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Independent Auditor's Report
To the Shareholders of Standard Chartered Bank Botswana Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Standard Chartered Bank Botswana Limited and its subsidiaries ("the Group") and Company set out on pages 12 to 135, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Standard Chartered Bank Botswana Limited as at 31 December 2025, and of its consolidated and separate financial performance and of its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act (CAP 42:01) and the Banking Act, 2023.

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 are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (including International Independence Standards) (*IESBA Code*) together with other ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code, as applicable to audits of financial statements of public interest entities in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures



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performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matter applies to both the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Credit Impairment (Consolidated and separate financial statements)</p> <p>At 31 December 2025 the Group and Company reported total expected credit loss provision of P171 million (2024: P183 million) on gross loans and advances to customers of P8.1 billion (2024: P8.3 billion), as disclosed in note 16 to the financial statements.</p> <p>Determining expected credit losses is highly judgemental and subjective as a result of the significant uncertainty associated with the estimation of expected future credit losses. Assumptions with increased complexity in respect of the timing and measurement of expected credit losses (ECL) include:</p> <p>Staging - The determination of what constitutes a significant increase in credit risk and default and consequent complete and timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9.</p> <p>Modelled output - Appropriateness of accounting interpretations, modelling assumptions, modelling techniques and the data used to determine the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) used to calculate the ECL.</p> <p>Multiple economic scenarios - The determination of the appropriateness of economic variables, the future forecasting of these variables and the approach to determine both the base case forecast and the ECL models. The assessment of non-linearity produced by the ECL models, the benchmarking of the output to the discrete scenarios and the evaluation of the need for any overlays.</p> <p>Management overlays and post-model adjustments - Appropriateness, completeness and valuation of risk event overlays to capture risks not identified by the credit impairment models, including the consideration of the risk of management override.</p> <p>Individually assessed ECL allowances - Measurement of individual provisions including the assessment of probability weighted recovery scenarios, existence and valuation of collateral, and expected future cashflows.</p> <p>In 2025, the most material factors impacting the ECL were the slow economic growth, and the rising interest</p>	<p>We evaluated the adequacy of the design of the Group and Company's controls over material ECL balances. Operating effectiveness was evaluated for those controls upon which we placed reliance.</p> <p>We performed an overall stand-back assessment of the ECL allowance in total and by stage to determine if the ECL was reasonable. We considered the overall credit quality of the Group and Company's portfolios and risk profile.</p> <p>Staging - We evaluated the criteria used to allocate financial assets within the scope of IFRS 9 to stage 1, 2 or 3.</p> <p>We reperformed the staging distribution for a sample of financial assets and assessed the reasonableness of staging downgrades applied by management. We assessed the appropriateness of changes to the staging criteria. To assess the completeness of the identification of significant increase in credit risk, we challenged the credit risk ratings (including appropriate operation of quantitative backstops) for a sample of performing accounts and other accounts exhibiting risk characteristics such as financial difficulty, deferment of payment, late payment and heightened risk accounts appearing on the watchlist.</p> <p>Modelled output - With the support of EY credit risk modelling specialists, we performed a risk assessment over the models used in the ECL calculation using independently determined quantitative and qualitative criteria, and applied this risk rating to select a sample of models to test.</p> <p>For the selected models, we assessed the reasonableness of underlying assumptions, methodology and model build.</p> <p>This included evaluating model design and formulae, model implementation and validation, model monitoring, sensitivity testing and independently recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters for a sample of higher risk models.</p> <p>To evaluate data quality, we performed sample testing</p>



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rates.

Overall, economic uncertainty remains elevated with a consequent increased risk to the downside and therefore in line with the prior year there continues to be an elevated risk of a material misstatement.

The disclosure associated with credit impairment of loans and advances is set out in the financial statements in the following notes:

- ▶ Note 1 - Accounting policies
- ▶ Note 3 - Financial risk management and capital review
- ▶ Note 9 - Credit impairment
- ▶ Note 16 - Loans and advances to banks and customers

over the completeness and accuracy of key data elements assessed to be material to the modelled ECL output, back to source evidence. We sample tested material data adjustments to the modelled output.

Economic scenarios - In collaboration with our economic specialists, we challenged the completeness and appropriateness of the macroeconomic variables used as inputs to the ECL models.

Our economic specialists assisted in evaluating the reasonableness of the base forecast for a sample of macroeconomic variables most pertinent to the Group's ECL calculation. Procedures performed included benchmarking the forecast for a sample of macroeconomic variables to peers, historical data analysis and examination of a variety of global external sources.

We assessed the reasonableness of the non-linearity produced by the ECL models and the appropriateness of management's overlay. Our economists assessed and challenged the Group and Company's choice of discrete scenarios to benchmark the output from the ECL models and determine the sensitivity analysis of the ECL. This challenge included the choice of discrete scenarios, the weights applied to each scenario and the quantum of the non-linearity overlay. We also performed a stand-back assessment by benchmarking the non-linearity and overall ECL charge and provision coverage to peers.

Management overlays and post model adjustments - We challenged the completeness and appropriateness of overlays used for risks not captured by the models and evaluated the outcome of model monitoring procedures that highlighted model deficiencies including the need for post model adjustments. We focused our challenge on idiosyncratic risks at a sector level and the results of model monitoring procedures. Our procedures included assessing the need for management overlays and post model adjustments, evaluating the assumptions and judgments used to determine these taking current market conditions into account, and computing independent ranges where appropriate.

Individually assessed ECL allowances - We selected a sample of individually assessed provisions and challenged management's level of provisioning by performing recalculation procedures. These procedures included challenging management's forward looking



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	<p>economic assumptions, the appropriateness of the recovery outcomes, cashflow profiles and timings, and the individual probability weightings used for each scenario.</p> <p>We also engaged our valuation specialists to independently assess the value of collateral used in management’s calculations on a sample basis.</p> <p>We assessed the appropriateness of the accounting policies, loan impairment methodologies applied and the adequacy of the disclosures by comparing these to the requirements of <i>IFRS 9- Financial Instruments</i>.</p>
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Other Information

Other information consists of the information included in the 135-page document titled “Standard Chartered Bank Botswana Limited Consolidated and Separate Audited Financial Statements for the year ended 31 December 2025”, which includes the Statement of Directors' Responsibilities, the Directors’ Report as required by the Companies Act (CAP42:01), the information marked as “unaudited” in the Financial Risk review and Capital review section (pages 79-80) which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the separate financial statements and our auditor’s report thereon. The directors are responsible for the other information.

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 on the other information obtained prior to the date of this auditor’s report, 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 as issued by the International Accounting Standards Board and the requirements of the Companies Act (CAP 42:01) and the Banking Act, 2023 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 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 or Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and Company's internal control.
- 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 and 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 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

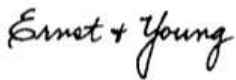
underlying transactions and events in a manner that achieves fair presentation.

- 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 and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Company 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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27 March 2026