



SBN Holdings Limited FY25 Initial Impression Strategy Driving Growth March 2026



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Standard Bank Namibia Holdings Ltd

FY25 Initial Impression

Current Price (c)

1272

Year End 31 December	FY23	1H24	FY24	1H25	FY25		
Net Interest Income (N\$ m)	1,800	1,022	2,067	1,052	2,136	NSX Code	SNO
Non-Interest Income (N\$ m)	1,445	765	1,678	793	1,660	Market Cap (N\$ m)	6,646
Profit after Tax (N\$ m)	770	506	1,053	557	1,187	Shares in Issue (m)	522
HEPS (c)	147	97	201	107	227	Free Float (%)	15.0
DPS (c)	100	68*	138	64*	142	52-Week High (c)	1,272
DY (%)	11.8	15.4**	14.5	12.1**	11.2	52-Week Low (c)	968
P/E (x)	5.7	4.6	4.7	4.9	5.6		
P/B (x)	0.9	0.9	0.9	1.2	1.1		

Source: Standard Bank Namibia Holdings Limited, IJG Securities

*Interim

**Annualised

FY25 Initial Impression

Standard Bank Namibia Holdings Ltd (SNO or “the Group”) delivered a strong set of full-year results, reflecting solid execution against its strategic objectives and key focus areas. Profit after tax (PAT) increased by 12.8% y/y to N\$1.19bn over the period. SNO appears to be gaining market share, with net loans and advances expanding by 18.0% y/y, significantly outperforming its peers such as FirstRand Namibia and Capricorn Group, whose advances grew by just 6.6% y/y and 2.8% y/y, respectively. ROE increased by 70bps to 20.7%, although it remains below FirstRand’s higher ROE of 30.2%. HEPS rose by 12.9% y/y to 227cps (FY24: 201cps). SNO declared a final dividend of 78cps, bringing the total dividend for the year, including the interim dividend of 64cps, to 142cps (FY24: 138cps).

(N\$ '000)	FY24	FY25	Δ %
Net Interest Income	2 067 311	2 135 883	3.3%
Non-Interest Income	1 677 624	1 659 856	-1.1%
Total Income	3 744 935	3 795 739	1.4%
Credit Impairment Charges	(106 103)	(68 074)	-35.8%
Income before Operating Expenses	3 638 832	3 727 665	2.4%
Operating Expenses	(2 113 374)	(2 078 321)	-1.7%
Net Income before Taxation	1 525 458	1 649 344	8.1%
Taxation (Direct and Indirect)	(472 844)	(462 446)	-2.2%
Profit for the Period	1 052 614	1 186 898	12.8%

Source: SNO

Net Interest Income (NII): NII increased by 3.3% y/y from N\$2.07bn to N\$2.14bn during the period under review. This growth was largely supported by the lower interest rate environment, which stimulated strong expansion in loans and advances. Interest expenses declined marginally to N\$1.39bn from N\$1.49bn, reflecting funding optimisation initiatives and the maturity of higher-cost bond issuances. Despite the increase in NII, the net interest margin contracted by 20bps to 5.4% (FY24: 5.6%). This was driven by the 50bps reduction in the repo rate and further compounded by a regulatory directive to reduce the repo-rate spread by 12.5bps, resulting in the repricing of loans by a cumulative 62.5bps.

SNO Share Price



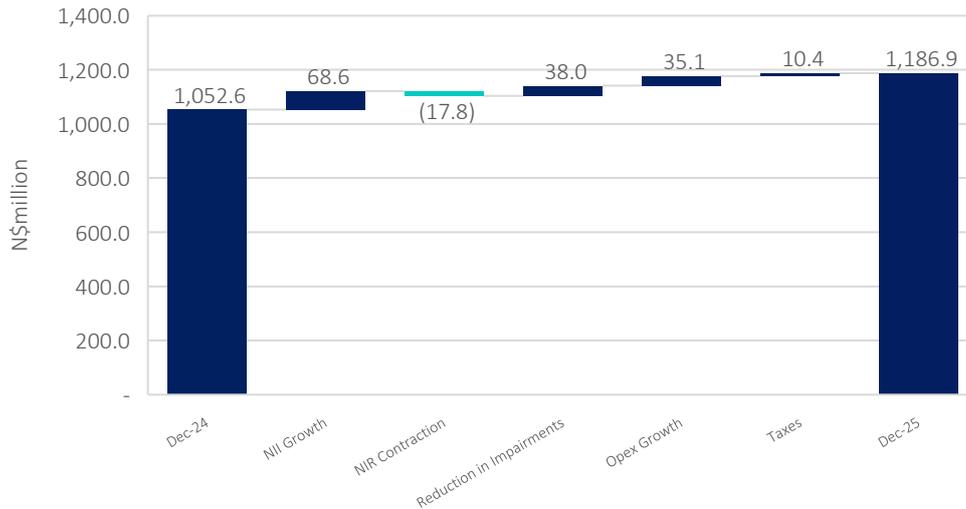
Dividends

SNO declared a final dividend of 78 cents per share.

- Last Day to Trade: 23 April 2026
- Ex-Dividend Date: 24 April 2026
- Record Date: 30 April 2026
- Payment Date: 15 May 2026

0,0005	4,85%
0,0003	13,04%
0,301	50,00%
0,0003	14,29%
0,0005	12,50%

SNO Profit after Tax Growth Breakdown



Source: SNO, IJG Securities

Assets and Advances: SNO's gross loans and advances to customers recorded strong growth, rising by 17.5% y/y from N\$23.2bn to N\$27.2bn. This expansion significantly outpaced PSCE, which grew by 4.4% y/y in December 2025. Across SNO's three core segments, the corporate and investment banking division was the primary driver of advances growth, increasing by 49.0% y/y from N\$5.7bn to N\$8.5bn. This was largely supported by financing related to the government's Eurobond redemption. Following the Ministry of Finance's redemption at the end of October 2025, a substantial portion of the issuance was refinanced in the local market. SNO was among the local commercial banks that participated in this transaction, extending a N\$2.0bn facility to the Ministry. Another major tailwind to the observed advances growth was the financing of the Diaz Wind Project, which is a utility-scale wind energy project. Furthermore, both the Personal & Private Banking and Business & Commercial Banking divisions delivered solid growth, with advances increasing by 5.0% y/y and 19.0% y/y, respectively. Most of the segments within total loans and advances recorded robust growth, bar mortgage loans and bank lending. Similar to the latest PSCE report, as well as the results from FirstRand Namibia and Capricorn Group, home loan extensions have either contracted or displayed marginal growth. SNO's mortgage loans declined by 0.1% y/y. In contrast, vehicle and asset finance grew significantly, increasing by 18.1% y/y. The amendment of the rent control bill, which is currently under review, is anticipated to further dampen mortgage loan demand. Thus, it warrants further consideration of whether this demand shift from home loans to vehicle financing is a cyclical or structural shift in the market.

Impairments: Credit impairment charges fell by 36.0% y/y from N\$106.1m to N\$68.0m. SNO attributes this reduction to more favourable macroeconomic conditions, efficient debt recovery strategies, stronger customer repayment ability and the resolution of certain accounts. During SNO's results presentation, SNO cited that this is not the new normal, as escalating geopolitical tension and fears regarding rising inflationary pressures could dampen consumer and investor risk appetite. Furthermore, the size of the non-performing portfolio decreased from N\$1.52bn to N\$1.38bn. These improvements are notable as the Group has been growing its loan book substantially, while simultaneously preserving and even enhancing the quality of its loan book. Furthermore, SNO's expected credit loss (ECL) ratio declined from 2.9% in FY24 to 2.6% in FY25 which further underscores the quality of its loan book and its focus on prudent credit extension.

Non-Interest Revenue (NIR): NIR slightly fell by 1.1% y/y from N\$1.68bn to N\$1.66bn. 'Other revenue', saw the most notable contraction, falling by 23.8% y/y from N\$262.5m to N\$199.9m. The decline in 'other revenue' largely reflects the absence of elevated property disposal gains recognised in the prior year when Spearmint-related disposals were accelerated, resulting in a normalisation of non-interest income in the current period. Net fee and commission revenue, which comprises the largest division of NIR, rose by 3.2% y/y to N\$1.07bn. Trading revenue rose by 13.0% y/y to N\$250.5m, driven largely by higher foreign exchange gains stemming from increased foreign exchange sales and interest rate structured products.



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0,0003	13,04%
0,001	50,00%
0,0003	14,29%
0,0005	12,50%

Operating Expenses (OPEX): OPEX declined by 1.7% y/y to N\$2.08bn, largely reflecting the disposal of the Spearmint portfolio, which resulted in lower professional and premises fees. Professional fees, representing approximately 10.0% of total OPEX, decreased by 7.8% y/y from N\$220.5m to N\$203.4m during the period. Premises costs also declined following the Spearmint portfolio disposal, falling from N\$97.8m to N\$57.4m. IT expenses, which account for 19.0% of total OPEX, edged down marginally by 1.2% y/y due to vendor optimisation initiatives. In contrast, staff costs, representing the largest component of OPEX – increased by 10.4% y/y to N\$1.04bn, in line with SNO’s headcount growth as well as annual and variable remuneration adjustments. As a result of total income outpacing OPEX growth, the cost-to-income ratio improved from 56.4% to 54.8% which is well below the 5-year average of 60.0%. However, this level remains higher than both FirstRand Namibia and Capricorn Group. SNO has indicated that 2025 and 2026 form part of its investment phase within the Group’s strategic timeline, therefore, from 2027 onwards, SNO expects accelerated growth from these investment initiatives, which should support further improvements in the cost-to-income ratio.

Funding: SNO maintains a relatively cost-efficient deposit mix, as its two largest deposit categories, current accounts and call deposits are among the least expensive sources of funding. Current accounts, which typically represent the lowest-cost funding source and constitutes the largest share of total customer deposits, increased by 5.7% y/y to N\$14.08bn. Call deposits declined by N\$2.5bn or 20.9% y/y to N\$9.40bn which slightly weakens the low-cost funding mix. Savings accounts recorded solid growth, rising by 7.9% y/y to N\$621.3m. In contrast, cash managed accounts, term deposits and NCDs are generally considered more expensive funding sources. During the period, cash managed accounts, which represents 6.5% of the overall deposit basket, increased by N\$110.7m or 5.7% y/y, reaching N\$2.07bn. NCDs and term deposits also recorded growth, albeit modest, increasing by 1.6% y/y and 1.8% y/y, respectively. Overall, the deposit mix remains favourable, with a significant proportion of funding derived from lower-cost deposit categories. Debt securities contracted by 12.1% y/y to N\$1.51bn largely reflecting the scheduled redemption at maturity of the SBNG25 note, which had a nominal value of N\$200.0m. SNO maintained strong capital ratios with a capital adequacy ratio of 18.3% (FY24: 18.0%)

Our Take

SNO reported a solid set of full year results, underpinned by a healthy balance sheet, robust PAT growth and strong loan book growth, while simultaneously maintaining the quality of its loan book. Growth in loans and advances was supported by the increase in corporate credit, consistent with strong PSCE growth in corporates relative to households. However, this expansion was largely driven by two sizeable facilities extended to the Ministry of Finance and for the Diaz Wind Project, which accounted for a significant portion of the overall increase. SNO also delivered a healthy NII margin alongside improving impairments during the period under review. While SNO has made progress in reducing its cost-to-income ratio, it remains elevated relative to peers.

Looking ahead, rising geopolitical tensions in the Middle East have reduced the likelihood of near-term monetary easing by the Bank of Namibia, with rate cuts now more likely towards the latter part of the year, if any. Persistent inflationary pressures which could potentially arise may also weigh on credit demand, as heightened uncertainty could incentivise savings over borrowing. Overall, SNO remains well positioned within the market and continues to present itself as an attractive partner to corporate investors seeking to unlock value in Namibia.

A valuation update will also be provided in due course.

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