its processes, policies and procedures to embed the changes to the regulatory requirements. At the same time, NamPost implemented automated compliance management tools, including the transactional monitoring tool and the sanctions and Prominent Influential Persons screening tool.

CRAN postal licence

NamPost received a CRAN postal licence in 2020, which replaced the previous postal licence under the provisions of the Post and Telecommunications Companies Establishment Act 17 of 1992. The CRAN licence confers certain rights on NamPost while adding legal requirements. Government acknowledges that NamPost is largely self-regulating and therefore the requirements focus on consumer-driven issues. To this end, NamPost successfully implemented a customer interface portal dedicated to suggestions, complaints, queries and resolutions. Our efforts towards CRAN licence compliance are ongoing and are subject to internal audit reviews.

PSD 6 Authorisation

During the 2023/2024 financial year, the Bank of Namibia approved NamPost's application to launch digital financial services channels, which promote NamPost's financial inclusion objectives and enhance service delivery to our customers. The digital channels include the introduction of internet banking and a banking app. As these are an extension of the current smartcard product, authorisation was provided under NamPost's current PSD 6 licence. The Compliance Division is focused on ensuring compliance with the authorisation conditions. These include compliance with the provisions of Determination of Operational and Cybersecurity Standards within the National Payment System (PSD-12) and all other relevant laws of the Bank of Namibia.

Key areas of focus

The compliance mandate remains focused on aligning with NamPost's objectives and strategy. We will take an integrated approach to implementing the company's compliance framework to achieve this. This involves ensuring that the compliance methodology, policies, procedures and training programs are developed and relevant to continuously improve efficiency and effectiveness. Key priorities include improving compliance risk management and control methodologies, measurement and processes by applying international best practices and standards.

RISK MANAGEMENT

NamPost strives to embed risk management into all its functions and business processes. This enables us to be agile and pivot into innovative products and services to ensure that the business is sustainable, key risks are mitigated, and new opportunities are exploited.

Highlights

> The launch of the digital platforms (the EFT and the online banking platforms)

> Established the Insurance Committee to bolster fraud controls at NamPost

> A Business Continuity Plan for the CEO/COO has been developed, signed off and tested

> PSD 12 Key Risk Indicators incorporated under the Risk Appetite policy

> The Trade Receivables Committee managed debtors' days below target

> The Enterprise Risk Management (ERM) Framework was fully implemented at NamPost

> PostFin started to align with the ERM Framework

Challenges

> Maintaining morale and assisting colleagues dealing with wellness issues

> Demand for ICT resources to support both operations and implementation of strategic projects

> Delayed replacement of old banking infrastructure

> Anti-money laundering requirements from the FIC to obtain beneficial ownership information for our customers

NamPost's Enterprise Risk Management (ERM) process

1. Risks are identified, assessed and collated into risk registers through established processes
2. Risk registers are presented at the bi-monthly risk management committee meetings with updated risk mitigation action plans
3. A monthly summary of consolidated risks is submitted to the Exco
4. The ERM Department provides an Exco-approved consolidated quarterly risk report and register to the BARC. These include changes in the level or nature of the risks faced by NamPost, developments in risk management, strategic risks, operational events, project risks and any emerging risks
5. The Board, assisted by the BARC, does a comprehensive annual review of the Risk Management Framework and registers

RISK MANAGEMENT (continued)

Executive Committee

Risk Management Committee
The Exco principal risk owners and the respective Risk Management Champions report to the Risk Management Committee, which ensures that risk awareness and management are instilled at an operational level

Trade Receivables Committee (TRC)
Focuses on debt recoveries due to increased credit risk arising from the weak macro-economic environment

AML Compliance Sub-committee
Focuses on the regulatory requirements of the Financial Intelligence Act, Act 13 of 2012 (FIA)

ICT Governance Committee
Ensures that ICT planning, policy and operations align with NamPost's strategic objectives. Oversees ICT Governance, ensuring that the strategic objectives of NamPost are not jeopardised by ICT failure

The Risk, Compliance and Internal Audit Departments work closely to ensure a combined assurance model where additional controls are implemented to mitigate risks.

The NamPost ERM Framework guides all aspects of risk management, including governance structures, policies, procedures and controls. It is reviewed every second year by the Board. Policies include the Operational Risk Policy and the Risk Appetite Policy.

The Board is accountable for risk management. It oversees the implementation of the ERM Framework with the support of the BARC and the BIC. The BIC focuses on NamPost asset and liability management-related risks. The Executive ERM and Executive Finance are standing invitees to all ordinary BIC meetings and support the committee in discharging its asset and liability risk-related duties.

The Board mandates that **Exco** implements the ERM Framework. Exco is supported by the Risk Management Committee (see diagram above). Exco members are appointed as principal risk owners.

The **ERM** Department is responsible for consolidated risk reporting, policy implementation, facilitation and coordination of the risk management and risk governance processes.

The Executive ERM, Executive Finance, Executive Internal Audit and external auditors are standing invitees to all ordinary **BARC** meetings. They support the committee in discharging its risk-related duties.

The combined assurance model ensures that risk management and controls are effective. Internal Audit provides independent assurance over the adequacy and effectiveness of risk management controls, processes and practices.

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ERM framework and implementation

NamPost's ERM Framework, which is based on the Committee of Sponsoring Organisations (COSO) of the Treadway Commission principles, provides a detailed set of principles to enable risk identification, measurement, management and control. The Framework was fully implemented in 2024, and PostFin started to implement its ERM Framework with the assistance of NamPost's risk management team.

Operational Risk Policy

The ERM Framework forms the basis for business policies and procedures that must be ascribed to or adhered to. We have implemented an Operational Risk Policy at the enterprise level, which looks at key risk indicators across systems, people, processes and external events.

Systems

As part of the risk mitigation strategy, we initiated a project to enhance WRE, our post office retail system, to strengthen the control environment. The WRE project is 90% completed and will be finalised early in the new financial year. With the introduction of the Banking App and EFT for Financial Services, NamPost facilitates transactions in an interoperable environment. Risk exposure is explored and structured in a calculated manner to ensure that the control environment is stable.

People

We aim to ensure that skills and training are aligned with systems and processes that support NamPost's business unit structure. During the year, training included ICT governance for some Board members and Exco.

Processes

Risk management explores the alignment of processes with new systems. Process enhancements are underway to align with system upgrades, overhauls or system introductions.

External events

The reporting requirements for the FIC were reduced from 15 days to three, which significantly impacted NamPost's internal processes and system requirements to comply.

Risk Appetite Framework and Policy

The Risk Appetite Framework is reviewed every second year. There were no changes made this year. The framework sets out the governance responsibilities and enables NamPost to operate within defined parameters for principal risks, which are then monitored and measured by financial and non-financial metrics.

NamPost is in the process of formalising the risk appetite statements for the Group's principal risks. The risk appetite threshold has been implemented for Credit and Liquidity Risk. Implementation for all principal risks across the business units is in progress and is being prioritised. Full implementation of the Risk Appetite and Thresholds is planned for the 2025 financial year.

Liquidity coverage

Banks usually own non-current (long-term) assets that are difficult to liquidate at short notice, exposing them to liquidity risk. NamPost is not a commercial bank and does not own these assets. We have a high-quality portfolio of non-current assets that can be liquidated quickly. This means that some non-current assets are more liquid than current assets.

Basel III states, "The liquidity coverage ratio ensures financial institutions have the necessary assets to reduce short-term liquidity disruptions. 30-day Liquidity Coverage Ratio (LCR) must be greater than 100%." NamPost's LCR has been consistently above this threshold, reporting LCR of 228.88% (2023: 292.23%).

RISK MANAGEMENT (continued)

Key risks and opportunities

Our key risks and opportunities are reviewed quarterly by Exco and facilitated by the Executive ERM. Each element has an owner and is ranked in terms of inherent and residual risk.

Nature of the risk/ opportunity	Context and sources	How we mitigate risk/use opportunity	Residual risk rating	Related strategic objective
Financial Stability Risk Inability to attain Profitability	External factors	Implement cost saving initiatives and assist business units to fast track the implementation of key strategic projects to enhance revenue growth	Medium	Financial stability
Regulatory Risk Risk of non-compliance to regulatory requirement resulting in fines and penalties from regulators. (CRAN, Bank of Namibia Namfisa, FIC)	External factors	Identification of high-risk legislations in collaboration with business units Continue to develop Compliance Risk Managements Plans (CRMP's) for high-risk legislation Continue with quarterly stakeholder engagement Continue to monitor government gazettes to ensure change in legislations that impact NamPost is timeously identified and affected business units are informed	Medium	Customer centricity
Fraud and Theft (Internal and External) Fraud, theft and misappropriation of cash, stock, assets by employees and other third parties e.g. heist of cash in transit, burglary, theft of stock, theft of cash	Internal factors	Enforce Policies and Procedures Enhance management oversight and procedures	Medium	Business transformation
People Risk Inadequate Performance culture to achieve NamPost strategic objectives	Internal factors	Ensure all staff members have well defined job descriptions Identify training needs and ensure training courses are attended as planned Ensure on the job training and skills transfer's is regularly done	Medium	Financial sustainability High performance culture
Digitalisation and Innovation Risk The risk of NamPost business becoming outdated and not meeting future client needs. The risk of slow adoption of digitalisation impacting business growth	External factors	Implementation of NamPost Digital Strategy – Project formally adopted and implementation started Ensure financial and human resources are adequately availed to strategic projects Project Steering (Steerco) Committee has visibility of human resources availability for all prioritised projects and ERM ensure risk of resources is raised and mitigation strategies are in place Change management for each project addressed individually by the Change Advisory Board and Steerco	Medium	Business transformation
Technology Risk The risk of NamPost Key Systems having high failure rate and or poor stability	External factors	Replacement of old banking infrastructure Implement and improved IT infrastructure Hire properly skilled staff / individuals to ensure knowledge is in place to support all NamPost critical systems	Medium	Business transformation
Shareholder Satisfaction Risk The uncertainties and threats that may arise from the actions or inactions of NamPost stakeholders, or from the external factors that may affect NamPost Operations	External factors	Maintain Stakeholder engagement plan and execute as planned. Regularly Assess Stakeholders' expectation Prioritise Open Communication with key stakeholders	Medium	Financial sustainability
Health & Safety Risk Lack of awareness of Environmental, Health and Safety laws and regulations impacting the wellness of the staff and productivity	Internal factors	Training of Safety representatives and Fire marshals Implement regular Fire Drills Continue stakeholder engagement on Health & Safety and IR matters – Stakeholders engagements started	Low	Customer centricity High performance culture
PostFin Funding and Capital Structure Risk Current funding structure is not sustainable which can threaten future growth in the medium to long term	External factors	Revise PostFin capital structure and implement strategic funding alternatives that ensures long term funding sustainability	Medium	Financial sustainability
Government & Political interference Risk of direct or indirect interference in the running of the business negative impacting financial performance and the operations of the business		Maintain Stakeholder engagement plan and execute as planned Regularly Assess Stakeholders' expectation Prioritise Open Communication	Low	Financial sustainability

Future focus areas

To ensure NamPost's sustainability and the successful implementation of our strategy, the risk management future focus areas are:

> Implementing operational risk incident reporting
> Focusing on environmental risk management initiatives
> Implementing risk appetite thresholds for all principal risks
> Implementing the Environmental Risk Management Policy and Framework
> Strengthening ICT Governance and risk reporting
> Third-party risk and supply chain disruption risk management

INTERNAL AUDIT AND FORENSIC SERVICES

Internal audit provides assurance to the Board and management by reviewing and reporting on the effectiveness of NamPost's operating control environment. This helps to ensure appropriate risk mitigation controls, regulatory compliance and protection of business assets. Forensic investigations gathers evidence when there is a suspicion of fraud for potential consequence management.

Internal audit structure and processes

The Internal Audit Department comprises two divisions.

Internal Audit Department

Auditing

Helps to strengthen the organisation's ability to create, protect and sustain value by providing the board and management with independent, risk based and objective assurance, advice, insight and foresight. The BARC approves the annual risk-based Internal Audit Plan.

Forensic Services (Inspectorate and investigations)

Conducts inspections and investigations to assist NamPost in identifying and combating fraud.

Internal audit monitors the effectiveness of the control environment with critical findings and non-compliances reported at risk meetings, management meetings and to the BARC. In line with NamPost's value of Accountability, the CEO emphasises the importance of resolving audit findings and addressing audit queries.

In the current environment of rapid change to embed digital transformation, internal audit has an important advisory role to assist management to make business continuity and risk mitigation decisions.

NamPost is working towards developing a formal combined assurance framework to minimise duplication of efforts between the various lines of defence in the control environment.

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Audit focus areas 2024

Internal audit performed reviews during the year across the areas listed below.

Human resources

- Salary increases
- Disciplinary process
- Performance bonuses payments
- Appointments and terminations

Mail and Logistics

- Courier claims
- Fuel management and administration process

Information Technology

- Information technology general controls on SAP and Traderoot

Financial Services

- Banking server migration
- EFT and digital channels pre-launch audit to ensure the integrity of information and compliance with Bank of Namibia requirements
- Compliance with the Financial Intelligence Act (FIA)
- Inspection of financial assets

The results of the audits showed that there remain opportunities for improvement in the control environment as not all controls mitigating key risk exposures were adequate or functioning as intended. However, there was an improvement in the resolution of audit findings compared to the previous year. Follow-up audits are performed yearly to assess whether management implemented the controls recommended to improve the control environment. The status of open audit findings is reported to the BARC quarterly.

Future focus areas

The annual internal audit plan considers NamPost's strategic direction and the company's key risks. We also reviewed areas of emphasis in the business units, industry trends, emerging technology issues, and the external environment.

Audits in the year ahead will focus on the following themes:

- Cybersecurity and data security
- Business continuity, operational resilience, crisis management and disaster recovery
- Human capital, diversity, talent management and retention
- Financial liquidity and insolvency risks
- Fraud, bribery and the exploitation of economic disruption
- Compliance risk management
- Integrated enterprise risk management and monitoring

Forensic Services (Inspectorate and investigations)

NamPost implements appropriate prevention and detection controls aligned with our zero-tolerance approach to fraud, corruption and bribery. Forensic services investigates and follows up on allegations of fraud and unethical behaviour, and provides recommendations based on control environment assessments. Surprise Post Office inspections are also conducted as a proactive fraud deterrence mechanism.

The Fraud Risk Management Framework and the Fraud Risk Management Policy guide activities. The Fraud Risk Management Programme includes:

- Governance framework and relevant policies
- Fraud training and awareness
- Fraud risk assessments
- Forensic audits
- Investigations
- Corrective action recommendations

INTERNAL AUDIT AND FORENSIC SERVICES (continued)

Fraud awareness initiatives include training, fraud surveys and whistleblowing awareness campaigns. During the year, we distributed posters to post offices in all regions to encourage disclosures of fraudulent and unethical behaviour, posted whistleblowing information on the website and included information about the facility on screensavers for all computers on NamPost's network.

During the year, fraud risk assessments were conducted for the Legal, Governance and Compliance, and Marketing support units. This follows assessments of the previous financial year's revenue-generating business units and other service units.

Forensic focus areas 2024

> Designing and implementing fraud prevention and detection controls to identify and close gaps before fraud occurs.
> Fraud risk management training and awareness
> Monitoring and evaluating the Fraud Risk Management Programme
> Responding to legal notices from government entities and the courts requesting information on individuals being investigated
> Conducting independent inspections at post offices to establish compliance with approved procedures and to ensure cash and stock are correctly accounted for and safeguarded.
> Carrying out forensic audits, which inform and influence the areas identified for review by internal audit. Forensic services performs monthly follow-up reviews for each control weakness identified to ensure that all improvement actions have been addressed.

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ICT GOVERNANCE

The BARC oversees and enables ICT governance structures and implementation. The Executive: Technology implements approved frameworks, security policies and procedures and is responsible for overseeing and managing relevant support teams. NamPost adheres to a Technology Risk Governance Framework.

ICT Risk and Governance

NamPost's ICT Risk and Governance Framework is aligned with the ERM Framework. The internal enterprise risk management system, together with ICT risk systems, processes and controls, is used to assess, mitigate, monitor and control all ICT risks, audit findings, actions and responsibilities.

The ICT Risk and Governance Framework

Based on

> Control Objectives for Information and Related Technology (COBIT and ISO 27000)
> King IV™
> Information Technology Infrastructure Library (ITIL)
> Payment Card Industry Data Security Standard (PCI-DSS) certification
> US National Institute of Standards and Technology (NIST) criteria

Determines controls for:

> Privileged user access control
> Cybersecurity management
> Network access control
> ICT Change & Incident Management
> ITIL-based service management
> COBIT and ISO 27000-based governance

The Technology Framework aligns with King IV™ and the ERM Framework.

BARC and the Executive: Technology ensure the effectiveness of the ICT Risk and Governance Framework through internal and external assurance processes. These include regular external security audits, technical assurance and audits to confirm that adequate internal processes are in place to protect NamPost's assets.

The NamPost ICT (Information and Communication Technology) Governance Committee is responsible for providing strategic direction and oversight for an organisation's use of information and communication technology. Within NamPost, the committee's primary responsibilities typically include:

1. **Developing and implementing ICT strategies:** Aligning ICT strategies with the organisation's overall mission, vision, and objectives.
2. **Setting ICT policies and standards:** Establishing and maintaining policies, procedures, and standards for the use of ICT within the organisation.
3. **Overseeing ICT projects and initiatives:** Providing guidance and oversight for ICT projects, ensuring they are aligned with organisational objectives and are delivered on time, within budget, and to the required quality standards.
4. **Managing ICT risks:** Identifying, assessing, and mitigating ICT-related risks, such as cybersecurity threats, data breaches, and system downtime.
5. **Ensuring compliance with regulations and laws:** Ensuring the organisation's ICT systems and practices comply with relevant laws, regulations, and industry standards, such as data protection, privacy, and accessibility.
6. **Allocating ICT resources:** Overseeing the allocation of ICT resources, including budget, personnel, and infrastructure.
7. **Monitoring ICT performance:** Tracking and evaluating the performance of ICT systems, services, and projects, and identifying areas for improvement.
8. **Providing guidance on ICT architecture:** Ensuring the organisation's ICT architecture is aligned with its overall business strategy and is flexible, scalable, and secure.
9. **Ensuring business continuity and disaster recovery:** Developing and implementing plans to ensure business continuity and disaster recovery in the event of ICT system failures or disruptions.
10. **Staying up-to-date with emerging technologies and trends:** Keeping informed about new and emerging technologies, and assessing their potential impact on the organisation's ICT systems and services.

ICT GOVERNANCE (continued)

The ICT Governance Committee consists of senior executives and representatives from various departments, including IT, finance, risk management, and compliance. The committee's composition and responsibilities may vary depending on the organisation's size, industry, and specific needs.

During the year, NamPost appointed a senior resource as an independent cybersecurity analyst to enforce separation of duties and improve related controls, significantly raising the stature of ICT governance and cybersecurity in the Group. This includes the appointment of a Team Lead ICT Governance Risk & Compliance to formalise the role and strengthen oversight.

Digital transformation

The Technology Department has a critical role in the digital and business transformation of NamPost to achieve the Group's strategy. NamPost's ICT vision is to create a single digital ecosystem where NamPost customers can access all their information in one central place replacing the traditional physical mailbox. Digital transformation includes digitisation of other services such as Banking, Online Banking and digital Retail Applications. Digital customer onboarding and digital payments further enhance NamPost customers interaction.

We support digital transformation by:

- Improving business efficiencies based on sound business requirements
- Automating operational back-office tasks to reduce costs
- Optimising business processes using digital platforms and principles
- Supporting business continuity for the business units and Shared Services
- Developing and implementing new products and services

Our digital transformation vision:

- Become a data and analytics leader
- Enhance consumer experiences
- Foster innovation
- Leverage modern technologies
- Upgrade systems and processes
- Reskill the workforce

For the past few years, NamPost focused on developing and implementing strategic objectives and the required governance and compliance structures. With these now successfully implemented and in place, focus has shifted to enhancing operations and infrastructure support.

Significant progress was made along NamPost's digital transformation roadmap from a technology point of view, although further effort is required to ensure the Group's workforce keeps up with the rapid pace of technological change.

During the past year, NamPost launched several digital products and services under development for several years, including EFT, the mobile banking app and online banking platform. As a result, ICT's role has expanded to provide round-the-clock support for these channels and systems and to ensure ongoing compliance with regulatory requirements.

NamPost Technology continues to develop the Group's MIS/business information resources to enhance the ability to measure and monitor productivity and profitability, focusing on improving data quality throughout the system.

2024 focus areas

Cybersecurity

NamPost ICT aims to continually improve cybersecurity and ensure it remains top-of-mind for all management and employees. The department conducts weekly cybersecurity awareness sessions on general ICT, cybersecurity threats and personal behaviour regarding possible cyber risks. The Board, BARC, Exco and senior managers participate in regular cybersecurity risk reporting.

NamPost have made good progress in raising awareness around cybersecurity to embed the principle that safe behaviour is the first and most important protection against cyberattacks. Cybersecurity remains the responsibility of all, since every part of the organisation represents potential areas for compromise.

Ensuring regulatory compliance

With the launch of the digital banking channels, the scope of compliance under PCI-DSS[1] has expanded significantly. NamPost currently holds a valid PCI-DSS 3.2.1 certification for its payment card environment.

With the formalisation of Bank of Namibia's PSD-12 and NamPost's recent launch of the digital banking channels, the scope of compliance under PCI-DSS1 has expanded significantly. The extended scope impacts not only internal controls within Financial Services and ICT, it also impacts NamPost branch network greatly.

During second quarter 2025, NamPost intends to formalise the necessary roadmap for PCI-DSS 4.0 for all business and support units.

New infrastructure for the banking platforms was implemented to enable always-on compliance with national financial solutions required by the Bank of Namibia. The ICT Risk and Governance framework needs updating and aligning with the latest compliance requirements and functionality.

During the year, NamPost implemented a disaster recovery plan that meets the recovery requirements of the regulator.

More stringent regulation and compliance requirements from local regulatory bodies are expected.

New products and services

Following the success of the digital banking channels and PostPay, the digital money order, NamPost ICT continues to work on developing exciting new digital products and services. Traditional postal products still have a place, as long as these speak to digital platforms. Potential new products include a retail app for the post office that enables digital money orders and a cloud-based, fully secure digital mailbox that creates a single point of contact where customers can find our products and related services.

Other convenient services will also available via the latest Retail Mobile application to be launched 2025.

Future focus areas

In addition to providing ongoing support for business, key focus areas for the year ahead include:

- Key focus for 2025 is the formalisation of the PCI-DSS 4.0 roadmap and conclusion of PCI-DSS 3.2.1 re-certification for the payment card environment
- Enhancing capabilities in the post office network by introducing latest printing functionalities
- Introducing digital customer onboarding at post offices using biometrics
- Rolling out SD-WAN across all post offices to align with the PSD 12 including always-on VPN requirements and improve on-site monitoring
- Launching the NamPost Retail Mobile App
- Introducing an integrated ATM network
- Implementing central bank-related objectives Open Banking and UPI/IPP
- Formally launch digital mailbox for existing and new customers
- Aligning information risk management with new Bank of Namibia requirements
- Expanding governance, risk and compliance functions
- Implementing formalised 24/7 customer care centre
- Expand existing CCTV networks
- Formalising BI or MIS via enhancements for improved business management
- Internal automation of specific business functions
- Replacing various business applications to improve customer experience
- Electronic user forms – internal use
- Reviewing the ICT Governance Framework
- Datacentre replacement/refresh
- PAX A35 point-of-sale rollout
- Refreshing the ERP system and integration platforms
- Continued cybersecurity training and awareness throughout company.

[1] *Certification under Payment Card Industry Data Security Standards (PCI-DSS) is required for participation in the National Payment System (NPS)*

ANNUAL FINANCIAL STATEMENTS 2024

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NAMIBIA POST LIMITED AND ITS SUBSIDIARY

(Registration number 92/284)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Namibia Post Limited and its Subsidiary

(Registration number 92/284)
Annual Financial Statements for the year ended 30 September 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Namibia Post Limited Group is engaged in the supply of postal services, courier services, savings bank services and micro-lending, and operates principally in Namibia.
Registered office	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek
Business address	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek
Postal address	P O Box 287 Windhoek Namibia
Holding company	Namibia Post and Telecom Holdings Limited Incorporated in Namibia
Bankers	Bank Windhoek Standard Bank Namibia First National Bank Namibia
Auditors	PricewaterhouseCoopers Chartered Accountants (Namibia) Registered Accountants and Auditor
Secretary	Eldorette C Harmse
Legal advisors	Shikongo Law Chambers and ENSafrica/Namibia
Company registration number	92/284

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Namibia Post Limited and its Subsidiary

(Registration number 92/284)
Annual Financial Statements for the year ended 30 September 2024

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Namibia Post Limited and its Subsidiary

(Registration number 92/284)

Annual Financial Statements for the year ended 30 September 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal controls 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control 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.

The directors have reviewed the Group's cash flow forecast for the year to 30 September 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existance for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 83 to 85.

The annual financial statements set out on pages 86 to 154,which have been prepared on the going concern basis, were approved and authorized for issue by the board of directors and were signed on their behalf by:

Signed on behalf of the Board of Directors By:

Board Chairperson
Dr. Simeon Amunkete

Board Audit and Risk Committee Chairperson
Ms. Martha Shingenge

Windhoek

Date: 24/1/2025

pwc

Independent auditor's report

To the Members of Namibia Post Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Post Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Namibia Post Limited's consolidated and separate financial statements set out on pages 86 to 154 comprise:

- the directors' report for the year ended 30 September 2024;
- the consolidated and separate statements of financial position as at 30 September 2024;
- the consolidated and separate statements of profit or loss and comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for 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 consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

PricewaterhouseCoopers, Registered Auditors
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Country Senior Partner: Chantell N Husselmann
The Firm's principal place of business is at Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas Region, Republic of Namibia
Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Willem A Burger, Nina A Coetzer, Audrey C van Antwerpen
Practice Number 9406, VAT reg no. 00203281-015

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namibia Post Limited and its subsidiary Annual Financial Statements for the year ended 30 September 2024 "The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are 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 these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, 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 Group's and the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 Group's and 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 consolidated and separate 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 Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Report on other legal and regulatory requirements

In terms of sections 26(3)(b) of the Public Accountants' and Auditors' Act, we have reported a material irregularity to the Public Accountants' and Auditors' Board ('PAAB') relating to non-compliance with Government Notice No. 6572 issued on 16 April 2018 under section 4(1)(d)(iii) of the Public Enterprises Governance Act, 2006 (Act No. 2 of 2006), and with specific reference to salaries and benefits of Chief Executive Officers, Senior Management Staff and Board Members. This matter has not been resolved as we have not been satisfied that no such irregularity has taken place which has caused and is likely to cause, if it remains unresolved, financial loss to the undertaking, its members or creditors. We have not been satisfied that no such irregularity is taking place or that adequate steps have been taken to remedy the irregularity which resulted in us furnishing the Public Accountants' and Auditors' Board with copies of the material irregularity letter issued to the directors.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek, Namibia
Date: 28 January 2025

Namibia Post Limited and its Subsidiary

(Registration number 92/284)
Annual Financial Statements for the year ended 30 September 2024

Directors' Report

The directors have, the pleasure in submitting their report on the annual financial statements of Namibia Post Limited and its Subsidiary Limited, consolidated and separate for the year ended 30 September 2024.

1. Nature of business

Namibia Post Limited and its subsidiary are engaged in the supply of postal services, courier services, savings bank services and micro - lending, and operates principally in Namibia.

There have been no material changes to the nature of the Group's business from the prior year.

2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

A dividend of N$ 5 million which was declared after the 2023 financial year end, was accounted for and paid during the year under review. A dividend of N$ 5 million was declared after the 2024 year end and will be accounted for in the new financial year.

5. Directorate

The directors in office as at the date of this report are all Namibians and their details are as follows:

Directors	Office	Designation	Appointment Date
James A Cumming	Member	Non-executive Independent	1 October 2016
Leezhel Sartorius von Bach	Deputy Chairperson	Non-executive Independent	1 May 2021
Martha Shingenge	Member	Non-executive Independent	1 May 2021
Ndangi Katoma	Member	Non-executive Independent	1 May 2021
Simeon Amunkete	Chairperson	Non-executive Independent	1 May 2021

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6. Interest in subsidiaries and joint venture

Name of subsidiary / joint venture	Country of incorporation	% Holding
NamPost Financial Brokers (Pty) Ltd (Subsidiary)	Namibia	100
*SmartSwitch Namibia (Pty) Ltd - SSN (Joint venture)	Namibia	50
		-

	2024 N$ '000	2023 N$ '000
Subsidiaries		
Total profits after income tax	35,172	27,021
Joint arrangements		
Total profits after income tax	-	-
	35,172	**27,021**

There were no significant acquisitions or divestitures during the year ended 30 September 2024.

*SmartSwitch Namibia (Pty) Ltd was discontinued and derecognised in 2021. The process of being legally wound down is on-going.

7. Holding company

The Group's holding company is Namibia Post and Telecom Holdings Limited (NPTH) incorporated in Namibia. NPTH is currently being wound down.

8. Events after the reporting period

Details are disclosed under note 40.

9. Terms of appointment of the auditors

PricewaterhouseCoopers continued in office as auditors for the company and it's subsidiary for the 2024 financial year in accordance with section 278(2) of the Companies Act of Namibia.

10. Secretary

The company secretary is Mrs. E C Harmse.

Postal address:	P O Box 287 Windhoek
Business address:	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek

11. Acknowledgements

Thanks and appreciation are extended to our shareholder, and to all our staff, suppliers, customers and clients for their continued support of the Group.

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12. Going concern

The directors have reviewed the Group's 2025 forecasts and considered the Group's ability to continue as a going concern in light of current and anticipated economic conditions. On the basis of this review, the directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future and the going concern basis has been adopted in the preparation of the annual financial statements.

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Statements of Financial Position as at 30 September 2024

		Group		Company	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Assets					
Non-Current Assets					
Property, plant and equipment	4	36,571	16,966	35,382	16,160
Right-of-use assets	5	28,009	33,496	28,009	33,496
Intangible assets - Internally generated	6	43,712	49,873	43,367	49,490
Investments in subsidiaries	7	-	-	15,001	15,001
Loans to group companies	9	-	-	746,098	416,206
Other financial assets	10	3,203,242	3,222,171	2,857,279	2,892,248
Deferred tax	22	10,000	59,618	3,925	54,206
		3,321,534	**3,382,124**	**3,729,061**	**3,476,807**
Current Assets					
Inventories	12	17,004	13,523	17,004	13,523
Loans to group companies	9	-	-	99,285	91,234
Trade and other receivables	13	66,035	70,438	64,508	69,998
Other financial assets	10	4,383,275	3,618,765	4,082,943	3,340,961
Current tax receivable	23	7,969	6,934	7,969	7,969
Cash and cash equivalents	14	78,976	73,702	73,099	72,505
		4,553,259	**3,783,362**	**4,344,808**	**3,596,190**
Total Assets		**7,874,793**	**7,165,486**	**8,073,869**	**7,072,997**
Equity and Liabilities					
Equity					
Share capital	15	5,075	5,075	5,075	5,075
Fair value adjustments on FVOCI financial assets		55,362	(46,206)	55,362	(46,206)
Retained income		469,272	436,540	322,138	319,577
		529,709	**395,409**	**382,575**	**278,446**
Liabilities					
Non-Current Liabilities					
Other financial liabilities	16	789,694	465,126	789,694	465,126
Retirement benefit obligation	17	12,357	12,360	12,357	12,360
Savings bank Investors	18	404,151	412,976	404,151	412,976
Lease liabilities	19	10,451	19,165	10,451	19,165
		1,216,653	**909,627**	**1,216,653**	**909,627**
Current Liabilities					
Trade and other payables	20	195,155	193,886	171,726	175,410
Other financial liabilities	16	101,658	88,857	101,658	88,857
Savings bank Investors	18	5,807,935	5,559,894	6,180,021	5,602,844
Lease liabilities	19	21,236	17,813	21,236	17,813
Current tax payable	23	2,447	-	-	-
		6,128,431	**5,860,450**	**6,474,641**	**5,884,924**
Total Liabilities		**7,345,084**	**6,770,077**	**7,691,294**	**6,794,551**
Total Equity and Liabilities		**7,874,793**	**7,165,486**	**8,073,869**	**7,072,997**

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Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Note(s)	2024 N$ '000	2023 Restated* N$ '000	2024 N$ '000	2023 Restated* N$ '000
Revenue from contracts with customers	24	415,241	401,637	415,241	401,637
Interest and similar income from financial investments	24	563,778	545,097	563,778	545,097
Revenue from lending activities	24	142,682	126,083	-	-
Total Revenue		**1,121,701**	**1,072,817**	**979,019**	**946,734**
Cost of sales	25	(502,914)	(484,670)	(527,238)	(489,404)
Gross profit		**618,787**	**588,147**	**451,781**	**457,330**
Other operating income	26	35,939	29,872	31,270	25,527
Movement in credit loss allowances	28	(12,839)	(16,661)	1,063	(1,719)
Other operating expenses	29	(542,038)	(514,198)	(496,264)	(473,333)
Operating profit (loss)	29	**99,849**	**87,160**	**(12,150)**	**7,805**
Investment income	27	22,424	19,434	87,412	62,052
Finance costs	31	(64,076)	(43,523)	(64,076)	(43,523)
Profit before taxation		**58,197**	**63,071**	**11,186**	**26,334**
Taxation	32	(21,172)	(5,562)	(4,332)	7,154
Profit for the year		**37,025**	**57,509**	**6,854**	**33,488**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		1,025	1,167	1,025	1,167
Income tax relating to items that will not be reclassified	33	(318)	(373)	(318)	(373)
Total items that will not be reclassified to profit or loss		**707**	**794**	**707**	**794**
Items that may be reclassified to profit or loss:					
Gains on fair value adjustments on FVOCI financial assets		147,198	44,715	147,198	44,715
Income tax relating to items that may be reclassified	33	(45,631)	(14,309)	(45,631)	(14,309)
Total items that may be reclassified to profit or loss		**101,567**	**30,406**	**101,567**	**30,406**
Other comprehensive income for the year net of taxation	38	**102,274**	**31,200**	**102,274**	**31,200**
Total comprehensive income for the year		**139,299**	**88,709**	**109,128**	**64,688**

* To align to IAS 1 requirements, revenue from financial assets measured at FVOCI and at amortised cost, and movement in credit losses for the similar financial assets has been presented separately. The two line items in the OCI have also been presented separately. In addition, disclosure of fair value adjustments on FVOCI has been revised to align with IFRS 7 requirements. Refer to note 39.

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Statements of Changes in Equity

	Share capital N$ '000	Fair value adjustments on FVOCI financial assets N$ '000	Retained income N$ '000	Total equity N$ '000
Group				
Balance at 1 October 2022	**5,075**	**(76,612)**	**378,237**	**306,700**
Profit for the year	-	-	57,509	57,509
Other comprehensive income	-	30,406	794	31,200
Total comprehensive income for the year	**-**	**30,406**	**58,303**	**88,709**
Balance at 1 October 2023	**5,075**	**(46,206)**	**436,540**	**395,409**
Profit for the year	-	-	37,025	37,025
Other comprehensive income	-	101,567	707	102,274
Total comprehensive income for the year	**-**	**101,567**	**37,732**	**139,299**
Dividends	-	-	(5,000)	(5,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 30 September 2024	**5,075**	**55,362**	**469,272**	**529,709**
Company				
Balance at 1 October 2022	**5,075**	**(76,612)**	**285,295**	**213,758**
Profit for the year	-	-	33,488	33,488
Other comprehensive income	-	30,406	794	31,200
Total comprehensive income for the year	**-**	**30,406**	**34,282**	**64,688**
Balance at 1 October 2023	**5,075**	**(46,206)**	**319,577**	**278,446**
Profit for the year	-	-	6,854	6,854
Other comprehensive income	-	101,567	707	102,274
Total comprehensive income for the year	**-**	**101,567**	**7,561**	**109,128**
Dividends	-	-	(5,000)	(5,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 30 September 2024	**5,075**	**55,362**	**322,138**	**382,575**
Note	15	38	38	

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Statements of Cash Flows

	Note(s)	Group 2024 N$ '000	Group 2023 Restated* N$ '000	Company 2024 N$ '000	Company 2023 Restated* N$ '000
Cash flows from operating activities					
Cash generated from/(used in) operations	35	135,846	137,217	19,438	50,583
Net movement in financial assets	10	(598,383)	483,944	(559,815)	492,781
Net movement in Savings Bank Investors' deposits	18	239,216	(605,233)	568,352	(669,227)
Interest received		3,630	2,553	50,819	48,390
Dividends received	27	18,794	16,881	23,794	19,881
Finance costs		(51,434)	(44,685)	(51,434)	(44,685)
Tax (paid) / received	34	(16,091)	(7,419)	-	6,346
Net cash from operating activities		**(268,422)**	**(16,742)**	**51,154**	**(95,931)**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(26,329)	(10,770)	(25,426)	(10,334)
Proceeds from sale of property, plant and equipment	4	6	461	5	12
Purchases of intangible assets	6	(2,739)	(4,314)	(2,596)	(4,315)
Proceeds from sale of intangible assets	6	-	150	-	150
Cash receipts on repayments of Group loans	9	-	-	81,499	83,743
Loan advanced to Group company	9	-	-	(406,800)	-
Net cash (utilised in)/from investing activities		**(29,062)**	**(14,473)**	**(353,318)**	**69,256**
Cash flows from financing activities					
Cash inflow from other financial liabilities	16	406,800	-	406,800	-
Repayments of other financial liabilities	16	(79,788)	(78,721)	(79,788)	(78,721)
Movement in agency / third party funds		996	(4,983)	996	(4,983)
Lease payments (principal)	19	(20,250)	(19,145)	(20,250)	(19,145)
Dividends paid	36	(5,000)	(8,000)	(5,000)	(8,000)
Net cash from/(utilised in) financing activities		**302,758**	**(110,849)**	**302,758**	**(110,849)**
Total cash movement for the year		**5,274**	**(142,064)**	**594**	**(137,524)**
Cash and cash equivalents at the beginning of the year		73,702	215,766	72,505	210,029
Cash and cash equivalents at the end of the year	14	**78,976**	**73,702**	**73,099**	**72,505**

*To align to IAS 7, movements in financial assets and savings bank investors' deposits have been reclassified to operating activities. Refer to note 39.

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, and the Companies Act of Namibia. The annual financial statements have been prepared on the historical cost basis with the exception of financial assets carried at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibian Dollars. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These accounting policies are consistent with the previous year.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, which are controlled or jointly controlled by the company.

The company consolidates entities over which the company has control, as defined in IFRS10 and entities over which the company has joint arrangements, as defined by IFRS 11 .

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains / (losses) are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non- controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

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1.1 Consolidation (continued)

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Jointly controlled entities

An interest in a jointly controlled entity is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 - Non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the Group's share of net assets of the jointly controlled entity, less any impairment losses. Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest therein.

1.2 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of Namibia.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for these financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivabled and the carrying value of payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units (CGU) and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each CGU. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

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Impairment of financial assets measured at amortised costs, fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost, FVTPL and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers and counterparties defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit loss (ECL), is further detailed under Risk Management in Note 3. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL.

Provision for post retirement medical aid benefits

Post retirement medical aid benefit provision is based on actuarial valuation by independent actuaries. The discount rate used is based on the current long term bond yield, gross of tax. A valuation was done for the current year. All actuarial gains and losses are recognised in full in the other comprehensive income.

Deferred tax asset

The Group recognises the net future tax benefit that relates to deferred income tax assets to the extent that it is probable that the deductible tax temporary difference will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differs significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Deferred Income

Income from the postal business and courier are recognised when the services are rendered. Management has applied the principle of deferred revenue in respect of Post box rentals which is recognised as the services are rendered, and is deferred when payments are made in advance.

Discount Rates

Discount rates used to calculate discounted cash flows are based on prevailing market related interest rates.

Residual values and useful lives

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

The Group applies the cost model on measurement of the property, plant and equipment. The assets are carried at cost less accumulated depreciation and impairment losses.

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	4 - 10 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	10 years
Other equipment	Straight line	4 - 10 years

The depreciation method, useful life and residual value of each asset are reviewed, and adjusted if appropriate, at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Depreciation is charged as soon as the asset is available for use.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.5 Intangible assets - Internally generated

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets - Internally generated are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale; and
- there is an intention to complete and use or sell it; and
- there is an ability to use or sell it; and
- it will generate probable future economic benefits; and
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets - Internally generated are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets - internally generated, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets - internally generated amortisation is provided on a straight line basis over their useful life.

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1.5 Intangible assets - Internally generated (continued)

The useful life and amortisation method are reviewed every year.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets - internally generated.

Work in progress relates internal Intangible capital projects not yet in use. These items are carried at cost less accumulated impairment losses and are not depreciated as they are not available for use.

Amortisation is provided to write down the intangible assets - internally generated, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Amortisation period
Computer software	Straight line	3 - 10 years

1.6 Investments in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.7 Investments in joint ventures

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the company recognises in its annual financial statements:
- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

1.8 Financial instruments

Financial assets

The Group fully adopted IFRS 9 and classifies its financial assets in any of the following measurement categories:
- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit & loss

Debt investments:
Classification and subsequent measurement of debt instruments depend on:
- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

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1.8 Financial instruments (continued)

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent Sole Payments of Principal and Interest ('SPPI'), and that are not designated at Fair Value through Profit and Loss (FVPL), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described under risk management. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- **Fair value through other comprehensive income**: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'interest and similar income from financial investments' as per Note 24.

- **Fair value through profit or loss**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- **Business model**: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Loans receivable at amortised cost

Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in revenue from lending activities (note 24.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

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1.8 Financial instruments (continued)

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 29).

Details of foreign currency risk exposure and the management thereof are provided in the specific notes.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime Expected Credit Losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value though profit or loss are expensed in the income statement. A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss in the year in which they arise.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process using the effective interest rate method.

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1.8 Financial instruments (continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present unrealised and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

Assets carried at amortised cost

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Write-off of financial assets

The Group writes off a loan or an investment in debt securities, partially or fully, and any related provision for impairment loss, when it is determined that there is no realistic prospect for recovery. This is generally the case when the Group determines that the borrower counter part does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables, and measured at amortised cost.

Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

Financial liabilities

Savings bank investors and long-term borrowings

The Group measures these financial instruments at amortised cost using effective interest rate (EIR).

Trade and other payables

Trade payables are carried at fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

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1.8 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Bank overdrafts and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.9 Income tax

Current tax and Deferred tax

Current income tax for current and prior years is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior years are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Management annually evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The Group uses the balance sheet method in calculating deferred tax.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from:

- a transaction or event which is recognised in the same or a different year to other comprehensive income, or
- a business combination.

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1.9 Income tax (continued)

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different year, directly in equity.

1.10 Leases

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (that is, the date the underlying asset is available for use). Right-of-use assets are measured at its carrying amount on the lease commencement date 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 shorter of the lease term and estimated useful lives of the assets as follows, with the estimated useful life and the lease term deemed to be the same.

For right-of-use assets which are amortised over their useful lives, the useful lives are presented in the following table:

Item	Amortisation method	Amortisation period
Property	Straight line	2 - 10 years
Motor vehicles	Straight line	3 - 5 years

The Group subsequently measures the right-of-use assets at cost less accumulated depreciation and accumulated impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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1.10 Leases (continued)

Short-term leases and lease of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e. those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Discount factor

Under IFRS 16 'Leases', discount rates are used to determine the present value of the lease payments used to measure a lessee's lease liability. Discount rates are also used to determine lease classification for a lessor and to measure a lessor's net investment in a lease. For lessees, the lease payments are required to be discounted using:

- the interest rate implicit in the lease if readily determinable; or
- the lessee's incremental borrowing rate

Lessee's incremental borrowing rate

Where the lessee is unable to readily determine the interest rate implicit in the lease, the discount rate will be the lessee's incremental borrowing rate. The incremental borrowing rate is an interest rate specific to the lessee that reflects:

- The credit risk of the lessee
- The term of the lease
- The nature and quality of the security
- The amount 'borrowed' by the lessee and
- The economic environment (the country, the currency and the date that the lease is entered into) in which the transaction occurs.

The Group uses the incremental borrowing rate as the discount factor, as follows:

Leased assets identified by nature	Reference Rate	Incremental Borrowing Rates
Property	Prime Rate Minus 125 bps	10.25%
Vehicles	Prime Rate Minus 225 bps	9.25%

The Group's current external funding is from developmental financial institutions which invariably lend at relatively cheaper cost. Consequently, management by applying judgment determined the incremental borrowing rate on the basis of likely cost in the event that the source funds to finance similar underlying assets in the lease is from commercial financial institutions. Interest rates have increased during the year. However, NamPost's credit standing can enable it to access funding at below prime.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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1.11 Inventories (continued)

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

1.12 Impairment of assets

The Group assesses at each end of the reporting year whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.13 Share capital and equity

Ordinary shares are classified as equity.

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1.13 Share capital and equity (continued)

Ordinary shares are recognised at no par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting year where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average year until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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1.15 Provisions and contingencies (continued)

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue from contracts with customers

The Group derives its revenue from contracts with customers on the goods or services transferred and from interest on various financial assets measured at amortised cost and FVOCI. Revenue from contracts with customers comprises philately stamps revenue, postal mail revenue, courier services, savings bank fees and agency commission, and is recognised at a point in time. Below is the IFRS 15 five step model applied by the Group in recognising these revenue streams:

The five-step model framework applied by the Group

The core principle of the revenue standard (IFRS 15) is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment by the Group. This core principle is delivered in the following five-step model framework which Group applied on all of its revenue derived from contracts with customers:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment by the Group.

Step 1: Identify the contract with the customer.

The Group has assessed contracts with its customers on mail, philately, agency, logistics, and savings bank fees and has satisfactorily applied the following IFRS 15 criteria on all the revenue streams derived from contracts with customers to be able to identify existing contracts with the customers:
A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

Step 2: Identify the performance obligations in the contract

At the inception of the contract, the Group assesses the goods or services that have been promised to the customer, and identify as a performance obligation:

- a good or service (or bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Below is the summary of performance obligations for major revenue streams derived from contract with customers:

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1.16 Revenue from contracts with customers (continued)

- **Philately stamps**- Group ensures that the customer receives the purchased stamps upon payment.
- **Mail revenue**- this includes physical mail, small parcels (both domestic and international), and hybrid mail among others. Group's obligation is to ensure that mail or parcels are delivered to the correct destination. PO boxes are rented annually and customers have to renew on an annual basis and it is the Group's obligation to ensure that customers who have renewed their PO Boxes have access to their physical PO Boxes at any point during that financial year. The annual PO Box renewal fee is fixed and is not apportionable for a part of the year irrespective of when the customer has paid for renewal.
- **Logistics services revenue**- Group's obligation is to ensure that the parcels shipped reach their destination and revenue is recognised when this service is rendered.
- **Agency commission**- the Group's obligation is to collect funds on behalf of third parties and also sell airtime on behalf of mobile and telecom companies for a commission or fee. Revenue is recognised based on the collections done and also based on airtime sold at a point in time.
- **Savings Bank fees**- the Group's obligation is to provide deposit, withdrawal services and other transactional services to its retail clients and also maintain the savings accounts for a fee. Revenue is recognised at a point in time when these services are rendered.
- **Other revenue** - comprises of sales from cellphones and other electronic gadgets. The Group's obligation is to ensure that these products are handed over to customers as they purchase them and revenue is recognised at the point in time.

A series of distinct goods or services is transferred to the customer in the same pattern if both of the following criteria are met:

- each distinct good or service in the series that the entity promises to transfer consecutively to the customer would be a performance obligation that is satisfied over time (see below); and
- a single method of measuring progress would be used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

A good or service is distinct if both of the following criteria are met:

- the customer can benefit from the good or services on its own or in conjunction with other readily available resources; and
- the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Factors for consideration as to whether a promise to transfer goods or services to the customer is not separately identifiable include, but are not limited to:

- the entity does provide a significant service of integrating the goods or services with other goods or services promised in the contract;
- the goods or services significantly modify or customise other goods or services promised in the contract;
- the goods or services are highly interrelated or highly interdependent.

Step 3: Determine the transaction price

The transaction price is the amount to which the Group expects to be entitled in exchange for the transfer of goods and services. The Group's prices or fees for its major revenue streams for Mail & Logistics are fixed and gazetted annually and are charged to customers as and when the service or product is delivered. Revenue from Agency services is derived from commission or percentage fee which is contractually agreed and the commission or fee charge is applied when the service is delivered a point in time.

Where a contract contains elements of variable consideration, the Group will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. Variable consideration is also present if the Group's right to consideration is contingent on the occurrence of a future event.

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1.16 Revenue from contracts with customers (continued)

Step 4: Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, the Group will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the Group will need to estimate it. IFRS 15 suggests various methods that might be used, including:

- Adjusted market assessment approach
- Expected cost plus a margin approach
- Residual approach (only permissible in limited circumstances).

None of the Group's current contracts with customers has multiple performance obligations to warrant allocation of transaction price or fee to each performance obligation.

Where consideration is paid in advance or in arrears, the Group considers whether the contract includes a significant financing arrangement and, if so, adjust for the time value of money. However, the Group applies a practical expedient if the period following receipt of payment and transfer of goods and services is one year or less.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised as control is passed, either over time or at a point in time. The Group assessed its revenue streams from contracts with customers in the context of contractual agreements in place and guided by IFRS 15 factors below, and concluded that revenue recognised in the current year depicts the consideration received or receivable after performance obligation was satisfied.

Control of an asset is defined as the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. This includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The benefits related to the asset are the potential cash flows that may be obtained directly or indirectly. These include, but are not limited to:

- using the asset to produce goods or provide services;
- using the asset to enhance the value of other assets;
- using the asset to settle liabilities or to reduce expenses;
- selling or exchanging the asset;
- pledging the asset to secure a loan; and;
- holding the asset.

The Group recognises revenue over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created; or
- the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

All of the above-mentioned Group revenue streams from contracts with customers is recognised at a point in time, except for the P.O Boxes rental which when received in advance at the end of the financial year will be deferred and subsequently released into the new financial year income statement.

If the Group does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue will therefore be recognised when control is passed at a certain point in time. Factors that may indicate the point in time at which control passes include, but are not limited to:

- the Group has a present right to payment for the asset;
- the customer has legal title to the asset;
- the Group has transferred physical possession of the asset;
- the Group has the significant risks and rewards related to the ownership of the asset; and
- the customer has accepted the asset.

1.16 Revenue from contracts with customers (continued)

Principal/Agency relationship

The Group has assessed its revenue streams from contracts with customers and concluded that the above factors as guided by IFRS 15 which indicate the point in time are satisfied.

IFRS 15 gives emphasis on 'control' as opposed to the 'transfer of risks and rewards', and this has resulted in the Group changing its accounting policy on the sale of airtime. The Group now recognises revenue from airtime sales on a net basis rather the gross as with the previous standard (IAS 18).

The identification of a principal in a contract is not always clear, however the Group applied the IFRS 15 non-exhaustive list of indicators of agency relationships:

- Another party has primary responsibility for fulfilling the contract
- The entity has no inventory risk before or after the goods have been ordered, during shipping or on return,
- The entity does not have discretion to establish pricing for the other party's goods or services (i.e., the benefit the entity can receive from those goods or services is limited)
- The entity's consideration is in the form of a commission
- The entity is not exposed to credit risk for the amount receivable in exchange for the goods or services.

Interest revenue from financial investments and loan advances

The Group recognizes interest revenue as it accrues by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset. The gross carrying amount of a financial asset is the asset's amortised cost or fair value gross of any impairment allowance. However, when a financial asset is credit impaired interest revenue is calculated by applying EIR on the net amount, i.e. amortised cost or fair value less any impairment allowance.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting year:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the year in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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Accounting Policies

1.18 Translation of foreign currencies (continued)

Cash flows arising from transactions in a foreign currency are recorded in by applying to the foreign currency amount the exchange rate between the rand and the foreign currency at the date of the cash flow.

1.19 Financial Liabilities

Deposits from the public represent customer or the public's funds held by Savings Bank. These are disclosed as current liabilities unless if the term of the investment is for more than one year.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender and sustainability different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

1.20 Dividend distribution

Dividend distribution to the Group shareholders is recognised as a liability in the annual financial statements in the year in which the dividends are approved by the directors of the company.

1.21 Related parties

All the Group's related party transactions are strictly at arms length.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements	1 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact
• IAS 1 Presentation of Financial Statements	1 January 2024	Impact expected to be material
• IAS 7 Statement of Cash Flows	1 January 2024	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations which are not yet effective:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.	1 January 2026	Impact is currently being assessed
• IFRS 18 - Presentation and disclosure in financial statements	1 January 2027	Impact is currently being assessed
• IAS 21 - The effects of changes in foreign exchange rates	1 January 2025	Impact is currently being assessed
• IFRS 19 - Subsidiaries without Public Accountability: disclosure	1 January 2027	Impact is currently being assessed

3. Financial instruments and risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9 &16, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Group manages its equity capital and its level of debt to ensure that it complies with existing debt covenants and that it maintains the adequate level of capital. As of 30 September 2024, the Group was in compliant with all the debt covenants. Although not statutorily regulated, the Group manages its capital adequacy and strives to keep the Capital Adequacy Ratio (CAR) at 8%. The CAR returns are voluntarily submitted to the central bank (regulator) on a monthly basis.

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3. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

'Credit risk' is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and this arises from the Group's investment in various financial assets; credit sales to customers and loans and advances to customers. Management is responsible for managing credit risk and reports to the Audit and Risk Committee and the Board and Investment Committee.

Credit risk exists on loans and advances due to the fact that advances granted to customers are unsecured. The risk is however mitigated by the collection of payments at source via smart card deductions, payroll agreements or government deduction codes.

Credit risk exists on financial assets investments measured at fair value through other comprehensive income (FVOCI) and on accounts receivables owing to a plethora of factors which may include negative credit ratings, general economic challenges, history of default, global factors etc. The changes in the credit risk is monitored and if necessary adjustments are made to the impairment provision in accordance with IFRS 9.

Financial instruments at fair value through other comprehensive income (FVOCI)

The significant component of the Group's FVOCI relates to sovereign bonds of which 94% of the sovereign bonds is with the Government of the Republic of Namibia and the 6% balance is with the South African Government. Corporate bonds are comprised of Bank Windhoek which was successfully redeemed during the year. Other instruments comprise unit trusts and money market instruments, which are short term in nature given that these instruments can be liquidated on short notice. The FVOCI instruments are periodically marked to market, with fair values available from the market. Internally, the Asset and Liability Committee (ALCO), evaluates the credit risk of the counterparties and the respective instruments to determine the credit quality and any possibility of default. In determining the level of credit risk, various factors are considered, which inter-alia include sovereign external credit ratings (if available); maturity date of the instrument (the long dated instruments likely to have higher risk of default); internal credit ratings (if available), historical information e.g. any history of default; forward looking economic and financial information that can be obtained without undue costs. The conclusion of the level of credit risk is not premised on one factor, hence there is reasonable judgement involved, taking into consideration both quantitative and qualitative factors.

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3. Financial instruments and risk management (continued)

Despite the fact that Namibia's non-investment grade was affirmed in 2024, based on the available Bank of Namibia's economic outlook, coupled with a history of no default by the counterparties, the Group believes that there is no risk of default on sovereign debt. GC24 was succesfully redeemed on 15 October 2024. On other instruments, the underlying assets of these instruments are unit trusts and money market instruments. They are short term, which can be liquidated on short notice. Based on internal credit risk evaluation, due to the short term nature of these investments , the quality of the underlying assets and also the available credit history of the counterparties, there is immaterial risk of default anticipated and the impairment amounts were deemed immaterial.

Expected credit loss (ECL) measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- The underlying principle in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3)

  The diagram below summarises the three stage impairment model under IFRS 9 which the Group has adopted.

Stage 1	Stage 2	Stage 3
(Initial Recognition) 12 month expected credit loss (ECL)	(Significant increase in credit risk since initial recognition) Lifetime expected credit losses	(Credit-impaired assets) Lifetime expected credit losses

Significant increase in credit risk (SICR)

The Group uses qualitative and quantitative factors in assessing any significant increase in credit risk. Quantitative factors may include but not limited to actual default, extension of the credit period etc. Qualitative factors include but not limited to the general economic environment; adverse changes in the counterparty's external credit ratings, and any other publicly available information that can give a forward looking picture.

Measuring ECL – inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-months or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is a product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows

- The PD represents the likelihood of a counterparty or a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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3. Financial instruments and risk management (continued)

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12 months EAD) or over the remaining lifetime (Lifetime EAD) which for example, for debt investment, is the market value as at year end.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Financial assets exposed to credit risk at year end were as follows:

Group		**2024 N$ '000**			**2023 N$ '000**		
	Notes	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Government Bonds	10	2,760,150	-	2,760,150	3,121,120	-	3,121,120
Corporate Bonds	10	428,580	-	428,580	-	-	-
Unit trusts	10	393,180	-	393,180	289,471	-	289,471
Trade and other receivables (Excluding prepayments and VAT)	13	96,755	(30,720)	66,035	102,078	(32,080)	69,998
Fixed term deposits, treasury bills, call accounts and money market instruments	10	3,358,312	-	3,358,312	2,822,619	-	2,822,619
Loans and advances	10	670,897	(24,602)	646,295	628,594	(20,867)	607,727
Cash and cash equivalents	14	78,976	-	78,976	73,702	-	73,702
		7,786,850	**(55,322)**	**7,731,528**	**7,037,584**	**(52,947)**	**6,984,637**

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3. Financial instruments and risk management (continued)

Company		**2024 N$ '000**			**2023 N$ '000**		
	Notes	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to group companies	9	845,383	-	845,383	507,440	-	507,440
Government Bonds	10	2,760,150	-	2,760,150	3,121,120	-	3,121,120
Corporate Bonds		428,580	-	428,580	-	-	-
Unit trusts	10	393,180	-	393,180	289,471	-	289,471
Trade and other receivables	13	95,228	(30,720)	64,508	102,078	(32,080)	69,998
Fixed term deposits, treasury bills, call accounts and money market instruments	10	3,358,312	-	3,358,312	2,822,619	-	2,822,619
Cash and cash equivalents	14	73,099	-	73,099	72,505	-	72,505
		7,953,932	**(30,720)**	**7,923,212**	**6,915,233**	**(32,080)**	**6,883,153**

Loans to Group Companies

For loans that have been advanced to Group Companies, the Group evaluates credit risk on each Group Company using historical payment pattern and financial performance.

Trade receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit insurance is purchased when deemed appropriate on loans and advances.

The provision matrix was determined based on available forward looking information on the probability of default per each category. This forward looking information includes, but not limited to overall economic growth, inflation, industry trends etc. Furthermore, the actual history of default was used in determining the level of provision in the matrix. The provision matrix is reviewed on an annual basis to determine if there are possible changes to credit risk that might warrant an increase or decrease in the provision matrix rates.

Details of accounts receivable credit loss (provision matrix) is presented below at Group level:

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3. Financial instruments and risk management (continued)

2024 (N$ '000')

Expected credit loss rate:	Corporate trade debtors	Individual Cash clients	Government trade debtors	Loss allowance (Lifetime expected credit loss)
Not past due: 0.2% (2023: 0.2%)	9,638	-	-	19
30 - 59 days past due: 1% (2023: 1%)	3,778	-	-	38
60 - 89 days past due: 2% (2023: 2%)	1,021	-	-	20
90 - 179 days past due: 5% (2023: 5%)	340	-	-	17
180 - 365 days past due: 50% (2023: 50%)	155	-	10	83
More than 365 days past due: 100% (2023: 100%)	473	6,742	762	7,977

2023 (N$ '000')

Expected credit loss rate:	Corporate trade debtors	Individual Cash clients	Government trade debtors	Loss allowance (Lifetime expected credit loss)
Not past due: 0.2% (2022: 0.2%)	8,737	-	-	17
30 - 59 days past due: 1% (2022: 2%)	2,507	-	-	25
60 - 89 days past due: 2% (2022: 2%)	457	-	-	5
90 - 179 days past due: 5% (2022: 5%)	235	-	-	12
180 - 365 days past due: 50% (2022: 50%)	20	-	25	28
More than 365 days past due: 100% (2022: 100%)	648	7,094	1,927	9,669

*All the unpaid cash outstanding from the Individual cash clients are fully provided for, regardless of the ageing.

Other components of accounts receivables:
- Insurance debt - provision is made on the forward looking information of the expected repudiations.
- Staff debt - a full provision is made for employees with outstanding balances who have left employment whilst the company takes legal actions to recover.
- Shortages - any shortages that can not be matched to existing surplus are provided for in full in the year they would have occurred.
- International dues - these are imbalances between countries and has zero probability of default, and settlement is done on a net basis. There is no history of defaults in this category, however, any default is governed by the presciptions of the Universal Postal Union.

Loans and advances (measured at amortised cost)

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
- Internal credit rating.
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

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3. Financial instruments and risk management (continued)
- Group's loans are unsecured.
- Significant changes in the level of indebtedness of existing borrowers.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. In view of the current Namibian CPI and the limited salary increase received by the employees. Thus there seem to be a slow growth in real in income.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. However, this assumption is rebuttable in accordance with IFRS 9.

A default on the loan is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Loans and advances are written off when there is no reasonable expectation of recovery, such as a borrower failing to engage in a repayment plan with the Group. The Group categorises a loan for write off when a borrower fails to make contractual payments more than 365 days past due. Where loans have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group uses five categories for loans which reflect their credit risk and how the loan impairment provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	**Group definition of category**	**Basis for recognition of expected credit loss provision**
Loans Current	Loans whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Loans 30 days and 60 days	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected losses (stage 2)
Loans 60 days > < 6 months	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected losses (stage 2)
Loans 6 months > < 9 months	Interest and/or principal repayments are more than 6 months past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Loans >12 months	Interest and/or principal repayments are 12 months past due and there is no reasonable expectation of recovery	Loan is written off (stage 3)

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3. Financial instruments and risk management (continued)

Interest-bearing loans are provided to employed individuals and recipients of social grants. The Group does not require the borrowers to pledge collateral as security against the loan.

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group provides for credit losses against loans to customers as follows:

Group 2024

Group internal Credit rating	**Expected credit loss rate***	**Gross carrying amount (stage 1 (N$ 000)**	**Gross carrying amount (stage 2) (N$ 000)**	**Gross carrying amount (stage 3)**
High-AAA	1 %	623,448	-	-
High-A	4 %	-	23,698	-
Moderate	3 %	-	12,044	-
Credit impaired	66 %	-	-	10,696
Fully impaired	100 %	-	-	1,011
	-	**623,448**	**35,742**	**11,707**

Group 2023

Group internal Credit rating	**Expected credit loss rate***	**Gross carrying amount (stage 1 (N$ 000)**	**Gross carrying amount (stage 2) (N$ 000)**	**Gross carrying amount (stage 3)**
High-AAA	1 %	609,745	-	-
High-A	4 %	-	4,620	-
Moderate	3 %	-	3,215	-
Credit impaired	66 %	-	-	4,571
Fully impaired	100 %	-	-	6,442
	-	**609,745**	**7,835**	**11,013**

Internal rating categories:

High-AAA : Clients in this rating category have no previous records of default as independently verified by the Credit Bureau in Namibia and are currently repaying on time.

High-A : Clients in this rating category have arrears but have made payment plans or re-negotiated new payment terms and are in compliance with new terms or new payment plan.

Moderate : Clients are in arrears on their loans with the Group, but they still have a steady monthly income and are making partial payments to reduce the outstanding balances.

Credit impaired : Clients in this category have been handed over for legal action by the Group's attorneys for the recovery of the outstanding balances.

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3. Financial instruments and risk management (continued)

Fully impaired : Legal action has been taken against clients in this category and the process is still ongoing. However according to internal credit risk management procedures, the total gross amount in this category is fully impaired.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the company and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The company has the following facilities available at the commercial banks: overdraft of N$ 14m, master card of N$ 0.3m, fleet management of N$ 0.8m, vehicle asset finance of N$ 6.6m, guarantees of N$ 2.82m and forward exchange of N$ 2.39m.

The table below presents a maturity analysis of the Group's financial assets and liabilities. The sum of the balances depicted in the maturity analysis do not reconcile with the carrying amount of the assets/liabilities as disclosed in the consolidated statement of financial position. This is because the maturity analysis incorporates, on an undiscounted basis, all cash flows relating to principal and interest payments (except for Unit Trust funds, cash and bank, call accounts, trade & other receivables (excluding VAT), trade & other payables (excluding VAT)), which are short term in nature (less than 3 months), which makes the effect of discounting immaterial and these instruments are included in the 'Less than 1 year ' time bucket at their carrying amounts. The maturity mismatch of financial assets and financial liabilities is not a determinant factor of the level of liquidity risk of the Group due to the fact this is just a worst case scenario in the event of 100% cash outflows upon maturity, which is high unlikely. The Group through its Asset and Liability Committee (ALCO), comfortably manages its liquidity risk guided by its investment strategy and invariably, any negative gaps do fall within the internally determined threshold. From time to time, the Group also stress tests its liquidity strength and thus far, the Group's liquidity position has proven to be healthy.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2024 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	13,260	13,260	10,451
Savings Bank Investors	18	-	432,176	432,176	404,151
Other financial liabilities	16	-	1,047,817	1,047,817	789,694
Retirement benefit obligation	17	-	12,357	12,357	12,357
		-	**1,505,610**	**1,505,610**	**1,216,653**

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3. Financial instruments and risk management (continued)

Current liabilities					
Trade and other payables - Excluding VAT	20	191,652	-	191,652	191,652
Lease liabilities	19	22,651	-	22,651	21,236
Savings Bank Investors	18	5,796,338	-	5,796,338	5,807,935
Other financial liabilities	16	125,604	-	125,604	101,658
		6,136,245	**1,505,610**	**7,641,855**	**7,354,077**
Non-current assets					
Other financial assets	10	-	4,060,672	4,060,672	3,203,242
Loans and advances	10	-	553,064	553,064	345,963
		-	**4,613,736**	**4,613,736**	**3,549,205**
Current assets					
Trade and other receivables	13	66,035	-	66,035	66,035
Other financial assets	10	4,358,997	-	4,358,997	4,082,943
Cash and cash equivalents	14	78,976	-	78,976	78,976
Loans and advances	10	367,882	-	367,882	300,332
		4,871,890	**-**	**4,871,890**	**4,528,286**

Group - 2023 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	19,199	19,199	19,165
Savings Bank Investors	18	-	441,803	441,803	412,976
Other financial liabilities	16	-	565,003	565,003	465,126
Retirement benefit obligation	17	-	12,360	12,360	12,360
Current liabilities					
Trade and other payables - excluding VAT	20	189,845	-	189,845	189,845
Lease liabilities	19	19,894	-	19,894	17,813
Savings Bank Investors	18	5,552,978	-	5,552,978	5,559,894
Other financial liabilities	16	115,634	-	115,634	88,857
		5,878,351	**1,038,365**	**6,916,716**	**6,780,979**
Non-current assets					
Other financial assets	10	-	2,939,369	2,939,369	3,222,171
Loans and advances	9	-	458,983	458,983	329,923

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3. Financial instruments and risk management (continued)

Current assets					
Trade and other receivables - excluding VAT	13	70,438	-	70,438	70,438
Other financial assets	10	4,263,285	-	4,263,285	3,618,765
Cash and cash equivalents	14	73,702	-	73,702	73,702
Loans and advances	10	320,387	-	320,387	277,804
		4,727,812	**3,398,352**	**8,126,164**	**7,592,803**

Company - 2024 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	13,260	13,260	10,451
Savings Bank Investors	18	-	432,176	432,176	404,151
Other financial liabilities	16	-	1,047,817	1,047,817	789,694
Retirement benefit obligation	17	-	12,357	12,357	12,357
		-	**1,505,610**	**1,505,610**	**1,216,653**
Current liabilities					
Trade and other payables - excluding VAT	20	168,652	-	168,652	168,652
Lease liabilities	19	22,651	-	22,651	21,236
Savings Bank Investors	18	6,192,518	-	6,192,518	6,180,021
Other financial liabilities	16	125,604	-	125,604	101,658
		6,509,425	**1,505,610**	**8,015,035**	**7,688,220**
Non-current assets					
Other financial assets	10	-	4,060,672	4,060,672	2,857,279
Loans to Group Companies	9	-	993,105	993,105	746,098
Current assets					
Trade and other receivables - excluding VAT	13	64,508	-	64,508	64,508
Other financial assets	10	4,358,997	-	4,358,997	4,082,943
Cash and cash equivalents	14	73,099	-	73,099	73,099
Loans to Group Companies	9	122,936	-	122,936	99,285
		4,619,540	**5,053,777**	**9,673,317**	**7,923,212**

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3. Financial instruments and risk management (continued)

Company - 2023 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	19,199	19,199	19,165
Savings Bank Investors	18	-	441,803	441,803	412,976
Other financial liabilities	16	-	565,003	565,003	465,126
Retirement benefit obligation	17	-	12,360	12,360	12,360
		-	**1,038,365**	**1,038,365**	**909,627**
Current liabilities					
Trade and other payables - excluding VAT	20	168,651	-	168,651	168,651
Lease liabilities	19	19,894	-	19,894	17,813
Savings Bank Investors	18	5,598,495	-	5,598,495	5,602,844
Other financial liabilities	16	115,634	-	115,634	88,857
		5,902,674	**1,038,365**	**6,941,039**	**6,787,792**
Non-current assets					
Other financial assets	10	-	2,939,369	2,939,369	2,892,248
Loans to Group Companies	9	-	492,879	492,879	416,206
Current assets					
Trade and other receivables - excluding VAT	13	69,998	-	69,998	69,998
Other financial assets	10	4,263,285	-	4,263,285	3,340,961
Cash and cash equivalents	14	72,505	-	72,505	72,505
Loans and advance		117,229	-	117,229	91,234
		4,523,017	**3,432,248**	**7,955,265**	**6,883,152**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, Euros, SDR (Special Drawing Right) and the British pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

Foreign currency exposure arises from the rendering of international postal services and products and loans denominated in foreign currency. The Group has a policy not to take out cover on outstanding foreign currency transactions.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

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		Group		Company	
		2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**

3. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

Euro exposure:

	Note	Group 2024	Group 2023	Company 2024	Company 2023
Non-current liabilities:					
Other financial liabilities		2,775	2,925	2,775	2,925
SDR exposure:					
Current assets:					
Trade and other receivables	13	571	431	571	431
Current liabilities:					
Trade and other receivables		281	111	281	111
SDR* exposure		**852**	**542**	**852**	**542**

*Special drawing rights (XDR - aka: SDR) are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund (IMF). The SDR is not a currency per se. It instead represents a claim to currency held by IMF member countries for which they may be exchanged.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. This poses a risk as the company borrows and places funds in financial instruments at both fixed and floating interest rates.

At 30 September 2024, if interest rates on Namibia Dollar-denominated Group borrowings had been 1% (100bps) higher/lower with all other variables held constant, post-tax profit for the year would have been N$ 70 million (2023: N$ 65 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

If interest rates on Namibia Dollar-denominated Group financial assets had been 1% (100bps) higher/lower with all other variables held constant, post-tax profit for the year would have been N$ 76 million (2023: N$ 68 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been N$ 28 million (2023: N$ 27 million) lower/higher mainly as a result of a decrease/increase in the fair value of fixed rate financial assets at fair value through profit and loss.

The risk is managed by maintaining an approximate mix between fixed and floating interest rates, and by matching the underlying profiles of borrowings and investments based on asset and liability principles.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

3. Financial instruments and risk management (continued)

Group	2024	2024	2023	2023
100bps Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	790	(790)	737	(737)
Other financial assets	75,865	(75,865)	68,409	(68,409)
Other financial liabilities	(8,914)	8,914	(5,540)	5,540
Savings Bank Investors	(62,121)	62,121	(59,729)	59,729
	5,620	**(5,620)**	**3,877**	**(3,877)**

Company	2024	2024	2023	2023
100bps Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	731	(731)	725	(725)
Other financial assets	69,402	(69,402)	62,332	(62,332)
Other financial liabilities	(8,914)	8,914	(5,540)	5,540
Loans to Group Companies	8,454	(8,454)	5,074	(5,074)
Savings Bank Investors	(65,842)	65,842	(60,158)	60,158
	3,831	**(3,831)**	**2,433**	**(2,433)**

Price risk

The Group is exposed to price risk because of its investments in debt and equity instruments which are measured at fair value. The exposure to price risk, is managed through a diversified portfolio. Diversification of the portfolio is done in accordance with the limits set by ALCO. The Group did not have equity investments in the current financial year.

The Group is not exposed to commodity price risk.

There have been no significant changes in the price risk management policies and processes since the prior reporting year.

Fair value estimation

In assessing the fair value of financial instruments the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long - term debt.

The face value, less any estimated credit adjustments for financial assets and liabilities with maturity of less than one year, are assumed to approximate fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

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4. Property, plant and equipment

Group (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	10,393	(7,593)	2,800	9,630	(6,892)	2,738
Motor vehicles	3,657	(2,354)	1,303	3,641	(1,958)	1,683
IT equipment	76,485	(58,464)	18,021	61,597	(54,859)	6,738
Leasehold improvements	5,880	(3,426)	2,454	5,450	(2,957)	2,493
Other equipment	50,181	(46,241)	3,940	48,219	(44,905)	3,314
Work in progress (WIP)	8,053	-	8,053	-	-	-
Total	**154,649**	**(118,078)**	**36,571**	**128,537**	**(111,571)**	**16,966**

Company (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	9,135	(6,723)	2,412	8,735	(6,217)	2,518
Motor vehicles	3,338	(2,125)	1,213	3,322	(1,729)	1,593
IT equipment	73,545	(56,234)	17,311	59,196	(52,950)	6,246
Leasehold improvements	5,880	(3,426)	2,454	5,450	(2,957)	2,493
Other equipment	50,156	(46,217)	3,939	48,194	(44,884)	3,310
Work in progress (WIP)	8,053	-	8,053	-	-	-
Total	**150,107**	**(114,725)**	**35,382**	**124,897**	**(108,737)**	**16,160**

As of 30 September 2024, no items of PPE were pledged as security to the long-term borrowings.

Reconciliation of property, plant and equipment - Group - 2024- (N$ '000)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	2,738	832	(4)	-	(766)	2,800
Motor vehicles	1,683	16	-	-	(396)	1,303
IT equipment	6,738	1,891	(1)	13,130	(3,737)	18,021
Leasehold improvements	2,493	430	-	-	(469)	2,454
Other equipment	3,314	1,977	(1)	-	(1,350)	3,940
Work in progress (WIP)	-	21,183	-	(13,130)	-	8,053
	16,966	**26,329**	**(6)**	**-**	**(6,718)**	**36,571**

Reconciliation of property, plant and equipment - Group - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2,332	1,063	(12)	(645)	2,738
Motor vehicles	677	1,794	(449)	(339)	1,683
IT equipment	3,989	5,791	-	(3,042)	6,738
Leasehold improvements	1,552	1,340	-	(399)	2,493
Other equipment	3,812	782	-	(1,280)	3,314
	12,362	**10,770**	**(461)**	**(5,705)**	**16,966**

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024 - (N$ '000)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	2,518	468	(4)	-	(570)	2,412
Motor vehicles	1,593	16	-	-	(396)	1,213
IT equipment	6,246	1,352	-	13,130	(3,417)	17,311
Leasehold improvements	2,493	430	-	-	(469)	2,454
Other equipment	3,310	1,977	(1)	-	(1,347)	3,939
Work in progress (WIP)	-	21,183	-	(13,130)	-	8,053
	16,160	**25,426**	**(5)**	**-**	**(6,199)**	**35,382**

Reconciliation of property, plant and equipment - Company - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2,166	908	(12)	(544)	2,518
Motor vehicles	77	1,794	-	(278)	1,593
IT equipment	3,496	5,511	-	(2,760)	6,246
Leasehold improvements	1,552	1,340	-	(399)	2,493
Other property, plant and equipment	3,803	782	-	(1,275)	3,310
	11,094	**10,335**	**(12)**	**(5,256)**	**16,160**

5. Right-of-use assets

Group (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	25,127	(21,324)	3,803	24,385	(17,445)	6,940
Motor vehicles	104,422	(80,216)	24,206	90,054	(63,498)	26,556
Total	**129,549**	**(101,540)**	**28,009**	**114,439**	**(80,943)**	**33,496**

Company (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	25,127	(21,324)	3,803	24,385	(17,445)	6,940
Motor vehicles	104,422	(80,216)	24,206	90,054	(63,498)	26,556
Total	**129,549**	**(101,540)**	**28,009**	**114,439**	**(80,943)**	**33,496**

Reconciliation of right-of-use assets - Group - 2024 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	6,940	742	-	(3,879)	3,803
Motor vehicles	26,556	14,436	(68)	(16,718)	24,206
	33,496	**15,178**	**(68)**	**(20,597)**	**28,009**

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5. Right-of-use assets (continued)

Reconciliation of right-of-use assets - Group - 2023 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	7,518	3,568	-	(4,146)	6,940
Motor vehicles	8,977	34,209	(576)	(16,054)	26,556
	16,495	**37,777**	**(576)**	**(20,200)**	**33,496**

Reconciliation of right-of-use assets - Company - 2024 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	6,940	742	-	(3,879)	3,803
Motor vehicles	26,556	14,436	(68)	(16,718)	24,206
	33,496	**15,178**	**(68)**	**(20,597)**	**28,009**

Reconciliation of right-of-use assets - Company - 2023 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	7,518	3,568	-	(4,146)	6,940
Motor vehicles	8,977	34,209	(576)	(16,054)	26,556
	16,495	**37,777**	**(576)**	**(20,200)**	**33,496**

6. Intangible assets - Internally generated

Group (N$ '000)	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	133,159	(98,552)	34,607	132,703	(89,653)	43,050
Work in progress (WIP)	9,105	-	9,105	6,823	-	6,823
Total	**142,264**	**(98,552)**	**43,712**	**139,526**	**(89,653)**	**49,873**

Company (N$ '000)	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	131,344	(97,082)	34,262	131,031	(88,364)	42,667
Work in progress (WIP)	9,105	-	9,105	6,823	-	6,823
Total	**140,449**	**(97,082)**	**43,367**	**137,854**	**(88,364)**	**49,490**

Reconciliation of intangible assets - Group - 2024 - (N$ '000)

	Opening balance	Additions	Amortisation	Total
Computer software	43,050	457	(8,900)	34,607
Work in progress (WIP)	6,823	2,282	-	9,105
	49,873	**2,739**	**(8,900)**	**43,712**

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6. Intangible assets - Internally generated (continued)

Reconciliation of intangible assets - Group - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	47,784	4,314	-	(9,048)	43,050
Work in progress (WIP)	6,973	-	(150)	-	6,823
	54,757	**4,314**	**(150)**	**(9,048)**	**49,873**

Reconciliation of intangible assets - Company - 2024 - (N$ '000)

	Opening balance	Additions	Amortisation	Total
Computer software	42,667	314	(8,719)	34,262
Work in progress (WIP)	6,823	2,282	-	9,105
	49,490	**2,596**	**(8,719)**	**43,367**

Reconciliation of intangible assets - Company - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	47,228	4,315	-	(8,876)	42,667
Work in progress (WIP)	6,973	-	(150)	-	6,823
	54,201	**4,315**	**(150)**	**(8,876)**	**49,490**

7. Investments in Subsidiary

The following table lists the entities which are controlled by the Group.

Subsidiary

	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
NamPost Financial Brokers (Pty) Ltd	100 %	100 %	15,001	15,001

NamPost Financial Brokers (Pty) Ltd is engaged in micro-lending business activities and carries on the business of financial services broker.

Directors valuation:

The directors have valued the subsidiary at its net asset value of N$ 162 million (2023: N$ 132 million).

8. Investment in Joint Ventures

NamPost entered into a joint venture with Hollard Life Namibia Ltd in 2016 on the credit life and funeral cover products and is entitled to dividend distributions as declared by Hollard directors. NamPost invested N$1 in the joint venture and this has been accounted for at cost.

Joint Venture - SmartSwitch Namibia (Pty) Ltd

SmartSwitch Namibia (Pty) Ltd was discontinued and derecognised in 2021. The process of being legally wound down is on-going.

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	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
9. Loans to Group companies				
Subsidiaries				
NamPost Financial Brokers (Pty) Ltd This loan has fixed repayment terms, has a term of 10 years and interest payable on capital only every 6 months. The loan attracts interest at an effective rate of prime less 3% with a grace period of two years. Capital to be paid in December annually and was fully repaid in the current year.	-	-	-	6,187
NamPost Financial Brokers (Pty) Ltd Prior to 1 October 2016, loan interest was charged at 5% with no repayment terms. Effective 1 October 2016, N$ 149 million of the total loan balance has a five year repayment period, carries an interest rate of Prime less 1% payable annually on 30 September, and a bullet payment of the capital payable in the 5th year. Total interest outstanding as at 30 September 2017 is repayable in 4 equal instalments commencing year 2020. The remaining N$ 10 million of the loan balance is a subordinated loan and attracts interest at 5% per annum with no fixed repayment terms.	-	-	11,058	9,749
NamPost Financial Brokers (Pty) Ltd The loan amount of N$ 325 million bears interest at 7.3% and is repayable over 10 years, with 3 years grace period. The loan was advanced in December 2019.	-	-	244,926	289,458
NamPost Financial Brokers (Pty) Ltd The loan is charged interest at 7.46% and is repayable over a period of 10 years, with the first 3 years being grace period. The loan was advanced in March 2020.	-	-	168,372	202,046
NamPost Financial Brokers (Pty) Ltd The loan amount of N$ 406.8 million bears interest at 9.25% and is repayable over 10 years, with 3 years grace period. The loan was advanced in January 2024.	-	-	421,027	-
	-	**-**	**845,383**	**507,440**

Split between non-current and current portions

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	-	-	746,098	416,206
Current assets	-	-	99,285	91,234
	-	**-**	**845,383**	**507,440**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
10. Other financial assets				
At fair value through other comprehensive income				
Unit trusts and Bonds*	3,581,910	3,410,590	3,581,910	3,410,590
	3,581,910	**3,410,590**	**3,581,910**	**3,410,590**
At fair value through profit and loss				
Fixed term deposits, call accounts and money market instruments	3,358,312	2,822,619	3,358,312	2,822,619
	3,358,312	**2,822,619**	**3,358,312**	**2,822,619**
At amortised cost				
Other financial assets	646,295	607,727	-	-
	7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

* Limited surety in the form of Internal Registered Stock GC027 to the nominal value of N$235 million (2023: N$235 million) issued by the Republic of Namibia has been provided on the Agence Française de Développement (AFD) loan.

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets				
At fair value through other comprehensive income	2,765,730	2,800,699	2,765,730	2,800,699
At fair value through profit or loss	91,549	91,549	91,549	91,549
Other financial assets - at amortised cost	345,963	329,923	-	-
	3,203,242	**3,222,171**	**2,857,279**	**2,892,248**
Current assets				
At fair value through other comprehensive income	816,180	609,893	816,180	609,893
At fair value through profit or loss	3,266,763	2,731,068	3,266,763	2,731,068
Other financial assets - at amortised cost	300,332	277,804	-	-
	4,383,275	**3,618,765**	**4,082,943**	**3,340,961**
	7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

Financial assets fair values determination

The fair values of investments under level 1 (listed or quoted investments) are based on the quoted market price.

The fair values on investments on level 2 are estimated using observable market data and the fair values of investments on level 3 is estimated using amortised cost, with the carrying amount deemed to be estimating the fair value.

Fair values are determined annually at the statement of financial position date.

Fair value hierarchy of financial assets at fair value through other comprehensive income.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets, currently there is none (2023: Nil).

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10. Other financial assets (continued)

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	Note	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Level 2					
Unit trusts and Bonds		3,581,910	3,410,590	3,581,910	3,410,590
Fixed term deposits, call accounts and money market instruments		3,358,312	2,822,619	3,358,312	2,822,619
		6,940,222	**6,233,209**	**6,940,222**	**6,233,209**
Level 3					
Other instruments		646,295	607,727	-	-
		7,586,517	**6,840,936**	**6,940,222**	**6,233,209**
***Financial assets**					
Opening balance		6,840,936	7,280,165	6,233,209	6,681,275
Additions		24,458,768	18,248,429	24,420,200	18,239,592
Disposals		(23,971,182)	(18,779,124)	(23,971,182)	(18,779,124)
Interest accrual and other adjustments		127,288	53,343	127,288	53,343
Fair value adjustments	38	130,707	38,123	130,707	38,123
		7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

*This section has been revised following a new disclosure on note 38.

The fair value adjustments relates to IFRS 9 revaluations of financial assets at year end.

Credit quality of other financial assets - At fair value through other comprehensive income and fair value through profit or loss.

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

10. Other financial assets (continued)

	2024 Group	2023 Group	2024 Company	2023 Company
Credit rating				
Capricorn Group AA+ (National credit rating)	581,284	312,254	581,284	312,254
Standard Bank Namibia Limited BB- (Fitch, Group credit rating)	359,150	773,242	359,150	773,242
Namibian Government B1 (Moody's credit rating)	3,504,810	3,629,881	3,504,810	3,629,881
South African Government Ba2 (Moody's credit rating)	988,532	382,568	988,532	382,568
Entities with no external credit rating*	1,225,665	616,830	1,225,665	616,830
Nedbank Namibia Limited F1+ (National credit rating)	9,909	109,168	9,909	109,168
Sanlam Namibia AA (National credit rating)	-	19,237	-	19,237
First National Bank B1 (Moody's credit rating)	270,872	390,029	270,872	390,029
	6,940,222	**6,233,209**	**6,940,222**	**6,233,209**

* The counterparties without credit ratings comprise Pointbreak, IJG, Momentum and also Ninety One. The risk of defaulting is minimal due to internal credit risk control measures.

Credit quality of other financial assets - at amortised cost

Loans and advances are issued to individuals with no external credit ratings. Credit record checks are done on the TransUnion Credit Bureau, on each applicant before the loan is issued.

The credit quality of loans and advances can be assessed by reference to historical information about counterparty default rates.

	2024 Group	2023 Group	2024 Company	2023 Company
Loans and advances				
Gross	670,897	628,594	-	-
Less expected credit loss	(24,602)	(20,867)	-	-
	646,295	**607,727**	**-**	**-**

	2024 Group	2023 Group	2024 Company	2023 Company
Expected credit loss allowance on loans and advances				
Opening balance	20,867	18,979	-	-
Additional provision raised during the current year	8,469	4,486	-	-
Interest in suspense	(4,734)	(2,598)	-	-
	24,602	**20,867**	**-**	**-**

Refer to note 3 detailed information on credit risk management, credit quality, assumptions and estimates.

The Group performed a detailed assessment of impairment allowance during the year. Actual historic write-off losses and wider credit risk associated with lending to pensioners, corporate employees and other smart-card holders were considered and impairment allowance was adjusted accordingly.

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11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
At amortised cost				
Loans to Group companies	-	-	845,388	507,440
Other instruments	646,295	607,727	-	-
Trade and other receivables (excluding VAT and prepayments)	66,035	39,846	64,508	39,769
	712,330	**647,573**	**909,896**	**547,209**
At fair value through other comprehensive income				
Unit trusts and Bonds	3,581,910	3,410,590	3,581,910	3,410,590
At fair value through profit and loss				
Fixed term deposits, call accounts and money market instruments	3,358,312	2,822,619	3,358,312	2,822,619
	6,940,222	**6,233,209**	**6,940,222**	**6,233,209**
At amortised cost				
Loans and advances	646,295	607,727	-	-
Cash and cash equivalents	78,976	73,702	73,099	72,505
	725,271	**681,429**	**73,099**	**72,505**

12. Inventories

	Group 2024	Group 2023	Company 2024	Company 2023
Goods for resale	2,921	1,512	2,921	1,512
Stamps	4,582	4,056	4,582	4,056
Stationery	6,371	6,467	6,371	6,467
Other inventories (Smartcards, philately new range)	3,130	1,488	3,130	1,488
	17,004	**13,523**	**17,004**	**13,523**

13. Trade and other receivables

	Group 2024	Group 2023	Company 2024	Company 2023
Financial instruments:				
Trade receivables	26,463	26,871	26,463	26,871
Other receivables (Agency fees etc)	6,916	10,954	5,953	10,877
Non-financial instruments:				
Employee loans	1,344	2,021	1,344	2,021
Prepayments (mobile products, licences and insurance fees)	31,312	30,592	30,748	30,229
Total trade and other receivables	**66,035**	**70,438**	**64,508**	**69,998**

Split between non-current and current portions

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	-	-	-	-
Current assets	66,035	70,438	64,508	69,998
	66,035	**70,438**	**64,508**	**69,998**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**

13. Trade and other receivables (continued)

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	33,379	37,825	32,416	37,748
Non-financial instruments	32,656	32,613	32,092	32,250
	66,035	**70,438**	**64,508**	**69,998**

The credit quality of trade and other receivables can be assessed by reference to external credit ratings (if available) and a combination of information of historical information about counterparty default rates and forward looking information available, as guided by IFRS 9.

Trade receivables

Counterparties in their respective categories				
State owned entities	3,322	3,102	3,322	3,102
Government of the Republic of Namibia	2,904	4,443	2,904	4,443
Corporate clients	12,173	10,306	12,173	10,306
Private individuals	6,766	7,093	6,766	7,093
	25,165	**24,944**	**25,165**	**24,944**

Trade and other receivables				
Gross	96,755	102,518	95,228	102,078
Less expected credit loss	(30,720)	(32,080)	(30,720)	(32,080)
	66,035	**70,438**	**64,508**	**69,998**

Expected credit loss allowance on trade and other receivables				
Opening balance	32,080	33,451	32,080	33,451
Impairment adjustment for the year	(1,360)	(1,371)	(1,360)	(1,371)
	30,720	**32,080**	**30,720**	**32,080**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**

13. Trade and other receivables (continued)

Exposure to currency risk

Refer to note 3 for detailed information on credit risk management, credit quality, assumptions and estimates.

The carrying amount of trade and other receivables excluding VAT approximates their fair values because they are short term in nature.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16,876	15,391	16,869	15,385
Bank balances	62,100	58,311	56,230	57,120
	78,976	**73,702**	**73,099**	**72,505**

The company has undrawn bank overdraft facilities of N$15m (2023: N$15m) applicable to all current accounts. The overdraft facilities are unsecured. There are specific covenants attached to the facility with which Namibia Post Limited needs to comply with.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank, excluding cash on hand can be assessed by reference to external credit ratings (if available) and to a combination of historical information about counterparty default rates and forward looking information available:

Credit rating				
Bank Windhoek Limited (AA) National credit rating	5,870	1,191	-	-
Standard Bank Namibia Limited AA+ (National, Group credit rating)	53,243	56,844	53,243	56,844
First National Bank AA+ (National credit rating)	2,987	276	2,987	276
	62,100	**58,311**	**56,230**	**57,120**

15. Share capital

Authorised				
50,000,000 Ordinary shares	50,000	50,000	50,000	50,000

Issued				
Fully paid 5,075,000 Ordinary shares, issued at N$1 each	5,075	5,075	5,075	5,075

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
16. Other financial liabilities				
Held at amortised cost				
Kreditanstalt Fur Wiederaufbau loan (KfW) This comprises four loans, KfW 1,KfW 2, KfW 3 & KfW 4. In 2006, KfW 1 amounting to EUR883,767 Euros, was issued to Government of the Republic of Namibia (GRN) and on lent to Namibia Post Limited in local currency, payable over 30 year period commencing 30 June 2015. In 2014, KfW 2, amounting to EUR3 million was received from KfW, with a 30 year term, at an interest rate of 2% p.a, with capital repayments starting from June 2023 to December 2042. KfW 3 amounting to N$ 325 million was received in December 2020, bearing interest of 7.3% and is repayable bi-annually over 10 years ending in 2027, with a 3 year grace period for the capital portion. KfW 2 and KfW 3 are both guaranteed by the GRN. KfW 4 amounting to N$ 406.8 million was received in January 2024, bearing interest of 9.25% p.a, repayable bi-annually over 10 years, with a 3 years grace period for the capital portion.	722,980	351,937	722,980	351,937
Agence Française de Développement (AFD) The loan bears interest at 7.46% and is repayable bi-annually over a period of 10 years , with a 3 year grace period for the capital portion. The loan is secured with GC27 bonds. Commencement period was March 2020.	168,372	202,046	168,372	202,046
	891,352	**553,983**	**891,352**	**553,983**
Non-current liabilities				
At amortised cost	789,694	465,126	789,694	465,126
Current liabilities				
At amortised cost	101,658	88,857	101,658	88,857
	891,352	**553,983**	**891,352**	**553,983**
Kreditanstalt Fur Wiederaufbau loan (KfW)				
Opening balance	351,937	391,065	351,937	391,065
Interest expense	46,221	23,165	46,221	23,165
Foreign exchange (gain) / loss	(2,159)	7,001	(2,159)	7,001
New loan received	406,800	-	406,800	-
Payments	(79,819)	(69,294)	(79,819)	(69,294)
	722,980	**351,937**	**722,980**	**351,937**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
16. Other financial liabilities (continued)				
Agence Française de Développement (AFD)				
Opening balance	202,046	235,720	202,046	235,720
Interest expense	14,332	16,795	14,332	16,795
Payments	(48,006)	(50,469)	(48,006)	(50,469)
	168,372	**202,046**	**168,372**	**202,046**

17. Post employment benefits

Medical benefit - (defined benefit plan)

The company's current medical benefit scheme is a defined contribution plan. However, there is a proportion of employees (qualifying employees) under a defined benefit plan, on which the company continues to pay two thirds of total contributions towards the medical scheme when qualifying employees retire or become incapacitated.

The plan is a final post employment medical benefit plan.

Carrying value

	Group 2024	Group 2023	Company 2024	Company 2023
Present value of the defined benefit obligation-wholly unfunded	(12,357)	(12,360)	(12,357)	(12,360)

Movements for the year

	Group 2024	Group 2023	Company 2024	Company 2023
Opening balance	(12,360)	(13,361)	(12,360)	(13,361)
Benefits paid	1,553	1,544	1,553	1,544
Actuarial gain / (loss)	1,025	1,167	1,025	1,167
Net expense recognised in profit or loss	(2,575)	(1,710)	(2,575)	(1,710)
	(12,357)	**(12,360)**	**(12,357)**	**(12,360)**

Net expense recognised in the statement of profit or loss and other comprehensive income

	Group 2024	Group 2023	Company 2024	Company 2023
Current service cost	(54)	(81)	(54)	(81)
Past service cost	(915)	-	(915)	-
Interest cost	(1,606)	(1,629)	(1,606)	(1,629)
Actuarial gains	1,025	1,167	1,025	1,167
	(1,550)	**(543)**	**(1,550)**	**(543)**

The actuarial gain is comprised of:

- change in financial assumption of N$ 85 000, and
- experience variance of N$ 940 000.

Key assumptions used

Assumptions used on last valuation on 30 September 2024.

	Group 2024	Group 2023	Company 2024	Company 2023
Actual return on plan assets	60	60	60	60
Discount rates used	10.80 %	13.60 %	10.80 %	13.60 %
Expected rate of return on assets	6.40 %	9.00 %	6.40 %	9.00 %

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

17. Post employment benefits (continued)

Medical benefit - (defined benefit plan)

Sensitivity Analysis

The valuation above is only an estimate of the cost of providing post - employment medical aid benefits. The actual cost to the organisation will be dependent on actual future levels of assumed variables.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

Demographics of heavier/ no withdrawals in the assumed level of mortality;

1 % increase/ decrease in the Medical Aid inflation

Mortality

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the company. If the actual rates of mortality turns out higher than the rates assumed in the valuation basis, the cost to the company in the form of subsidies will reduce and vice versa.

We have illustrated the effect of higher and lower mortality rates on total accrued liability by applying demographics of heavier mortality or no withdrawals. The effect is as follows:

Balance of liability with change in assumption:				
Pre-retirement withdrawals are ignored	12,389	12,396	12,389	12,396
Valuation assumption	12,357	12,360	12,357	12,360
Heavier mortality	11,589	11,728	11,589	11,728

For mortality for continuation members, PA(90) life table less a one year age adjustment was used, making an allowance for improvements in mortality of 0.5% per annum from 2007 onwards, which is consistent with pensioner mortality assumption used in retirement funds valuation in Namibia.

Medical Aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. The assumed medical inflation rate is 6.4% per annum.

We have tested the effect of a 1% p.a change in the medical aid inflation assumption. The effect is as follows:

Balance of liability with change in assumption:				
1% decrease in medical aid inflation	13,382	13,372	13,382	13,372
Valuation assumption	12,357	12,360	12,357	12,360
1% increase in valuation assumption	11,468	11,479	11,468	11,479

Projected Company liability as at 30 September 2024

The expected past service liability as at 30 September 2025 amounts to N$ 12.4 million, with estimated interest cost of N$ 1.3 million, service cost of N$ 57 thousand and benefits which will be paid within one year of approximately N$1.2 million.

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	Group		Company	
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17. Post employment benefits (continued)

Pension Fund - (defined contribution)

At the financial year end, all the permanent employees of the company were members of the Napotel Pension Fund, a defined contribution plan, governed by the Pension Fund Act no 24 of 1956. Employees' contributions amount to 7% of basic salary and the company's contributions amounts to 16% of basic salary.

The Napotel Pension Fund converted from a defined benefit plan to defined contribution plan with effect from 1 October 1997. A statutory actuarial valuation was carried out as at 30 September 2024, which indicate that the fund was in a sound financial position.

18. Savings bank Investors

Composition of savings bank investors				
Savings accounts	716,160	674,477	716,160	674,477
Save as you earn	73,920	57,103	73,920	57,103
Fixed term deposits	4,931,466	4,865,606	5,303,552	4,908,556
Call and notice accounts	481,983	367,271	481,983	367,271
Mychoice accounts	8,557	8,413	8,557	8,413
	6,212,086	**5,972,870**	**6,584,172**	**6,015,820**

The current and long term portions of the portfolio is split as follows:				
Non current portion	404,151	412,976	404,151	412,976
Current portion	5,807,935	5,559,894	6,180,021	5,602,844
	6,212,086	**5,972,870**	**6,584,172**	**6,015,820**

19. Lease Liabilities

Group - 2024

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,191	742	752	(4,831)	4,854
Motor vehicles	28,787	14,217	2,576	(18,747)	26,833
	36,978	**14,959**	**3,328**	**(23,578)**	**31,687**

Group - 2023

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,997	3,375	846	(5,027)	8,191
Motor vehicles	9,925	33,826	2,754	(17,718)	28,787
	18,922	**37,201**	**3,600**	**(22,745)**	**36,978**

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

19. Lease Liabilities

Company 2024

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,191	742	752	(4,831)	4,854
Motor vehicles	28,787	14,217	2,576	(18,747)	26,833
	36,978	**14,959**	**3,328**	**(23,578)**	**31,687**

Company 2023

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,997	3,375	846	(5,027)	8,191
Motor vehicles	9,925	33,826	2,754	(17,718)	28,787
	18,922	**37,201**	**3,600**	**(22,745)**	**36,978**

Maturity analysis of lease liabilities				
Within 1 year	21,236	17,813	21,236	17,813
From 1 to 5 years	10,451	19,165	10,451	19,165
	31,687	**36,978**	**31,687**	**36,978**

Amounts recognised in the income statement relating to leases

The following are the amounts recognised in the profit or loss:

Property	3,879	4,146	3,879	4,146
Motor vehicles	16,718	16,054	16,718	16,054
Total depreciation charge for the right-of-use assets	20,597	20,200	20,597	20,200
Interest expense on lease liabilities (included in finance cost)	3,328	3,600	3,328	3,600
Expense relating to short-term leases (included in cost of sales)	5,090	4,831	5,090	4,831
Expense relating to short-term leases (included in operating expenses)	34,890	34,779	34,176	34,779
	63,905	**63,410**	**63,191**	**63,410**

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

20. Trade and other payables

Financial instruments:				
Trade payables	44,759	37,592	30,936	25,763
Amounts received in advance	2,252	6,651	1,756	6,155
Telecom- telephone payments	68	259	66	259
Provisions and Accruals	46,190	40,336	39,467	34,598
Third party funds payable	94,188	93,191	94,188	93,191
Other payables	4,195	11,816	2,239	11,629
Non-financial instruments:				
VAT	3,503	4,041	3,074	3,815
	195,155	**193,886**	**171,726**	**175,410**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	191,652	189,845	168,652	171,595
Non-financial instruments	3,503	4,041	3,074	3,815
	195,155	**193,886**	**171,726**	**175,410**

The carrying amount of trade and other payables excluding VAT and amounts received in advance approximates their fair values because they are short term in nature.

21. Financial liabilities

The accounting policies for financial instruments have been applied at amortised cost to the following line items:

Financial liabilities at amortised cost				
Other financial liabilities	891,352	553,983	891,352	553,983
Trade and other payables (excluding VAT payable)	187,810	190,071	162,156	171,595
Savings bank investors	6,212,086	5,972,870	6,584,172	6,015,820
Lease liabilities	31,244	36,978	31,244	36,978
	7,322,492	**6,753,902**	**7,668,924**	**6,778,376**

22. Deferred tax

Deferred tax asset (liability)				
Property plant and equipment	(21,774)	(25,455)	(21,574)	(25,023)
Fair value adjustments	(10,264)	43,744	(10,264)	43,744
Terminal dues	(2,287)	(2,529)	(2,287)	(2,529)
Stock - Consumables	(1,737)	(1,786)	(1,737)	(1,786)
Prepayments and other deferred tax liabilities	680	2,909	855	3,025
	(35,382)	**16,883**	**(35,007)**	**17,431**

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	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
22. Deferred tax (continued)				
Deferred tax asset				
Retirement benefit obligation	3,831	3,955	3,831	3,955
Provisions	25,342	24,281	18,892	18,590
Deferred tax balance from temporary differences other than unused tax losses	29,173	28,236	22,723	22,545
Income received in advance	199	1,509	199	1,509
	29,372	29,745	22,922	24,054
Other deferred tax	16,010	12,990	16,010	12,721
Total deferred tax asset, net of valuation allowance recognised	**45,382**	**42,735**	**38,932**	**36,775**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Deferred tax liability	(35,382)	(29,770)	(35,007)	(29,338)
Deferred taxation liability to be recovered after more than 12 months	(35,382)	(29,770)	(35,007)	(29,338)
Deferred tax asset	45,382	89,388	38,932	83,544
Deferred taxation asset to be recovered after more than 12 months	45,382	89,388	38,932	83,544
Total net deferred tax asset	**10,000**	**59,618**	**3,925**	**54,206**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Deferred tax liability	(35,396)	(29,770)	(35,007)	(29,338)
Deferred tax asset	45,396	89,388	38,932	83,544
Total net deferred tax asset	**10,000**	**59,618**	**3,925**	**54,206**

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	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
22. Deferred tax (continued)				
Reconciliation of deferred tax asset / (liability)				
At the beginning of year	59,618	66,555	54,206	61,735
Temporary differences on terminal dues and parcel credits	163	(2,529)	163	(2,529)
Temporary differences on income received in advance	(1,263)	1,509	(1,263)	1,509
Originating temporary differences on tangible fixed assets	7,584	(25,455)	7,352	(25,023)
Originating / (Reversing) temporary differences on Post retirement obligation	(930)	3,955	(930)	3,955
Temporary differences on fair value adjustments	(45,949)	43,744	(45,949)	43,744
Originating temporary differences on provisions	1,641	24,281	882	18,590
Originating temporary differences on stock - consumables	(6)	(1,786)	(6)	(1,786)
Other deferred tax (unrealised forex, prepayments, KFW Loan 2 etc.)	882	(2,635)	882	(2,519)
Other (lease liabilities, assessed tax loss etc)	(10,457)	(48,021)	(9,933)	(43,470)
Reduction due to rate change	(1,283)	-	(1,479)	-
	10,000	**59,618**	**3,925**	**54,206**
23. Current tax receivable				
Current tax receivable	5,522	6,934	7,969	7,969
Net current tax receivable (payable)				
Current assets	7,969	7,969	7,969	7,969
Current liabilities	(2,447)	(1,035)	-	-
	5,522	**6,934**	**7,969**	**7,969**
Reconciliation for current tax receivable / (payable):				
Opening balance	6,934	12,822	7,969	14,315
Current tax for the year	(17,503)	(25,896)	-	(14,315)
Provisional tax payment - 2024	16,091	20,008	-	7,969
	5,522	**6,934**	**7,969**	**7,969**
Balance of provision for taxation consists of:				
2021	-	(13,045)	-	-
2023	(10,569)	19,979	7,969	7,969
2024	16,091	-	-	-
	5,522	**6,934**	**7,969**	**7,969**

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	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
24. Revenue				
Revenue from contracts with customers				
Philately stamps revenue	2,770	994	2,770	994
Mail revenue	80,400	86,853	80,400	86,853
Agency commission	23,462	26,382	23,462	26,382
Logistics services	144,655	134,593	144,655	134,593
Savings bank fees	160,094	149,319	160,094	149,319
Other	3,860	3,496	3,860	3,496
	415,241	**401,637**	**415,241**	**401,637**
Revenue other than from contracts with customers				
Interest and similar income from financial investments	563,778	545,097	563,778	545,097
Revenue from lending activities	142,682	126,083	-	-
	706,460	**671,180**	**563,778**	**545,097**
	1,121,701	**1,072,817**	**979,019**	**946,734**
25. Cost of sales				
Cost of sales on goods and services	71,919	69,741	71,919	69,741
Interest expense	430,995	414,929	455,319	419,663
	502,914	**484,670**	**527,238**	**489,404**

Cost of sales has been split between interest expense and cost relating to the sale of goods and services.

	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
26. Other operating income				
Gain on asset disposal	920	29	24	18
Recoveries	3,784	4,318	-	-
Other income (domant smart card accounts, money orders & other ancillary)*	30,674	31,633	30,685	31,617
Forex gains / (losses)	561	(6,108)	561	(6,108)
	35,939	**29,872**	**31,270**	**25,527**

*Dormant smart card accounts amounting to N$ 16 387 925 were written off in the current year.

	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
27. Investment income				
Dividend income				
Dividends received	18,794	16,881	23,794	19,881
Interest income				
Interest received on corporate current accounts	3,630	2,553	63,618	42,171
Total investment income	**22,424**	**19,434**	**87,412**	**62,052**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
28. Movement in credit loss allowances				
Net Expected Credit Loss				
Trade and other receivables	1,063	(1,719)	1,063	(1,719)
Loans and advances	(13,902)	(14,942)	-	-
	(12,839)	**(16,661)**	**1,063**	**(1,719)**

29. Operating profit

Operating profit for the year is stated after charging and (crediting) the following, amongst others:

	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
Auditor's remuneration - external				
Audit fees	3,206	3,398	2,372	2,703
Remuneration, other than to employees				
Consulting and professional services	19,418	15,385	14,175	9,722
Employee costs				
Salaries, wages, bonuses and other benefits	316,835	299,926	291,413	276,278
Leases				
Short-term leases	35,575	36,170	34,176	34,727
Total lease expenses	**35,575**	**36,170**	**34,176**	**34,727**
Depreciation and amortisation				
Depreciation of property, plant and equipment	6,718	5,704	6,199	5,256
Depreciation of right-of-use assets	20,597	20,200	20,597	20,200
Amortisation of intangible assets	8,900	9,049	8,719	8,876
Total depreciation and amortisation	**36,215**	**34,953**	**35,515**	**34,332**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
29. Operating profit (continued)				
Expenses by nature				
Employee costs	316,835	299,926	291,413	276,278
Short-term lease charges	35,575	36,170	34,176	34,727
Depreciation, amortisation and impairment	36,215	34,953	35,515	34,332
Advertising	8,851	9,182	7,181	8,152
Subscriptions	19,743	17,709	19,743	17,709
IT expenses	20,099	17,099	20,099	17,099
Security	9,715	9,582	9,715	9,582
Municipal expenses	3,957	3,379	2,656	2,400
Consulting and professional fees	18,670	15,385	14,175	9,722
Telephone and fax	12,443	12,629	12,254	12,468
Commission paid	11,191	9,175	8,245	7,096
Insurance	6,179	5,875	6,217	5,812
Printing and stationery	4,010	3,278	3,494	3,054
Repairs and maintenance	2,751	2,679	2,751	2,679
Other expenses	35,804	37,177	28,630	32,223
	542,038	**514,198**	**496,264**	**473,333**
Fair value gains / (losses)				
Net gains on fair value adjustments	16,491	-	16,491	-
30. Depreciation, amortisation and impairment losses				
Depreciation				
Property, plant and equipment	6,718	5,704	6,199	5,256
Right-of-use assets	20,597	20,200	20,597	20,200
	27,315	**25,904**	**26,796**	**25,456**
Amortisation				
Intangible assets	8,900	9,049	8,719	8,876
Total depreciation, amortisation and impairment				
Depreciation	27,315	25,904	26,796	25,456
Amortisation	8,900	9,049	8,719	8,876
	36,215	**34,953**	**35,515**	**34,332**
31. Finance costs				
Other financial liabilities	60,748	39,939	60,748	39,939
Interest on lease liabilities	3,328	3,584	3,328	3,584
Total finance costs	**64,076**	**43,523**	**64,076**	**43,523**

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	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
32. Income tax expense				
Major components of the tax expense				
Current				
Local income tax - current period	17,503	13,307	-	-
Deferred				
Current year	(3,197)	1,251	(2,534)	13,707
Arising from prior period adjustments	6,866	(8,996)	6,866	(683)
	3,669	**(7,745)**	**4,332**	**13,024**
	21,172	**5,562**	**4,332**	**13,024**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	58,197	63,071	11,186	26,334
Tax at the applicable tax rate of 32% (2023: 32%)	18,623	20,183	3,579	8,427
Tax effect of adjustments on taxable income				
Net Permanent differences	(6,122)	(5,625)	(7,722)	(6,585)
Prior year adjustments	6,866	(8,996)	6,866	(8,996)
Effect of rate change	1,805	-	1,609	-
	21,172	**5,562**	**4,332**	**(7,154)**
33. Income tax expense (other comprehensive income)				
Major components of the income tax expense				
Current tax relating to other comprehensive income				
Local income tax - current year	-	-	-	-
Deferred tax relating to other comprehensive income / (loss)				
Current year	45,949	14,682	45,949	14,682
Reconciliation of the income tax expense				
Reconciliation between other comprehensive income and tax expense Other comprehensive income / (loss)	148,223	45,882	148,223	45,882
Tax at the applicable tax rate of 31% (2023: 32%)	45,949	14,682	45,949	14,682
	45,949	**14,682**	**45,949**	**14,682**

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	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
34. Tax paid				
Balance at the beginning of the year	6,934	12,822	7,969	14,315
Current tax recognised in profit or loss	(17,503)	(13,307)	-	-
Balance at the end of the year	(5,522)	(6,934)	(7,969)	(7,969)
	(16,091)	**(7,419)**	**-**	**6,346**
35. Cash generated from operations				
Profit before taxation (includes actuarial gain /(loss))	59,222	64,238	12,211	27,501
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	36,215	34,953	35,515	34,332
(Gains) losses on exchange differences	(325)	6,196	(325)	6,196
Movement in retirement benefit assets and liabilities	(3)	(1,001)	(3)	(1,001)
Adjust for items which are presented separately:				
Interest income	(3,630)	(2,553)	(63,618)	(42,171)
Dividends received	(18,794)	(16,881)	(23,794)	(19,881)
Finance costs	64,076	43,523	64,076	43,523
Changes in working capital:				
(Increase) decrease in inventories	(3,481)	34	(3,481)	34
Decrease in trade and other receivables	2,443	1,672	3,530	1,617
(Decrease) increase (decrease) in trade and other payables	123	7,036	(4,673)	433
	135,846	**137,217**	**19,438**	**50,583**
36. Dividends paid				
Dividends	(5,000)	(8,000)	(5,000)	(8,000)

Dividends are from capital profits.

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
37. Commitments				
Authorised capital expenditure				
Already contracted for but not provided for				
• Commitments in respect of contracts placed	4,092	1,570	4,092	1,570
• Not yet contracted for and authorised by directors	12,296	19,633	12,296	19,633
Guarantees				
Ministry of Finance	20	20	20	20
Avon and Justine	800	800	800	800
Puma Energy	2,000	2,000	2,000	2,000

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38. Other comprehensive income

Components of other comprehensive income - Group - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,025	(318)	707
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	130,707	(40,519)	90,188
Reclassification adjustments to profit or (loss)	16,491	(5,112)	11,379
	147,198	**(45,631)**	**101,567**
Total	**148,223**	**(45,949)**	**102,274**

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,167	(373)	794
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	38,122	(12,199)	25,923
Reclassification adjustments to profit or (loss)	6,593	(2,110)	4,483
	44,715	**(14,309)**	**30,406**
Total	**45,882**	**(14,682)**	**31,200**

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	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000

38. Other comprehensive income (continued)

Components of other comprehensive income - Company - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,025	(318)	707
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	130,707	(40,519)	90,188
Reclassification adjustments to profit or (loss)	16,491	(5,112)	11,379
	147,198	**(45,631)**	**101,567**
Total	**148,223**	**(45,949)**	**102,274**

Components of other comprehensive income - Company - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,167	(373)	794
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	38,122	(12,199)	25,923
Reclassification adjustments to profit or (loss)	6,593	(2,110)	4,483
	44,715	**(14,309)**	**30,406**
Total	**45,882**	**(14,682)**	**31,200**

39. Prior period errors

To align to IAS 1 requirements, revenue from financial assets measured at FVOCI and at amortised cost, and movement in credit losses for the similar financial assets has been presented separately. There is no impact on prior year total revenue and retained earnings.

Fair value adjustments - IFRS7 requires separate disclosure of recycled fair value gains / (losses) on derecognition of FVOCI instruments. The disclosure has been aligned in the current year. There is no impact on the statement of financial position and statement of profit or (loss).

To align to IAS 7,net movements in financial assets and net movements in savings bank investors' deposits have been reclassified to operating activities on the statements of cash flows.

NamPost Financial Brokers (PostFin) investments at Savings Bank have been added to the related party discloure. This was an omission on prior year disclosure. Refer to note 41.

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	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
39. Prior period errors (continued)				
Impact on Statement of Profit or Loss and Other Comprehensive Income				
Revenue				
Previously stated	-	1,072,817	-	946,734
Reclassified to interest income	-	(671,180)	-	(545,097)
	-	**401,637**	**-**	**401,637**
Interest revenue / Income				
Previously stated	-	-	-	-
Reclassified from other revenue	-	671,180	-	545,097
	-	**671,180**	**-**	**545,097**
Other operating expenses				
Previously stated	-	530,859	-	475,052
Reclassified to movement in credit loss allowances	-	(16,661)	-	(1,719)
	-	**514,198**	**-**	**473,333**
Movement in credit loss allowances				
Previously stated	-	-	-	-
Reclassified from other operating expenses	-	16,661	-	1,719
	-	**16,661**	**-**	**1,719**
Items that will not be reclassified to profit or loss				
Previously stated	-	31,200	-	31,200
Reclassified from items that may not be reclassified to profit or loss	-	(30,406)	-	(30,406)
	-	**794**	**-**	**794**
Items that may be reclassified to profit or loss				
Previously stated	-	-	-	-
Reclassified to items that may be reclassified to profit or loss	-	30,406	-	30,406
	-	**30,406**	**-**	**30,406**
Impact on Statements of Cash Flows				
Cash flows from investing activities				
Previously stated	-	469,471	-	562,037
Reclassification to operating activities	-	(483,944)	-	(492,781)
	-	**(14,473)**	**-**	**69,256**

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	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**

39. Prior period errors (continued)

	2024	2023	2024	2023
Cash flows from financing activities				
Previously stated	-	(716,082)	-	(780,076)
Reclassification to operating activities	-	605,233	-	669,227
	-	**(110,849)**	**-**	**(110,849)**
Cash flows from operating activities				
Previously stated	-	104,547	-	80,515
Reclassification from investing and financing activities	-	(121,289)	-	(176,446)
	-	**(16,742)**	**-**	**(95,931)**

40. Events after the reporting period

On 19 August 2024, the Minister of Information and Communication Technology published a notice in the Government Gazette, which gave effect to the dismantling of NPTH (current shareholder), as per the Post and Telecommunications Companies Establishment Amendment Act, 2020 (The Act). The dismantling of NPTH will subsequently result in the change in NamPost's immediate shareholder to Ministry of Finance and Public Enterprises and the transfer of some of NPTH's immovable properties into the ownership of NamPost as promulgated in The Act. The transfer of immovable properties commenced after year-end and the process is still on-going.

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	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**

41. Related parties

Relationships	
Ultimate Shareholder	Government of the Republic of Namibia
Holding company	Namibia Post and Telecom Holdings Limited
Subsidiaries	NamPost Financial Brokers (Pty) Ltd Refer to note 7
Joint arrangements	SmartSwitch Namibia (Pty)Ltd, Refer to note 8
NamPost directors	Refer to directors' report on page 86
Directors (NamPost Financial Brokers (Pty) Ltd)	Festus F Hangula James A Cumming Erastus Hoveka Sonia Bergh
Fellow Subsidiaries	Telecom Namibia Limited Mobile Telecommunications Limited
Members of key management (Executive Committee)	Festus Hangula (Chief Executive Officer: Namibia Post Limited) Robert Eiman (Chief Executive Officer: NamPost Financial Brokers (Pty) Ltd) - appointed 1 November 2023. Willem Mouton (Chief Operating Officer) Batsirai Pfigirai (Executive: Finance) Jorn Schnoor (Executive: Information Technology) Ekonia Mudjanima (Executive: Human Resources) Mbo Luvindao (Executive: Financial Services) Berlindi van Eck (Executive: Marketing) Eldorette Harmse (Executive: Legal, Compliance and Governance) Bennie Jakobs (Executive: Retail Channels) Deon Claasen (Executive: Enterprise Risk Management) Michael Feldmann (Executive: Mail and Logistics) Komao Mbuende (Head: Internal Audit)

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41. Related parties (continued)				
Related party balances				
Receivable from related parties				
Mobile Telecommunications Limited	4,827	6,650	4,827	6,650
Telecom Namibia Limited	1,302	533	1,302	533
NamPost Financial Brokers (Pty) Ltd	-	-	40	31
Payable to related parties				
Mobile Telecommunications Limited	9,310	8,971	9,310	8,971
Telecom Namibia Limited	2,184	-	2,184	-
Hollard Life Namibia Limited	1,904	1,764	1,904	1,764
NamPost Financial Brokers (Pty) Ltd	-	-	226	130
Loans to related parties				
NamPost Financial Brokers (Pty) Ltd	-	-	845,388	507,470
Loan repayments from related parties				
NamPost Financial Brokers (Pty) Ltd	-	-	81,499	83,743
Savings Bank Investors' liabilities				
*NamPost Financial Brokers (Pty) Ltd	-	-	373,335	42,951
Related party transactions				
Sales of goods / services				
Telecom Namibia Limited	7,906	6,680	7,906	6,680
Namibia Post and Telecom Holdings Limited	4	4	4	4
Mobile Telecommunications Limited	4,340	3,749	4,340	3,749
NamPost Financial Brokers (Pty) Ltd	-	-	65,395	42,920
Hollard Life Namibia Ltd	25,909	24,185	25,909	24,185
Purchases from (sales to) related parties				
Namibia Post and Telecom Holdings Limited	30,821	32,969	30,821	32,969
Mobile Telecommunications Limited	163,675	283,057	163,675	283,057
Telecom Namibia Limited	7,520	7,069	7,520	7,069
NamPost Financial Brokers (Pty) Ltd	-	-	24,324	4,734
Directors' emoluments				
James A Cumming	316	304	194	175
Simeon Amunkete	214	192	214	192
Leezhel Sartorius von Bach	178	175	178	175
Martha Shingenge	191	168	191	168
Ndangi Katoma	173	139	173	139
Festus F Hangula	91	97	-	-
Erastus Hoveka	82	97	-	-
Sonia Bergh	88	97	-	-
Compensation: Key management (Executive Committee)				
Short -term employee benefits	32,451	31,211	25,111	24,047

*Disclosure has been added in the current year and prior year has been restated. Refer to note 39.

Namibia Post Limited and its Subsidiary

(Registration number 92/284)
Annual Financial Statements for the year ended 30 September 2024

Detailed Income Statement

		Group		Subsidiary	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Revenue					
Philately stamps revenue		2,770	994	2,770	994
Mail revenue		80,400	86,853	80,400	86,853
Agency commission		23,462	26,382	23,462	26,382
Courier services		144,655	134,593	144,655	134,593
Savings bank fees		160,094	149,319	160,094	149,319
Other revenue		3,860	3,496	3,860	3,496
Interest and similar income from financial investments		563,778	545,097	563,778	545,097
Revenue from lending activities		142,682	126,083	-	-
	24	**1,121,701**	**1,072,817**	**979,019**	**946,734**
Cost of sales					
Opening stock		(13,523)	(13,523)	(13,523)	(13,557)
Purchases on goods and services		(75,400)	(69,741)	(75,400)	(909,033)
Closing stock		17,004	13,523	17,004	13,523
Interest expense		(430,995)	(414,929)	(455,319)	419,663
	25	**(502,914)**	**(484,670)**	**(527,238)**	**(489,404)**
Gross profit (loss)		**618,787**	**588,147**	**451,781**	**457,330**
Other operating income					
Bad debts recovered		3,784	4,318	-	-
Other income		30,674	31,633	30,685	31,617
Sundry (loss) / income		561	(6,108)	561	(6,108)
Gain on asset disposal		920	29	24	18
	26	**35,939**	**29,872**	**31,270**	**25,527**
Expenses (Refer to page 156).		**(554,877)**	**(530,859)**	**(495,201)**	**(475,052)**
Operating profit (loss)	29	**99,849**	**87,160**	**(12,150)**	**7,805**
Investment income	27	22,424	19,434	87,412	62,052
Finance costs	31	(64,076)	(43,523)	(64,076)	(43,523)
Profit before taxation		**58,197**	**63,071**	**11,186**	**26,334**
Taxation	32	(21,172)	(5,562)	(4,332)	7,154
Profit for the year		**37,025**	**57,509**	**6,854**	**33,488**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Namibia Post Limited and its Subsidiary

(Registration number 92/284)
Annual Financial Statements for the year ended 30 September 2024

Detailed Income Statement

		Group		Subsidiary	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Other operating expenses					
Advertising		(8,851)	(9,182)	(7,181)	(8,152)
Amortisation		(8,900)	(9,049)	(8,719)	(8,876)
Auditor's remuneration - external audit	29	(3,206)	(3,398)	(2,372)	(2,703)
Bad debts		(12,839)	(16,661)	1,063	(1,719)
Bank charges		(4,133)	(3,822)	(4,024)	(3,788)
Cleaning		(201)	(108)	(110)	(49)
Commission paid		(11,191)	(9,175)	(8,245)	(7,096)
Consulting and professional fees		(19,418)	(15,385)	(14,175)	(9,722)
Depreciation		(27,315)	(25,904)	(26,796)	(25,456)
Employee costs		(316,835)	(299,926)	(291,413)	(276,278)
Municipal expenses		(3,957)	(3,379)	(2,656)	(2,400)
Insurance		(6,179)	(5,875)	(6,217)	(5,812)
IT expenses		(23,247)	(20,244)	(19,961)	(17,099)
Short-term leases		(35,575)	(36,170)	(34,176)	(34,727)
Motor vehicle expenses		(132)	(77)	-	-
Other expenses		(22,628)	(25,768)	(21,993)	(25,495)
Postage		(806)	(662)	(269)	(188)
Printing and stationery		(4,010)	(3,278)	(3,494)	(3,054)
Repairs and maintenance		(2,751)	(2,679)	(2,751)	(2,679)
Security		(9,715)	(9,582)	(9,715)	(9,582)
Subscriptions		(19,743)	(17,709)	(19,743)	(17,709)
Telephone and fax		(12,443)	(12,629)	(12,254)	(12,468)
Training		(292)	(116)	-	-
Travel - local		(510)	(81)	-	-
		(554,877)	**(530,859)**	**(495,201)**	**(475,052)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Glossary

AGM	Annual general meeting
ALCO	Asset and Liability Management Committee
AML	Anti-money laundering
ATM	Automated teller machine
BARC	Board Audit and Risk Committee
BIC	Board Investment Committee
CEO	Chief Executive Officer
COO	Chief Operating Officer
CPI	Consumer price index
CRAN	Communications Regulatory Authority of Namibia
CSI	Corporate social investment
CSR	Corporate social responsibility
EFT	Electronic funds transfer
EMS	Express mail services
ERM	Enterprise risk management
ERP	Enterprise resource planning
EVP	Employee Value Proposition
EXCO	Executive committee
FATF	Financial Action Task Force
FIA	Financial Intelligence Act, No 13 of 2012
FIC	Financial Intelligence Centre
GDP	Gross domestic product
HRCC	Human Resources and Compensation Committee
ICT	Information and Communications Technology
KfW	Kreditanstalt für Wiederaufbau
King III	King III Report on Corporate Governance for South Africa 2009
King IV	King Report on Corporate Governance™ for South Africa, 2016
MIS	Management information system
NAMFISA	Namibia Financial Institutions Supervisory Authority
NamPost	Namibia Post Ltd
NPS	National Payments System
NPTH	Namibia Post and Telecom Holdings Ltd
PAT	Profit After Tax
PBT	Profit Before Tax
PCI-DSS	Payment Card Industry Data Security Standards
PO boxes	Post Office Boxes
PostFin	NamPost Financial Brokers (Pty) Ltd
ROE	Return On Equity
ROI	Return On Investment

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