



Audited Abridged Consolidated Financial Results For the year ended 31 December 2025

The Directors have pleasure in announcing the Group (Standard Chartered Bank Botswana and its subsidiaries) audited abridged Financial Results for the year ended 31 December 2025 together with comparative figures for 2024.

Economic Environment

Global & Regional Economy

Despite global upheavals due to commodity prices and conflicts, the global economy is expected to maintain its robust performance in 2026, with a projected growth rate of 3.4%, unchanged from 2025. The growth in 2025 was driven by monetary policy support and export front-loading, whilst in 2026, growth is likely to be motivated by shifts in policy and investment, with consumer demand being at the centre. Despite the unprecedented rise in economic and trade uncertainty in 2025, exports have contributed positively to growth in many economies as shipments were front-loaded ahead of tariff volatility. Additionally, consumers have remained resilient, buoyed by easing inflation, Central Bank rate cuts and strong labour markets.

For many economies, 2026 is likely to be a year of transition from monetary to fiscal policy, and from export-led to increasingly domestic (particularly investment-led) growth. Most central banks globally are nearing the end of their rate-cutting cycles as disinflationary momentum slows and policy makers seek to maintain interest rate differentials with the Federal Reserve. Fiscal policy is set to take centre stage in 2026, with an increased focus on defence and infrastructure spending in major economies, including the European Union. If growth turns out to be weaker than expected, financial markets may penalise economies that have less fiscal space to boost domestic growth.

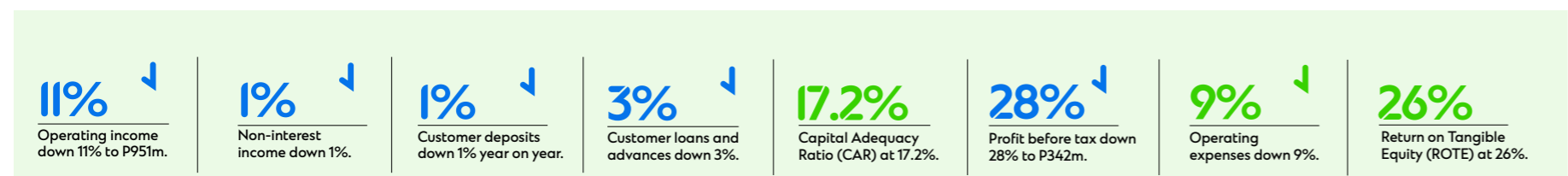
Risks to the outlook remain elevated, due to persistent trade policy uncertainty, escalating geopolitical tensions, and fears of financial-market corrections. Sub-Saharan Africa (SSA) is expected to continue with robust growth in 2026 with considerably less exposure than other regions to the trade tensions. The structural reforms in the larger economies such as Nigeria and South Africa are expected to be the major turnaround drivers together with favourable commodity prices and still supportive portfolio investor flows.

Local Economy

The vulnerability of the economy experienced in 2025 is expected to ease off in 2026. A growth of 4.5% is forecasted for 2026. However, this will largely be a technical recovery, given the very low base after two consecutive years of recession. While the outlook for natural diamonds remains highly uncertain given intense competition from synthetic diamonds, a moderate improvement in diamond demand in 2026 is assumed. An improvement in non-diamond GDP growth is forecasted, led by a likely increase in public spending as diamond receipts improve.

Headline inflation marginally increased to 4.0% in February 2026 from the 3.9% that was reported in December 2025. Inflation is expected to continue trending upwards, temporarily breaching the Bank of Botswana's objective range of 3-6% in the second half of 2026 as the back of significant increase in administered prices and expected possible fuel price increases. Inflation is expected to average 5.3% remaining within the Bank of Botswana's objective range. At their first meeting of 2026, the Monetary Policy Committee left the policy rate unchanged at 3.5%, which is expected to be maintained for the rest of the year.

Key Financial highlights



Statements of financial position

As at 31 December 2025

	Group		Company	
	2025 P '000	2024 P '000	2025 P '000	2024 P '000
Assets				
Cash and balances at central banks	243,188	1,132,308	243,188	1,127,120
Loans and advances to banks	17,431	791	17,431	791
Investment securities	5,342,532	3,718,747	5,342,532	3,718,747
Due from related parties	3,373,805	4,903,383	3,363,090	4,811,097
Derivative financial instruments	40,098	40,172	40,098	40,172
Loans and advances to customers	7,921,277	8,154,364	7,921,277	8,154,364
Prepayments and accrued income	220,365	262,940	220,365	262,940
Non-current assets classified as held for sale	10,360	-	10,360	-
Other assets	8,420	14,579	8,360	14,519
Investments in subsidiary undertakings	-	-	30	30
Property and equipment	58,589	80,211	58,589	80,211
Deferred tax assets	3,637	915	3,637	-
Goodwill and intangible assets	50,678	60,934	50,678	60,934
Total assets	17,290,380	18,369,344	17,279,635	18,270,925
Liabilities				
Deposits by banks	1,624,632	1,095,708	1,624,632	1,095,708
Customer accounts	13,689,235	13,792,379	13,771,819	13,792,379
Derivative financial instruments	6,482	19,706	6,482	19,706
Accruals and deferred income	217,331	90,968	217,331	90,968
Due to related parties	286,839	985,499	286,839	985,499
Current tax liabilities	14,300	4,495	15,522	3,945
Other liabilities	64,056	404,213	64,260	380,652
Debt securities in issue	229,963	323,566	229,963	323,566
Subordinated liabilities and other borrowed funds	-	389,000	-	389,000
Provisions for liabilities and charges	5,780	5,756	5,780	5,756
Deferred tax liabilities	-	-	-	556
Total liabilities	16,138,618	17,111,290	16,222,628	17,087,735
Equity				
Stated capital	179,273	179,273	179,273	179,273
Retained earnings and other reserves	544,276	650,568	449,521	575,704
Total parent company shareholders' equity	723,549	829,841	628,794	754,977
Capital contribution	428,213	428,213	428,213	428,213
Total equity	1,151,762	1,258,054	1,057,007	1,183,190
Total equity and liabilities	17,290,380	18,369,344	17,279,635	18,270,925

Statements of changes in equity

For the year ended 31 December 2025

Group	Stated capital P '000	Revaluation reserve P '000	Statutory credit risk reserve P '000	Treasury share reserve P '000	Fair value reserve P '000	Retained earnings P '000	Parent company shareholders' equity P '000	Capital Contribution P '000	Total P '000
As at 01 January 2024	179,273	29,347	19,152	(31,566)	962	617,195	814,413	428,213	1,242,626
Profit for the period	-	-	-	-	-	346,504	346,504	-	346,504
Other comprehensive income	-	4,390	-	-	1,245	-	5,635	-	5,635
Distributions	-	-	-	-	-	(31,664)	(31,664)	-	(31,664)
Dividends on ordinary shares	-	-	-	-	-	(305,047)	(305,047)	-	(305,047)
As at 31 December 2024	179,273	33,787	19,152	(31,566)	2,207	626,988	829,841	428,213	1,258,054
Profit for the period	-	-	-	-	-	261,000	261,000	-	261,000
Other comprehensive income/(loss)	-	-	-	-	(16,339)	-	(16,339)	-	(16,339)
Distributions	-	-	-	-	-	(30,721)	(30,721)	-	(30,721)
Dividends on ordinary shares	-	-	-	-	-	(312,640)	(312,640)	-	(312,640)
Other movements	-	-	-	-	-	(7,772)	(7,772)	-	(7,772)
Transfers between reserves	-	(23,646)	-	-	-	23,646	-	-	-
As at 31 December 2025	179,273	10,141	19,152	(31,566)	(14,132)	560,681	723,549	428,213	1,151,762

Statements of changes in equity

For the year ended 31 December 2025

Company	Stated capital P '000	Revaluation reserve P '000	Statutory credit risk reserve P '000	Fair value reserve P '000	Retained earnings P '000	Parent company shareholders' equity P '000	Capital Contribution P '000	Total P '000
As at 01 January 2024	179,273	29,347	19,152	962	518,405	747,139	428,213	1,175,352
Profit for the period	-	-	-	-	341,237	341,237	-	341,237
Other comprehensive income	-	4,390	-	-	1,245	5,635	-	5,635
Distributions to holders of subordinated capital securities	-	-	-	-	-	(31,664)	(31,664)	(31,664)
Dividends to equity holders of ordinary shares	-	-	-	-	-	(307,370)	(307,370)	(307,370)
As at 31 December 2024	179,273	33,737	19,152	2,207	520,608	754,977	428,213	1,183,190
Profit for the period	-	-	-	-	243,402	243,402	-	243,402
Other comprehensive income/(loss)	-	-	-	-	(16,339)	(16,339)	-	(16,339)
Distributions to holders of subordinated capital securities	-	-	-	-	-	(30,721)	(30,721)	(30,721)
Dividends to equity holders of ordinary shares	-	-	-	-	-	(314,840)	(314,840)	(314,840)
Other movements	-	-	-	-	-	(7,685)	(7,685)	(7,685)
Transfers between reserves	-	(23,646)	-	-	23,646	-	-	-
As at 31 December 2025	179,273	10,091	19,152	(14,132)	434,410	628,794	428,213	1,057,007

Statements of profit or loss

For the year ended 31 December 2025

	Group		Company	
	2025 P '000	2024 P '000	2025 P '000	2024 P '000
Interest income calculated using the effective interest	1,191,063	1,107,842	1,191,063	1,107,842
Interest expense calculated using the effective interest	(437,541)	(241,619)	(437,541)	(241,619)
Net interest income	753,522	866,223	753,522	866,223
Fees and commission income	264,531	254,141	241,649	230,173
Fees and commission expense	(106,700)	(64,960)	(106,700)	(64,960)
Net fee and commission income	157,831	189,181	134,949	165,213
Net trading income	39,429	9,630	39,429	9,630
Other operating income	51	425	51	425
Operating income	950,833	1,065,459	927,951	1,041,491
Staff costs	(243,946)	(258,175)	(243,749)	(258,134)
Premises costs	(588)	(1,627)	(588)	(1,627)
General administrative expenses	(278,924)	(314,373)	(279,066)	(302,316)
Depreciation and amortisation	(33,323)	(38,169)	(33,323)	(38,169)
Operating expenses	(556,781)	(612,344)	(556,726)	(600,246)
Operating profit before impairment losses and taxation	394,052	453,115	371,225	441,245
Credit impairment	(42,025)	35,031	(42,025)	35,031
Other impairment	(9,833)	(10,464)	(9,833)	(10,464)
Profit before taxation	342,194	477,682	319,367	465,812
Taxation	(81,194)	(31,078)	(79,965)	(124,575)
Profit for the year	261,000	346,504	243,402	341,237
Basic and diluted earnings per ordinary share (Thebe per share)	77.84	106.42	-	-

Consolidated statement of cash flows

For the year ended 31 December 2025

	Group		Company	
	2025 P '000	Restated 2024 P '000	2025 P '000	Restated 2024 P '000
Cashflow from operating activities	261,000	346,504	243,402	341,237
Profit for the year	261,000	346,504	243,402	341,237
Adjustments for:				
Interest income	(1,191,063)	(1,107,842)	(1,191,063)	(1,107,842)
Interest expense	437,541	241,619	437,541	241,619
Taxation	81,194	31,078	79,965	124,575
Depreciation	23,216	23,073	23,216	23,073
Amortisation on intangibles	10,107	15,096	10,107	15,096
Net impairment loss on loans and advances	76,854	2,539	76,854	2,539
Unrealised foreign exchange (gains)/ losses	(1,786)	3,761	(1,786)	3,761
Modification loss	18	175	18	175
Other impairment	9,833	10,464	9,833	10,464
Profit on sale of assets	(69)	(601)	(69)	(601)
Movements before changes in working capital	(293,155)	(334,034)	(315,982)	(345,904)
Change in derivative financial instruments assets	(1,901)	(36,805)	(1,901)	(36,805)
Change in investment securities	(940,788)	1,254,132	(940,788)	1,254,132
Change in loans and advances to customers	164,970	412,985	164,970	412,985
Change in due from related parties	831,756	(843,307)	750,186	(751,022)
Change in other assets	6,159	157,226	6,159	157,224
Change in prepayments and accrued income	(4,538)	4,082	(4,538)	4,082
Change in deposits from other banks	528,924	764,823	528,924	764,823
Change in customer deposits	(103,144)	711,025	(20,560)	711,025
Change in other liabilities	(34,904)	18,414	(10,104)	6,481
Change in derivative financial instruments liabilities	(13,224)	(3,457)	(13,224)	(3,457)
Change in due to related parties	(698,660)	(9,098)	(698,660)	(9,098)
Change in accruals and deferred income	13,016	(13,691)	13,016	(13,652)
Change in provisions for liabilities and charges	24	4,697	24	4,697
(545,465)	2,086,992	(542,478)	2,155,511	
Taxation paid	(71,625)	(103,729)	(67,043)	(98,291)
Interest received	1,233,156	1,100,125	1,233,156	1,100,125
Interest paid	(287,818)	(208,635)	(287,818)	(208,635)
Net cash flows from operating activities	328,248	2,874,753	335,817	2,948,710
Cash flow from investing activities	(11,419)	(5,612)	(11,419)	(5,612)
Acquisition of property and equipment	(9,664)	(21,305)	(9,664)	(21,305)
Acquisition of intangibles	69	1,388	69	1,388
Proceeds from sale of property equipment	(21,014)	(25,229)	(21,014)	(25,229)
Cash flow from financing activities	(15,915)	(25,689)	(15,915)	(25,689)
Interest paid on subordinated liabilities	(389,000)	-	(389,000)	-
Interest paid on debt securities	(20,461)	(25,250)	(20,461)	(25,250)
Repayment of debt securities	(93,603)	-	(93,603)	-
Lease liability capital payments	(11,479)	(16,197)	(11,479)	(16,197)
Lease liability interest payment	(1,010)	(1,601)	(1,010)	(1,601)
Dividends paid	(312,460)	(305,048)		