access
Bank Botswana Limited

Powering Progress with Purpose

Integrated Report 2025

About the Report

This Integrated Report provides a balanced overview of Access Bank Botswana's financial performance, strategic progress, governance practices and sustainability initiatives for the year ended **31 December 2025.**

Prepared in the interests of shareholders, customers, employees, regulators and the wider community, the report explains how the Bank created value during the year while remaining focused on long-term, sustainable growth.

It highlights our strategic priorities, business performance, risk management, corporate governance and our contribution to Botswana's economic and social development.

Report Highlights

Financial Performance
Strong financial results and disciplined execution.

Strategy & Business Reviews
Progress against our strategic priorities across all business segments.

Governance & Risk
Robust governance and proactive risk management.

Sustainability
Advancing responsible banking and positive community impact.

People & Culture
Investing in our people and building a performance-driven culture.

Outlook
Well-positioned to deliver sustainable growth and long-term value.

2025 Theme

Powering Progress with Purpose

Purpose means making intentional decisions today that create sustainable value tomorrow.

In 2025, Access Bank Botswana navigated a dynamic operating environment with discipline, resilience and strategic intent. The Bank chose to lead through change-making decisive actions that strengthen long-term value for all our stakeholders.

Powering Progress with Purpose
reflects our commitment to:

Strategy
Executing our strategy with focus and discipline.

Customers
Deepening relationships and delivering exceptional customer experiences.

Innovation
Investing in digital solutions to create future-ready banking.

Resilience
Strengthening our operations and risk management.

People
Empowering our people and fostering a culture of excellence.

Sustainable Growth
Creating long-term value for our stakeholders and communities.

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Key Financial Highlights

P103.6m
2024: P134.6m
Profit before tax

P373.8m
2024: P296.5m
Non interest income

P545.6m
2024: P526.6m
Expenses

P368.8m
2024: P413.9m
Net interest income

P6,754m
2024: P5,954m
Gross loans

P7,476m
2024: P7,259m
Deposits from customers

18.3%
2024: 21.7%
Capital adequacy ratio

73.5%
2024: 74.1%
Cost to income ratio

About Access Bank Botswana

Listed on the **Botswana Stock Exchange (BSE)** with Market Cap of **P1.48 billion**

Access Bank Botswana is a leading commercial bank focused on sustainable growth, financial inclusion and long-term value creation. As part of Access Bank Group, we combine local expertise with the capabilities of a pan-African network spanning 25 markets.

Customer-Centric Banking
We serve retail, business, commercial and corporate customers through an expanding network of digital and physical channels.

Strategy In Action
Our strategy advances inclusive growth through innovation, partnerships and solutions that support Botswana's economic development.

Strong Governance. Sustainable Growth.
Group expertise and robust governance enable us to deliver secure, agile and responsible banking solutions.

Future-Focused
Continued investment in technology and talent strengthens efficiency, resilience and customer experience.

Strategy
Business Model
& Value Creation

OUR PURPOSE

To make a positive impact in **Africa.**

OUR MISSION

Setting standards for sustainable business practices that ignite the talents of our employees and create superior value for our stakeholders.

OUR VISION

To be the world's most respected **African** bank.

OUR CORE VALUES

Excellence | Leadership | Empowered Employees |

Passion for Customers | Professionalism | Innovation

OUR REACH

43% 57%
430+ Professional Staff

19 Branches

59+ ATMs

1000+ Access Closa agents

2000+ POS

90,000+ unique mobile app & Internet banking users

150k Active customers

AWARDS AND RECOGNITIONS

Best Digital Bank for Digital Transformation Botswana 2025
Global Banking & Finance Review

Best CSR Program for Employee Engagement Botswana 2025
Global Banking & Finance Review

Best Digital Banking Initiative Botswana 2025
The Digital Banker

Best Bank for Digital Transformation Botswana
Global Banking & Finance Awards 2024

Best Payments Collaborator Award 2024
VISA Awards

Banking Partner Of The Year 2024
XH Smart Tech

Building a Stronger Platform for Sustainable Growth

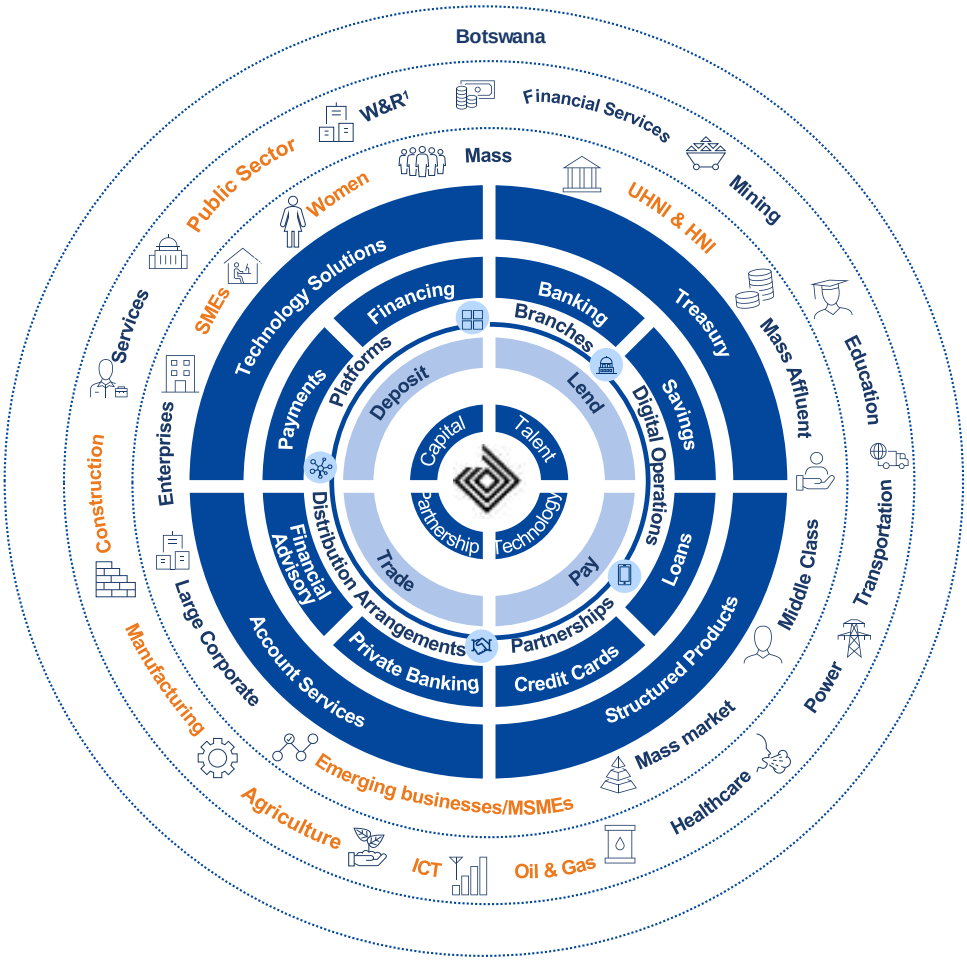
Access Bank Botswana continues to execute a strategy focused on sustainable growth, customer-centricity, innovation, operational excellence and responsible banking. In a year characterized by liquidity constraints, increased funding costs and heightened competition, the Bank remained focused on strengthening its foundations, enhancing customer value propositions and positioning itself for long-term growth.

The investments made in customer propositions, technology, people and operational capabilities over recent years have enhanced the Bank's resilience and strengthened its ability to compete in an increasingly dynamic financial services environment. These investments continue to support the Bank's ambition of creating sustainable value for customers, shareholders, employees, regulators and the communities it serves.

Our Business Model

Access Bank Botswana operates a diversified banking business model focused on creating sustainable value for customers, shareholders, employees and the communities we serve. Through a combination of customer-centric banking solutions, digital innovation, strong risk management and strategic partnerships, we provide lending, deposit-taking, transaction banking, treasury and advisory services across retail, business, commercial, corporate and public sector segments.

Our business model is underpinned by strong customer relationships, talented people, technology-enabled capabilities and disciplined capital management. By mobilising deposits, extending credit, facilitating trade and payments, and delivering innovative financial solutions, we support economic growth while generating sustainable returns for stakeholders.



Key

- **Discriminating Capabilities** What sets us apart
- **Business Activities** What we do
- **Growth Nodes** How we go to market
- **Product Families** What we offer
- **Markets** Who and where we target (customer segments, economic sectors and geographical markets)

How We Will Win

Our strategy is built around six interconnected priorities that guide how we compete, differentiate ourselves and create sustainable value in a dynamic operating environment. These priorities focus on delivering exceptional customer experiences, building a high-performance workforce, enhancing organizational agility, improving operational efficiency, strengthening trust and leveraging innovation to meet evolving customer needs.

Strategic Priorities	Priority Statement	Competitive Advantage
Customer Obsession	Accelerate acquisition of primary-bank relationships in defined target segments to grow scale and market share.	▪ Seamless onboarding ▪ Accessible Financing Solutions ▪ Personalisation ▪ Best-in-Market Customer Care
Talent Experience	Create the best place to work that enables a high-performance, customer-obsessed organization.	▪ A culture that empowers people to perform at their best ▪ Clear goals, meaningful feedback, and opportunities to grow ▪ Reward and recognition linked to performance ▪ Purpose-driven teams aligned to customer success
Speed & Agility	Ability to respond rapidly, execute decisively, and adapt quickly to customer needs, market shifts, and operational demands.	▪ Agile decision making ▪ Fast loan approval ▪ Faster settlements and payments
Cost Advantage	Lean and efficient operations that optimise resources and deliver sustainable value.	▪ Simplified and streamlined processes ▪ Technology-enabled efficiency and automation ▪ Disciplined resource allocation ▪ Continuous productivity and value improvement
Brand	Credibility, impact, and excellence with consistent, frictionless and differentiated experience across all channels.	▪ Trust ▪ Transparency ▪ ESG ▪ Relationships
Innovation	Continuously create, improve, and deliver new solutions, processes, and business models.	▪ Best in market product and service ▪ Credit decisions.

Strategic Progress During 2025

Customer Solutions	Digital Growth	People & Culture	Awards & Recognition
Expanded tailored banking solutions for priority customer segments, including dedicated schemes for key stakeholder groups.	Continued investment in digital capabilities drove higher channel adoption, improved customer experience, and growth in digital income.	Strengthened employee engagement, leadership development, and organisational capability to support long-term success.	Received international recognition for excellence in CSR, digital innovation, and digital transformation.

GLOBAL BANKING & Finance review

THE DIGITAL BANKER GLOBAL RETAIL BANKING INNOVATION AWARDS

Internationally Recognised
Locally Committed

Access Bank Botswana - Awarded for Excellence in Digital Innovation, Transformation & Corporate Social Responsibility

Global Banking and Finance Review:
Best CSR Program for Employee Engagement, Botswana 2025

The Digital Banker:
Best Digital Banking Initiative, Botswana 2025

Global Banking and Finance Review:
Best Bank for Digital Transformation, Botswana 2025

access

more than banking

Member of the Deposit Insurance Scheme of Botswana.

Risk Management and Strategic Resilience

In 2025, we delivered strong financial and operational performance. Non-interest income grew by 26% year-on-year, driven by increased digital transaction volumes and growth in fee-based services. Despite robust expansion in loan assets, net interest income declined by 11%.

Risk Types	Key challenges / exposure	Mitigation / management response
Market Risk Margin protection Funding mix Liquidity resilience	▪ Tight liquidity and competition for deposits increase cost of funds. ▪ Exchange-rate movements may affect foreign exchange flows and trading income.	▪ Continued oversight and liquidity forecasting. ▪ Grow quality deposits and improve the Current Account and Savings Account (CASA) mix. Diversify funding sources. ▪ Deepen foreign exchange and treasury client flows.
Credit Risk Asset quality Collections Disciplined lending	▪ Increasing need for disciplined portfolio monitoring. ▪ Increased pressure on the impairment line	▪ Maintain prudent underwriting standards ▪ Strengthen early warning indicators and portfolio reviews. ▪ Intensify collections and recoveries. ▪ Monitor sector, segment and single-name concentrations.
Regulatory Risk Compliance Governance Data and cyber	▪ Evolving expectations across capital, liquidity, conduct and reporting. ▪ Growing scrutiny on data, cyber resilience and consumer protection. ▪ Manual processes may increase reporting and control risk.	▪ Maintain strong compliance monitoring and regulatory engagement. ▪ Enhance data governance and cyber readiness. ▪ Continuous embedding of conduct risk and policy adherence across the bank.

Creating Sustainable Value

Customers	Shareholders	Employees	Communities	Regulators and Society
Providing innovative, accessible and secure financial solutions.	Delivering sustainable growth and attractive long-term returns.	Creating opportunities for growth, learning and career development.	Supporting financial inclusion, economic development and social impact.	Maintaining strong governance, transparency and responsible banking practices.

Outlook

Accelerating Execution
Driving strategic initiatives with focus and discipline to deliver measurable results.

Deepening Customer Relationships
Strengthening partnerships through personalised solutions and exceptional service.

Scaling Digital Adoption
Investing in technology and data to enhance experiences and operational efficiency.

Delivering Sustainable Growth
Building long-term value through responsible banking and resilient performance.

Supported by a strong capital position, growing customer franchise and strengthened capabilities, the Bank remains well positioned to deliver sustainable growth and long-term value creation for all stakeholders.

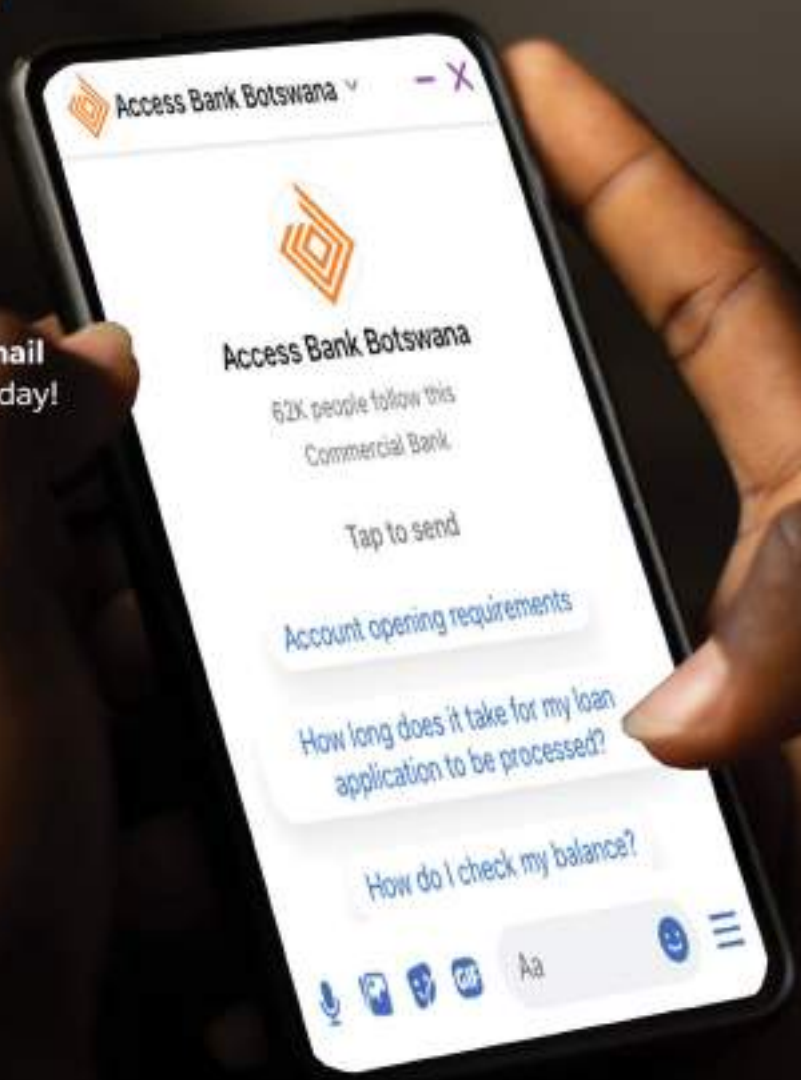
Connect with **Access Bank!**

To serve you better, we're expanding our customer support channels beyond phone calls. You can reach us via **Facebook Messenger or email** - quick, convenient, and available anytime!

Why switch to digital?

- Faster responses
- Track your requests easily
- 24/7 accessibility

Message us on Facebook messenger or **email** **contactcenterbw@accessbankplc.com** today!



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more than banking

Member of the Deposit Insurance Scheme of Botswana.

Directors' Reports

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20 Finance Director's Report

Powering Progress with Purpose reflects our deliberate choice to lead through anticipated change using foresight, preparation, and strategic clarity to deliver sustainable outcomes.

Boiki Matema Wabo Tema
Chairperson

Chairperson's Report

Strategic Review

In 2025, **Access Bank Botswana** delivered another year of resilient growth, underscoring our ability to generate sustainable returns in a dynamic operating environment. Trading volumes rose steadily, while non-interest income recorded double-digit growth, reflecting strong uptake of our innovative product offerings and disciplined execution of our diversification strategy.

Our performance was underpinned by continued investment in secure, scalable, and agile technology platforms. These investments are driving operational efficiency, strengthening risk management, and enabling us to deliver superior customer experience. Importantly, they position the Bank to capture emerging opportunities in digital banking and data-driven financial solutions.

Looking ahead, our strategic priorities are clear: ***Revenue diversification*** through enhanced non-interest income streams and providing strong support to the Business Banking and Commercial Banking segment as our anchor segment. ***Digital transformation*** to scale customer acquisition and deepen engagement. ***Sustainable finance*** initiatives aligned with Botswana's economic development goals. ***Operational efficiency*** to protect margins and deliver shareholder value.

Access Bank Botswana is firmly on a trajectory of profitable growth. With innovation at the core of our strategy and disciplined execution across all business lines, we are committed to delivering superior returns to our shareholders while reinforcing our role as a trusted financial partner in Botswana's economy.

As the Bank continues to place significant emphasis on segment-led performance, the following section outlines the results achieved across key business segments. This structured approach highlights the differentiated contributions of each segment to overall growth, profitability, and strategic positioning, providing a clear view of how the redefined Target Operating Model is driving sustainable value creation:

Custodial Services

In 2025, the Bank established the Custodial Services Division through Access Bank Nominees Co (Pty) Ltd, reinforcing our commitment to delivering solution-oriented offerings for our customers. While still in its formative stage, the entity is strategically positioned for strong growth as operations mature, further diversifying our service portfolio and enhancing value creation.

Retail & Private Banking

Central to our achievements in 2025 has been the introduction and revitalisation of flagship offerings, including Orange Cash-in/Cash-out services at our ATMs and the rollout of foreign currency in some of our ATMs. This has been complemented by a strengthened customer value proposition across our deposit products, delivering solutions designed to anticipate and meet the evolving needs of our clients, ensuring relevance, accessibility, and sustained long-term value.

Business & Commercial Banking

The Bank remains committed to sustainable growth, anchored by the recognition of the Business Banking segment as a key driver of national Small and Medium-sized Enterprise (SME) development.

Further emphasis has been placed on leveraging advanced digital platforms to streamline lending, payments, and trade finance, thereby enhancing efficiency and improving accessibility for business clients. In addition, the Bank continues to facilitate both domestic and international trade, reinforcing its role as a trusted partner in enabling commerce and supporting broader economic growth.

The Bank also participated in the Access Bank Africa Trade Finance Conference in Cape Town, underscoring its commitment to advancing intra-African trade.

Through these initiatives, the Business Banking segment is well-positioned to deliver sustainable value, deepen its contribution to the national economy, and support the long-term success of its clients.

Corporate & Institutional Banking

We have repositioned this segment to strengthen and deepen key client relationships, targeting accelerated growth through customised financial solutions. A key priority is the expansion of transactional banking deposits, supported by robust collections and payments capabilities, including e-commerce, direct debits, bulk wallet disbursements, and biller platforms.

117% GROWTH IN TRADING INCOME

TRADING INCOME SURGED BY 117% YEAR-ON-YEAR, DRIVEN BY STRONG MARKET EXECUTION AND INNOVATION.

Global Markets

Trading income grew significantly by 117% year-on-year, driven by strong market activity and effective execution. The Bank will continue to build on this momentum by expanding market share through ongoing product innovation, supported by targeted technology investments and strengthened technical expertise.

Financial Performance Summary

Income Statement Highlights

Interest income recorded steady growth, supported by effective funding cost management in what was a challenging year for market liquidity. However, constrained liquidity conditions exerted significant pressure on funding costs, resulting in a decline in net interest revenue.

In contrast, non-funded income delivered strong and sustained growth, underscoring the resilience of our diversified revenue streams and reinforcing confidence in the Bank's strategic direction.

Operating income eased slightly by two percent to P649 million, reflecting tighter margins on funded income and a notable increase in credit impairment charges, which rose by 103% amid a challenging economic environment. Despite this, loan loss rates remained comfortably within internal risk thresholds.

Operating expenses increased by four percent, broadly in line with national inflation, largely driven by higher staff costs following strategic investments in talent and the enhancement of the employee value proposition.

Balance Sheet Overview

Total assets increased by seven percent in 2025, reflecting steady balance sheet growth. Customer deposits grew by three percent, supported by successful client acquisition initiatives that drove an increase in the overall customer base. The continued enhancement of digital platforms and delivery channels remains a strategic priority, reinforcing the Bank's leadership in innovation and improving customer convenience.

CAR ABOVE **15%** INTERNAL BENCHMARK

The Bank remains well capitalised, with a Capital Adequacy Ratio (CAR) comfortably exceeding both the internal benchmark of 15 percent and the regulatory requirement of 12.5 percent. This strong capital position provides a solid foundation to support future strategic growth initiatives.

Governance and Leadership

Board Appointments

We welcome two distinguished professionals to the Board, Mr Davis Tele and Mr Mohamed Osman.

Mr Tele was appointed as an Independent Non-Executive Director effective 7 April 2025. He brings over 15 years of experience in accounting and finance and holds a Bachelor of Accountancy from the University of Botswana and an MSc in Accounting and Finance from Birmingham City University, UK. He is a Fellow of ACCA (FCCA) and BICA (FCPA), further strengthening the Board's financial oversight.

Mr Osman joined as an Independent Non-Executive Director effective 2 March 2026, bringing over 18 years of experience. A Fellow Chartered Accountant, he trained with KPMG and Ernst & Young in the UK and gained extensive international experience across retail and manufacturing sectors. He holds a BCom (Hons) from the University of Birmingham, an MBA from the University of Edinburgh, and has completed executive programmes at Harvard Business School and MIT Sloan. He also represents Botswana at the ICAEW.

Their combined expertise enhances the Board's depth, strengthens governance, and supports the Bank's strategic objectives.

Board Resignations and Acknowledgements

We extend our sincere appreciation to Mr Joshua Benjamin Galeforolwe and Ms Lorato Mosetlhanyane, who retired from the Board in 2025, for their significant contributions to the Bank's growth and governance.

Mr Galeforolwe retired on 31 January 2025, having served as Chairperson of the Board Governance, Nomination and Remuneration Committee. During his tenure, he played a key role in strengthening the Bank's corporate governance framework and aligning human capital strategies with broader business objectives.

Ms Mosetlhanyane, who also stepped down on 31 January 2025, served as Chairperson of the Board and was instrumental during the Bank's transition into the Access Bank Group. Her leadership through the COVID-19 period and integration phase was marked by resilience, strategic clarity, and strong stakeholder engagement. With a decade of service, she leaves a lasting legacy of excellence, integrity, and stability.

We thank both Mr Galeforolwe and Ms Mosetlhanyane for their dedicated service and invaluable contributions. We also extend our appreciation to Ms Mosetlhanyane for her exemplary leadership and the smooth transition of the Board Chairpersonship.

Acknowledgements

The Bank expresses its sincere appreciation for the continued trust and support of our customers, regulators, partners, and shareholders. We also recognise the unwavering dedication of our Board, Executive Management, and the entire Access Bank Botswana team, whose commitment to excellence underpins our success.

Together, we are well positioned to deliver sustained growth and shared value in the years ahead.

Managing Director's Report

Sheperd Aisam
Managing Director

Our Environment

Botswana's economy faced significant headwinds in 2025, entering a technical recession largely driven by prolonged weakness in the global natural diamond market. GDP contracted by 5.3 percent in the first quarter and 0.5 percent in the second quarter, prompting the IMF to revise its 2024 growth forecast downward to 1.0 percent from 3.6 percent.

Fiscal pressures intensified as revenues declined, leading the Government to rationalise both recurrent and development expenditure. Despite these measures, the fiscal deficit is projected at P19 billion, approximately 6.75 percent of GDP for FY2024/25. The mining sector remains the backbone of the economy, and a sustained recovery in global diamond demand will be critical to restoring growth momentum and stabilising the macroeconomic outlook.

Against this backdrop, 2025 has been a year of resilience, innovation, and measured growth for Access Bank Botswana. Despite a challenging operating environment characterised by inflationary pressures, commodity price volatility, and broader regional adjustments, we have continued to strengthen our position as a trusted financial partner.

Our progress is guided by the ISAGO 2027 strategy, anchored on six core pillars: Innovative, Sustainable, All-Encompassing, Agile, Grandiose, and Outstanding. This framework continues to drive our transformation, unlocking new opportunities while sharpening our focus on delivering sustainable value to our customers, shareholders, and the communities we serve.

26% GROWTH IN NON-INTEREST INCOME

NON-INTEREST INCOME INCREASED BY 26%, DRIVEN BY DIGITAL TRANSACTION GROWTH AND FEE-BASED SERVICES.

Key Performance Highlights

As a business, we challenge ourselves to ensure that the growth we achieve continues to build momentum, rolling forward, multiplying value, and leaving a lasting imprint on communities for generations to come, thus ensuring that our growth is not only financially sound but also socially responsible and environmentally sustainable.

- **Every figure reflects lives enriched**. We measure success in thriving employees, delighted customers, and empowered communities. Our workplace culture of 'Best Place to Work' translates directly and indirectly into higher engagement scores, stronger customer satisfaction ratings, and tangible community investments.
- **Growth that creates shared value.** Financial performance is not just about margins, it encompasses accessibility, innovation, and stakeholder value. Our revenue growth demonstrate how profitability drives broader opportunities for all
- In 2025, we delivered strong financial and operational performance. Non-interest income grew by 26% year-on-year, driven by increased digital transaction volumes and growth in fee-based services. Despite robust expansion in loan assets, net interest income declined by 11%, reflecting funding cost pressures in a period characterised by unprecedented market liquidity constraints..
- While challenges persisted, particularly in the form of elevated impairment charges, our customer-first approach ensured continued support to clients through a difficult environment. Operational efficiencies led to a reduction in non-staff related costs; however, total operating expenses increased by four percent, reflecting continued strategic investments in technology and talent to strengthen our capabilities and infrastructure.

Strategic Segments Driving Growth

Our four business segments, Corporate & Institutional Banking, Business and Commercial Banking, Retail Banking, and Global Markets & Treasury, remain central to our mission of empowering Batswana and delivering superior value.

- **Corporate & Institutional Banking:** We empower multinational corporations and local enterprises with seamless cross-border solutions, while actively expanding our footprint in energy and manufacturing, and deepening our presence in key sectors such as mining, healthcare, and infrastructure industries that are critical to driving sustainable growth and economic transformation.
- **Business & Commercial Banking:** We are building strong partnerships to unlock growth for SMEs by expanding access to credit and delivering tailored financial solutions. Our support spans key sectors, from agriculture to healthcare, enabling businesses to scale, innovate, and contribute meaningfully to sustainable economic development.
- **Retail Banking:** We are redefining the future of banking through innovation, inclusion, and a relentless focus on our customers. As a leader in digital transformation, we continue to pioneer groundbreaking solutions that simplify everyday banking and empower customers to achieve more. Our commitment extends beyond technology, reaching underserved communities with accessible financial services that create meaningful opportunities. By building strong partnerships and developing solutions shaped by real customer needs, we are creating a more connected, inclusive, and empowering banking experience that enables individuals and communities to thrive.

- **Treasury:** Our Treasury function continues to deliver strong performance, driven by disciplined risk management, effective liquidity positioning, and active market participation. We are strengthening our ability to support clients with tailored foreign exchange, liquidity, and investment solutions, while contributing meaningfully to the Bank's overall profitability and balance sheet resilience.

Strategic Highlights

- **Digital Transformation:** We accelerated our digital banking agenda by enhancing mobile banking capabilities, expanding agency banking, and driving financial inclusion, while improving overall customer experience. We also implemented a client-facing platform monitoring tool and maintained over 98 percent stability across key channels.
- **Customer-Centric Growth:** Our Retail segment recorded strong growth in digital savings and transactional accounts, while Corporate Banking deepened relationships across key sectors, including mining, agriculture, and trade.
- **Regional Integration:** As part of the Access Bank Group, we continued to leverage cross-border synergies, providing customers with seamless access to regional and international markets.
- **People and Culture:** We strengthened our employee value proposition through a focused culture transformation journey. During the year, we also launched our inaugural graduate trainee programme, reinforcing our commitment to talent development and job creation in Botswana.
- **Brand, Community and ESG:** The Bank received international recognition, including awards for Best Programme for Employee Engagement, Best Digital Banking Initiative, and Best Bank – Transformation. We also exceeded 100 employee volunteering hours, underscoring our commitment to community impact and ESG principles.

ISAGO 2027: A Framework for Purpose-Driven Growth

Innovative. Sustainable. All-Encompassing. Agile. Grandiose. Outstanding.

Looking Ahead

As we look ahead to 2026, our ambition is both clear and bold: to lead with innovation, deepen the trust we share with our customers, and deliver growth that is not only sustainable, but transformative. We are committed to shaping a resilient and inclusive economy, positioning Access Bank Botswana as a pioneer in financial services - defined as much by purpose as by performance.

Our strategic focus remains firmly on accelerating digital transformation, reimagining how financial services are accessed and experienced. Through innovative platforms and forward-thinking solutions, we will broaden financial inclusion, empower communities, and unlock new pathways for growth, ensuring that no customer is left behind.

In Business and Commercial Banking, we will continue to champion the growth of SMEs, recognising their critical role in national development. Through tailored financing solutions, strengthened transactional capabilities, and targeted capacity-building initiatives, we aim to enable businesses not only to succeed, but to thrive and scale sustainably.

Guided by our purpose and strengthened by our collective resolve, we are confident in our ability to navigate an evolving landscape and create enduring value for all our stakeholders. The future we envision is one of opportunity, resilience, and shared prosperity and we are resolute in our commitment to lead the way.

In Conclusion

Anchored by a clear strategy and an unwavering sense of purpose, we stand ready to embrace the future with confidence and conviction.

I extend my deepest appreciation to our clients for the trust they place in us, and to our colleagues whose dedication, passion, and pursuit of excellence continue to define who we are.

Together, we will not only build on the successes of 2025, we will amplify them driving meaningful impact across Botswana and beyond. We are shaping a future defined by resilience, opportunity, and shared prosperity, creating a legacy that will endure for generations to come.

The future is not something we await; it is something we are intentionally building, starting now.

Snapshots

Non-Interest Income	26%
Digital Platform Stability	98%
Operating Expense Growth	+4%
Employee Volunteering	100+ hours
Key Strategic Framework	ISAGO 2027
Core Strategic Pillars	6
Key Focus Areas	Digital, SMEs, Inclusion, ESG

Orange Money

Enjoy cardless **Orange Money** at **Access ATMs**

Withdraw | Deposit | 24hrs

Use Access Bank ATMs without a card
\ Withdraw Orange Money
\ Deposit Orange Money

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https://botswana.accessbankplc.com
Member of the Deposit Insurance Scheme of Botswana.

access

more than banking

Finance Director's Report

Ratang Icho-Molebatsi
Finance Director

Sector Performance

The banking industry in Botswana demonstrated resilience in 2025, despite operating in a challenging macroeconomic environment marked by a technical recession. Total assets across commercial banks grew by 5%, moderating from 8% in 2024, yet remaining a commendable outcome under the circumstances. This performance underscores the sector's ability to adapt to external pressures, including weaker diamond exports, fiscal consolidation, and subdued consumer demand.

The banking industry in Botswana demonstrated resilience in 2025, despite operating in a challenging macroeconomic environment marked by a technical recession. Total assets across commercial banks grew by five percent, moderating from eight percent in 2024, yet remaining a commendable outcome under the circumstances. This performance underscores the sector's ability to adapt to external pressures, including weaker diamond exports, fiscal consolidation, and subdued consumer demand.

During the year, S&P Global Ratings downgraded Botswana's long-term sovereign credit rating to BBB from BBB+, while affirming the short-term rating at A-2, maintaining a negative outlook. This reflects ongoing fiscal and external pressures driven by weak global diamond demand. While Botswana retains its investment-grade status, the downgrade highlights the urgency of economic diversification and fiscal consolidation.

Nevertheless, strong institutions, prudent resource management, and the extension of the De Beers mining agreement continue to support the country's creditworthiness, even as rising debt levels and declining reserves present longer-term risks.

Financial Highlights

Income Performance

Our growth trajectory continues to strengthen, guided by a deliberate strategy to diversify income streams and build a more resilient institution. Innovation, infrastructure investment, and the development of exceptional talent, remain central to this transformation.

Net trading income more than doubled, increasing by 117%, reflecting deeper customer engagement and the success of our evolving product suite. While net interest income recorded a modest decline due to funding cost pressures in a constrained liquidity environment, this was more than offset by strong growth in transaction volumes, customer acquisition, and innovative solutions.

This performance represents more than financial progress; it reflects a fundamental transformation. We are building a diversified, future-ready institution that is adaptive, resilient, and committed to delivering sustainable value.

Operational efficiency and Cost Management

Operational efficiency remained a key priority, underpinned by disciplined cost management and strong accountability. The Bank successfully contained operating expenses while sustaining business momentum, largely through increased reliance on internal technology capabilities and reduced dependence on external vendors.

- **Operational Costs:** Overall these expenses declined as cost containment measures and group synergies were realised.
- **Staff Costs:** Investment in talent continued, resulting in higher staff costs aligned with our strategic focus on capability building and retention.
- **Expected Credit Loss:** The credit risk increased during the period, reflecting prevailing economic conditions.

This balanced approach ensured cost discipline while preserving critical investments in human capital to support long-term growth. We were however not immune to the environment particularly the negative outlook in key macroeconomic indicators, leading to an increase in expected credit loss.

Balance Sheet Position

The Bank's capital position remains strong, providing ample capacity to support future growth. Total assets grew by seven percent, driven by expansion in interest-earning assets.

While loan and deposit balances moderated, the balance sheet continued to evolve through diversification strategies, with Retail Banking remaining the dominant contributor. Growth was supported by digital lending, secured lending, and corporate banking expansion.

Customer deposits grew in line with risk assets, strengthening both the customer base and deposit mix.

Strategic Progress and Outlook

We have invested significantly to reposition the Bank as a fully-fledged transactional institution, with a clear focus on stabilising the funding base, expanding our markets business, and accelerating customer acquisition. Strategic platforms launched during the year are reshaping the balance sheet and enhancing growth capacity.

We enter 2026 with optimism, supported by a strong pipeline of asset growth and sustained momentum across our targeted segments. Our priorities for the year are clear: we will refine our business strategies to sharpen focus and unlock new opportunities, drive cost efficiencies that will fuel continued investment in digital innovation and strengthen customer satisfaction and loyalty as the cornerstone of our long-term success.

This approach reflects our commitment to building not only a stronger institution today, but one that is agile, future-ready, and positioned to deliver enduring value in the years ahead.

Acknowledgements

I extend my deepest appreciation to our customers, regulators, and partners for their continued trust and support. Your confidence remains the foundation of our progress.

My sincere thanks also go to our Board of Directors, Executive Management, and the entire Access Bank Botswana team for their dedication, professionalism, and unwavering commitment to advancing our strategic vision.

Together, we are building an institution defined not only by performance, but by purpose, positioned to create lasting impact for generations to come.

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Business Review Highlights

The performance of **Access Bank Botswana** during 2025 was driven by the collective strength of its business segments, each contributing uniquely to the Bank's strategic objectives while responding to a dynamic operating environment.

Guided by the theme, Powering Progress with Purpose, the Bank remained focused on delivering sustainable growth through disciplined execution, customer-centric innovation, prudent risk management, and operational excellence. Across Corporate & Institutional Banking, Global Markets & Treasury, Retail Banking, Credit Risk Management, Risk Management, Human Capital, Sustainability, and Compliance Risk, the Bank continued to strengthen its foundations while creating opportunities for customers, employees, shareholders, and communities.

Despite economic headwinds, liquidity constraints, and changing market dynamics, each business area demonstrated resilience, adaptability, and a commitment to long-term value creation. Together, these businesses advanced the Bank's strategic priorities, strengthened customer relationships, accelerated digital transformation, enhanced risk governance, and reinforced our position as a trusted financial partner in Botswana.

The following reviews provide insight into the performance, achievements, challenges, and strategic focus of each business segment during the year, illustrating how purposeful leadership, collaboration, and innovation continue to drive sustainable progress across the organisation.

Purpose in Action. **Progress** Across Every Segment.

From empowering businesses and individuals to strengthening governance, risk management, and organisational culture, every business segment contributed to delivering sustainable growth and long-term value in 2025.

Retail Banking

Shathiso Choto
Head, Retail Banking

The Retail Banking department delivered strong progress in 2025 by focusing on sustainable growth, customer value and digital transformation. Guided by the Bank's **"Powering Progress with Purpose"** theme, the department strengthened the retail franchise through disciplined execution, deposit-led growth and enhanced customer engagement. Despite operating within a constrained economic environment, Retail Banking achieved significant growth in customers, deposits and revenue while continuing to invest in digital capabilities, strategic talent recruitment and customer-focused propositions that support long-term resilience and franchise value.

Priorities for 2025

Retail Banking entered 2025 with a clear focus on building a stronger, more resilient and digitally enabled franchise. We prioritised deposit-led growth by strengthening Current and Savings Accounts (CASA), salary accounts and funded transactional relationships. This was complemented by a deliberate focus on customer acquisition and deepening relationships with existing clients to increase customer activity and long-term engagement.

Another important priority was improving product penetration across savings, lending, insurance and digital products. Retail Banking also advanced its digital migration agenda in preparation for the rollout of the AccessMore platform, which is expected to launch in 2026. Work undertaken during 2025 focused on creating a seamless self-service experience that improves convenience and accessibility for customers.

The department further refined its customer value propositions to better serve key segments including Employee Banking, Women Banking, High-Net-Worth Individuals, youth and pensioners. These initiatives were designed to provide more targeted solutions while strengthening customer loyalty and engagement.

Economic Environment

The operating environment during 2025 remained challenging, particularly in relation to liquidity pressures, higher funding costs and impairment risks across the banking sector. Retail Banking responded by prioritising resilience and disciplined balance sheet management rather than short-term growth.

We recognised early that liquidity constraints would require greater focus on deposit mobilisation and CASA growth. Increased emphasis was therefore placed on salary accounts, funded accounts, customer activity and reducing account dormancy.

At the same time, the business strengthened portfolio monitoring and risk management practices, particularly within Employee Banking and unsecured lending portfolios. Impairment pressures were treated as an opportunity to strengthen data quality, collections strategies and overall risk discipline. In certain instances, lending activity was moderated to reinforce prudent portfolio management and maintain long-term stability.

Retail Banking also continued investing in propositions aligned to evolving customer needs, particularly within Women Banking, Employee Banking and digital banking solutions. These initiatives positioned the department to remain responsive despite changing market conditions.

Delivery

Retail Banking delivered strong financial and operational results during 2025. Revenue grew by approximately 15% year-on-year, supported by strong customer activity, product uptake and transaction growth. Loans increased by 12% following the acquisition of new schemes, while deposits grew by 21% despite liquidity constraints within the market.

The customer base expanded by approximately 22%, reflecting continued success in customer acquisition and relationship deepening strategies. Nano lending revenue also recorded significant growth, increasing by approximately 50% during the year.

We made important investments in customer convenience and channel expansion. Strategic ATMs were upgraded to support USD and ZAR functionality, improving foreign currency access for customers. Cash-in and Cash-out functionality was also introduced for Orange Money users, further enhancing transactional convenience.

Retail Banking strengthened its leadership and execution capability through several strategic appointments during the year. Key hires included leadership roles in Private Banking, Women and Youth Banking, Workplace Banking, Retail Products, Bancassurance and Digital Channels. These appointments strengthened the department's ability to execute its segment-led and digital-led growth strategy.

Our delivery was underpinned by strategic clarity, customer focus, collaboration and a strong execution culture. Close partnership across Credit, IT, Operations and Marketing enabled coordinated execution despite ongoing economic and technological pressures.

Value and Sustainability

Retail Banking continued to play an important role in supporting customers' financial wellbeing while contributing to the Bank's long-term franchise value. The department improved customer access to loans, savings products, transactional accounts and digital channels, supporting greater financial inclusion and convenience.

Customer-focused propositions such as Employee Banking and Women Banking were enhanced to include financial education, wellness support and entrepreneurship development. These initiatives demonstrate the department's commitment to delivering meaningful value beyond traditional banking services.

We also contributed significantly to business performance through revenue growth, deposit mobilisation, loan growth and customer expansion. Non-interest income strengthened through increased transaction volumes, digital activity and fee-based income growth.

From a long-term sustainability perspective, Retail Banking maintained focus on stable deposits, active customer relationships, diversified revenue streams and disciplined risk management. Operational processes were also strengthened through improved portfolio monitoring, arrears management, campaign execution and customer entrenchment strategies.

Significant progress was made in strengthening systems and digital infrastructure. Work continued on the Access More migration programme, enhanced ATM functionality and the development of digital onboarding and self-service banking capabilities, all of which are expected to further improve customer experience from 2026 onwards.

Looking Ahead

The lessons from 2025 have reinforced the importance of balanced and sustainable growth. Going forward, Retail Banking will continue ensuring that loan growth is supported by strong deposit growth and active transactional relationships.

The division also recognises that customer acquisition alone is insufficient without deeper customer engagement, increased digital adoption and broader product penetration. Execution speed and technology enablement will therefore remain critical priorities, particularly in relation to digital onboarding, pricing engines and the successful rollout of the AccessMore platform.

Risk discipline will remain embedded across lending activities, particularly within unsecured lending, nano loans and Employee Banking. At the same time, the department will continue focusing on digital solutions that address real customer needs by making banking simpler, faster and more reliable.

Partnerships and ecosystem collaboration will also remain important as Retail Banking continues strengthening governance frameworks to ensure partnerships deliver meaningful commercial and customer outcomes.

As Access Bank Botswana advances its strategic ambitions, Retail Banking remains committed to delivering resilient growth, deepening customer relationships and building a digitally enabled franchise.

Through our Save & Win initiative, we promoted the importance of disciplined saving, strengthened customers' financial resilience, and rewarded loyalty and engagement which culminated in a grand prize winner of a Toyota Corolla, demonstrating the rewards of consistent saving and active banking.

Business & Commercial Banking

Bright Motsu
Head, Business & Commercial Banking

In 2025, we focused on accelerating growth through digital transformation, targeted financing solutions and close engagement with customers in a difficult economic environment. The department prioritised the expansion of the Bank's digital platform, Primus Plus, together with increased adoption of Point of Sale solutions to strengthen customer convenience and increase transaction volumes. The Bank has also launched YOCO, a mini POS machine aimed at supporting our micro SMEs

A major strategic focus was supporting businesses facing liquidity challenges, particularly SMEs that had delivered services to government and private sector clients but experienced delayed payments. Through a strong focus on invoice discounting and purchase order financing, forex CASA and our digital platforms the department enabled businesses to continue operating, protect jobs and sustain economic activity. These products addressed a critical market gap and aligned with the Bank's commitment to Powering Progress with Purpose.

We also prioritised balance sheet growth, revenue generation and customer retention as well as acquisition. Competitive Point of Sale (POS) pricing was introduced to attract more customers, improve liquidity and increase foreign exchange inflows which is linked to sectors such as oil and gas, hardware and FMCGs as an example.

At the same time, we invested in our human capital to beef up our sales capacity by expanding relationship management teams and improving operational efficiency to deliver faster turnaround times for customers. We further opened a new Business Banking branch in Maun to focus on the tourism and mining sectors in the region.

Delivery

Despite a difficult operating environment, we achieved strong growth across key business areas during the year. Interest income increased by 38 percent year on year, while total income grew by six percent. Deposits also rose by 11 percent from P785 million to P871 million, despite widespread liquidity constraints in the market. Our client numbers increased from 7240 in 2024 to 7748 in 2025 which is 508 customers .

The successful delivery of these results was supported by a clear customer-focused strategy and a disciplined approach to execution. Faster turnaround times became a key differentiator for the Bank, enabling customers to access funding more efficiently in a highly competitive market.

The Bank identified strong demand for invoice discounting and purchase order financing, particularly among contractors servicing government infrastructure and water projects. By responding quickly to these needs, we strengthened relationships with customers while expanding our niche market presence.

Operationally, the Bank enhanced collaboration across teams through weekly performance check-ins, stronger accountability structures and closer engagement between sales, credit, treasury and finance teams. These measures improved responsiveness, resilience and consistency in service delivery.

The Bank also strengthened its systems and processes during the year. Migration to the Primus Plus platform improved digital banking capabilities, while internal approval limits for purchase order financing and invoice discounting were increased from P10 million to P35 million. This streamlined decision-making and improved the customer experience.

Supporting Businesses. Creating Opportunity. Powering Progress.

Through innovative financing solutions, digital transformation and trusted partnerships, we helped businesses navigate uncertainty while creating sustainable growth opportunities across Botswana.

Economic Environment

The 2025 financial year was characterised by a challenging economic environment marked by limited liquidity and rising funding costs across the market. Businesses experienced cash flow pressure, particularly those awaiting payments from government and other institutions.

In response, we adjusted our pricing structures to reflect increased funding costs and maintained regular engagement with employees and customers to provide clarity on market developments. Teams received additional training and economic briefings to ensure they remained informed, adaptable and equipped to respond effectively to changing conditions.

The department also adopted a more focused approach towards contract financing for projects in various industries like mining and construction to support the CEEP initiative. These were augmented with the usual term loan funding and other products like working capital solutions. These products generated quicker returns and improved the Bank's ability to remain agile in a constrained environment.

Importantly, we recognised that maintaining customer relationships during difficult periods would strengthen long-term loyalty and trust. This approach reinforced the department's role as a reliable financial partner and a home for SMEs during times of uncertainty.

Value and Sustainability

In 2025, we continued to create value by supporting customers beyond traditional financing. The department adopted a long-term approach centred on sustainability and customer empowerment through capacity-building initiatives and customer engagement forums, businesses received guidance on financial management, business sustainability and operational resilience. These interventions aimed to strengthen customers' ability to manage resources effectively and grow sustainably.

In addition, we expanded initiatives aimed at supporting women-owned businesses through our Women Banking proposition. The programme offers tailored benefits and incentives designed to make banking more accessible and convenient for women entrepreneurs.

The department's continued investment in people, systems and customer relationships demonstrates its commitment to sustainable growth and meaningful impact across the business community.

Looking Ahead

Looking ahead, we plan to deepen our digital transformation journey by aggressively driving wider adoption of Primus Plus and expanding the footprint of the Point-of-Sale solutions nationwide. The department also aims to strengthen customer education and continue building a future-fit workforce with broader product knowledge and stronger sales capabilities.

New growth opportunities have been identified in agriculture, international trade, logistics and mining. The department plans to establish a dedicated Agric Business segment focused on key farming regions including Gantsi, Tuli Block, Pandamatenga and the Mosisidi area.

In mining, the department intends to increase participation across Botswana's growing copper sector and strengthen engagement with major mining operations . The strategy includes supporting SMEs within mining supply chains while also banking executives and staff, contractors and mining operations across multiple business units.

As we move into 2026, we remain committed to building stronger customer relationships, expanding financial inclusion and driving sustainable growth. Guided by the theme "Powering Progress with Purpose", the department will continue to position itself as a trusted partner for the business community in advancing economic opportunity.

Corporate & Investment Banking

Omphemetse Dube
Head, Corporate & Institutional Banking

In 2025, Corporate & Institutional Banking (CIB) delivered on its mandate by driving intentional, disciplined, and sustainable growth in a dynamic economic environment. Our approach to "Powering Progress with Purpose" was anchored on aligning our strategy to sectors with strong economic relevance, deepening client relationships, and delivering tailored financial solutions that addressed evolving client needs.

At the same time, our execution was guided by the principles of Accelerate. Execute. Sustain. We accelerated growth by actively building a strong pipeline of opportunities, executed with discipline through structured deal conversion and cross-functional collaboration, and sustained performance by focusing on portfolio quality and long-term client value.

Strategic Priorities and Delivery

Our key priorities in 2025 included revenue growth through quality risk assets, expansion of non-funded income streams—particularly foreign exchange and transactional banking—and increasing wallet share across our client base. We also focused on strengthening sector-driven engagement and enhancing collaboration with product teams to deliver integrated solutions.

This translated into measurable progress, including the successful launch of our digital platform, Primus Plus, the rollout of Custody solutions, and securing the full transactional banking mandate for BIUST. These outcomes strengthened our client value proposition, enhanced our digital capabilities, and reinforced our positioning as a partner of choice for corporate clients.

Executing in a Changing Economic Environment

Operating in a shifting economic landscape requires agility and foresight. We adopted a proactive approach to managing market dynamics through continuous portfolio reviews, scenario planning, and close monitoring of sector performance. This enabled us to identify emerging risks early while capitalizing on opportunities in resilient sectors.

Consistency and resilience were maintained through disciplined credit practices, diversification of income streams, and a strong focus on relationship management. By prioritizing long-term value over short-term gains, we ensured stability in performance despite external pressures.

Delivering Value and Building Foundations

Our work in 2025 contributed meaningfully to supporting clients by providing relevant, timely, and structured financial solutions. We enabled businesses to navigate economic challenges while positioning them for growth, reinforcing trust and deepening long-term partnerships.

Internally, we strengthened key foundations across people, processes, and systems. There was improved alignment within teams, enhanced pipeline management processes, and stronger collaboration with Retail and other product partners to deliver holistic client value propositions.

Innovation for Tomorrow

In line with our innovation agenda, we are evolving our client engagement model to be more solution-driven and commercially focused. This includes expanding beyond traditional banking into value-added services such as cash flow advisory, real-time digital reporting through Primus Plus, and market insights, alongside strengthened cross-border capabilities.

We are also driving integrated solutions across trade, working capital, and supply chain to deliver end-to-end propositions that improve client efficiency, deepen relationships, and unlock revenue opportunities.

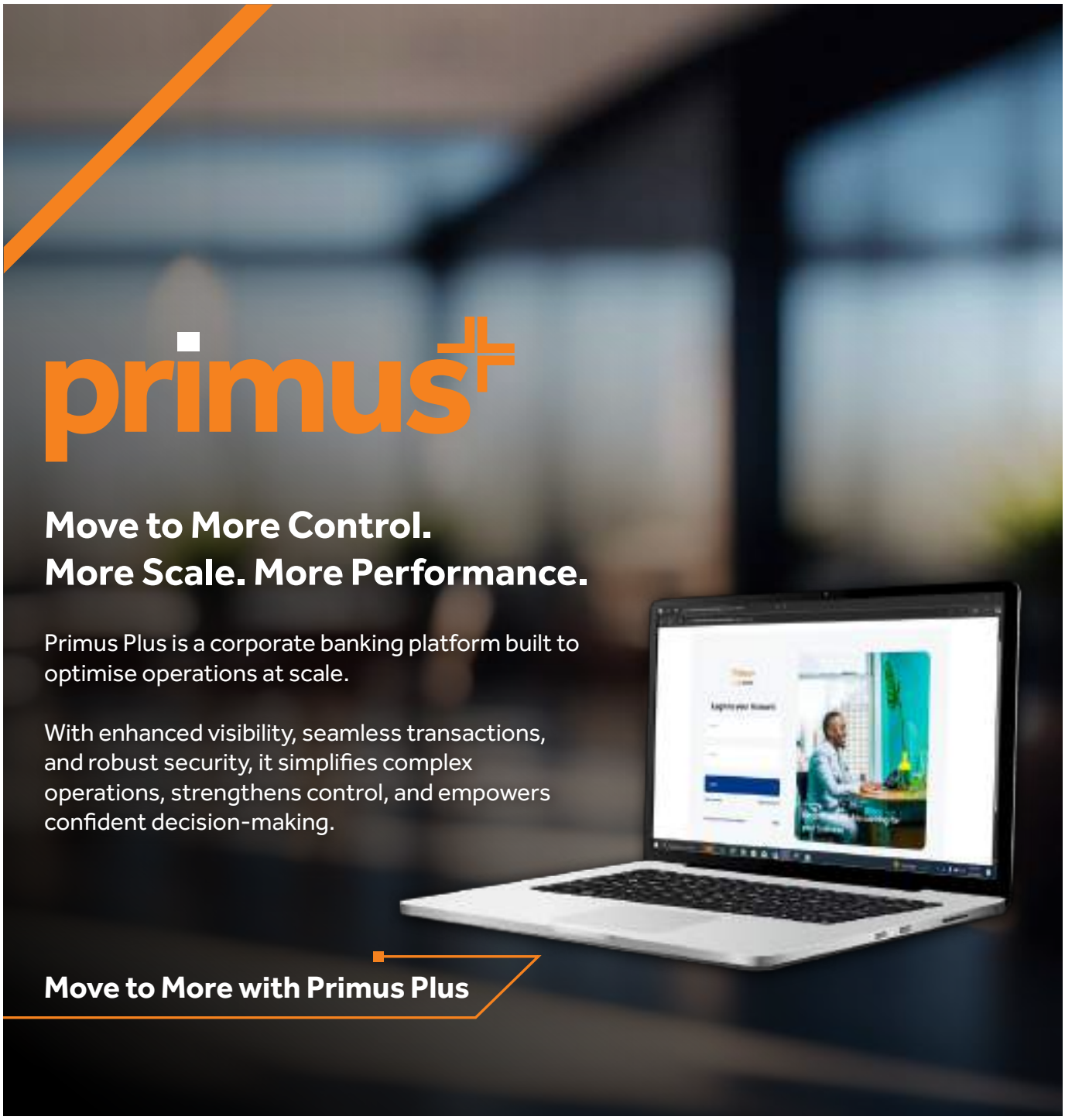
Our approach remains client-led and execution-focused, ensuring solutions are practical, scalable, and aligned to client needs.

Looking Ahead: Lessons and Priorities for 2026

Key lessons from 2025 include the importance of agility, proactive client engagement, and diversification of revenue streams. As we move into 2026, our focus will be on accelerating execution through faster deal turnaround, strengthening collaboration across business units, and sustaining growth through resilient and well-diversified portfolios.

We will continue to refine our value proposition, deepen sector expertise, and leverage innovation to deliver differentiated solutions. Ultimately, our goal is to remain a trusted partner to our clients while driving sustainable growth for the Bank.

Through disciplined execution and a clear sense of purpose, CIB remains well-positioned to deliver consistent performance and create long-term value.



Treasury & Markets

Shewauya Charumbira
Head, Global Markets & Treasury

In 2025, the Treasury function remained focused on creating value while maintaining a disciplined and risk-conscious approach in a challenging economic environment. The department prioritised maintaining a strong and liquid balance sheet, while carefully managing funding costs amid tightening market liquidity and elevated interest rates.

Priorities for 2025

Treasury focused on growing trading income and non-interest income through customer-led foreign exchange and money market activities. This strategy supported the Bank's broader objective of diversified revenue streams through responsive market solutions.

Against the backdrop of a difficult year for the economy, particularly within the diamond sector, Treasury remained deliberate in balancing commercial opportunities with prudent risk management. The department continuously monitored liquidity trends, foreign exchange dynamics and executed "just-in-time" interest rate expense management to ensure the Bank remained resilient and responsive to market conditions.

Delivery

Treasury made a meaningful contribution to the Bank's overall performance during the year through improved liquidity management, stronger trading income and enhanced customer support. Trading revenue increased by 117% in 2025, supported by increased client transaction volumes and disciplined balance sheet management. These efforts contributed to both revenue generation and operational stability.

The department successfully maintained funding costs in line with market conditions despite rising pressures within the banking sector. This was achieved through agile execution of customer foreign exchange mandates and effective interest expense management.

A key factor behind Treasury's successful delivery was flexibility in responding to rapidly changing market conditions. The team adopted a proactive approach to managing liquidity, interest rate risk and foreign exchange exposure while ensuring customers continued receiving timely support and market access.

Treasury also maintained a strong and resilient trading book throughout the year. This disciplined approach strengthened the Bank's ability to navigate uncertainty while protecting profitability and supporting the broader business strategy.

The department's contribution extended beyond revenue generation. Treasury continued to support customers through pricing solutions, liquidity support and foreign exchange execution, particularly following the changes in the foreign exchange environment introduced in June 2025. In addition, the team supported broader market education and client engagement through thought leadership initiatives led by Global Markets Treasury, including the Exchange event and the weekly FX show, helping customers better understand market developments and make more informed decisions.
Economic Environment

The 2025 operating environment remained challenging across multiple sectors of the economy. Reduced activity within the diamond sector, constrained market liquidity and rising funding costs created significant pressure across the banking industry.

Treasury responded by closely monitoring macroeconomic developments, customer transaction flows and changing market dynamics. Funding pressures intensified from May 2025 onwards, requiring stronger forecasting, tighter liquidity management and more deliberate balance sheet positioning.

The department adopted a cautious and forward-looking approach to risk management to protect the Bank from adverse market movements. Treasury continuously assessed interest rate expectations and foreign exchange demand to minimise downside risks and preserve stability.

In addition, the changing foreign exchange regime introduced during the year, required the team to respond quickly and support customers through evolving market conditions. Treasury's was able to adapt and provide reliable market solutions during the year.

Access Bank Botswana convened key stakeholders following the 2025 exchange rate reforms, supporting market clarity, customer confidence and informed foreign exchange decision-making.

Value and Sustainability

Treasury continued to strengthen the Bank's long-term sustainability by supporting prudent financial management, operational resilience and customer confidence. The department recognised that its role extends beyond profit generation to safeguarding the Bank's balance sheet and ensuring sustainable growth.

Significant investment in technology and systems formed part of this long-term strategy. During the year, the Bank strengthened its digital capabilities through enhancements to the Primus Plus transactional banking platform and the introduction of a new Treasury management system. This system ensured that we could manage and execute more complex products for customers to help them diversify their expectations and their needs. These investments improved operational efficiency and enabled the execution of more sophisticated customer solutions.

Treasury also strengthened internal processes around forecasting, funding planning and liquidity management. These improvements enhanced the Bank's ability to respond proactively to market pressures while maintaining stability and operational discipline.

The department's focus on customer-led Treasury revenue generation further supported sustainability by deepening relationships with clients and delivering tailored foreign exchange and money market solutions that addressed evolving customer needs.

Looking Ahead

Looking ahead, Treasury will continue strengthening customer-led revenue growth while increasing market share in foreign exchange and money market activities. The department will also focus on improving liquidity forecasting, enhancing funding planning and deepening Asset and Liability Management discipline to support long-term resilience.

The experiences of 2025 reinforced the importance of maintaining a forward-looking Treasury function capable of responding effectively to liquidity pressures, funding cost volatility and foreign exchange market shifts.

Treasury remains committed to supporting the Bank's growth strategy while protecting the balance sheet and strengthening long-term sustainability. As Access Bank Botswana continues **"Powering Progress with Purpose"**, the Treasury function will play a critical role in ensuring the Bank remains agile, resilient and positioned to create lasting value for customers and shareholders.

Credit

Kagiso C. Pontsho
Head, Credit Risk

The credit function displayed resilience in 2025 despite a challenging economic backdrop marked by liquidity constraints, delayed government remittances and increased pressure on the mandate. Guided by the Bank's **"Powering Progress with Purpose"** theme and the Isago Strategy, the Credit team focused on protecting profitability with key priorities that included impairment management, portfolio diversification, operational efficiencies and building a high-performing team capable of navigating a rapidly changing environment.

Priorities for 2025

The Credit department refined its contribution to the Isago Strategy with a strong focus on supporting Profit Before Tax through disciplined credit risk management and proactive impairment controls. The primary priority for 2025 was strengthening collections and recoveries as economic pressures intensified across the market.

During the year, the Bank experienced increased strain within the loan book due to delayed government remittances, liquidity challenges and pressure on customer cash flows. This was particularly significant within the scheme lending portfolio, which constitutes the majority of the Retail book. To address these challenges, we intensified collection efforts, strengthened recoveries and implemented enhanced restructuring programmes for both personal and business customers.

Another strategic priority was accelerating portfolio diversification. The team continued to support the growth of the Business and Commercial Banking portfolio to reduce concentration risk from the dominance of the Retail segment. This included strengthening support for SMEs and expanding invoice discounting solutions to assist businesses experiencing delayed payments.

Operational efficiency and faster turnaround times also remained key areas of focus. Automation initiatives were introduced to improve processing efficiencies, reduce the cost to serve and support scalable growth without significantly increasing headcount.

The Division further prioritised people development and succession planning. Work was started on developing a revised organisational structure to strengthen leadership capacity within the Credit team and position internal talent for future leadership opportunities.

Economic Environment

The operating environment in 2025 remained challenging and had a direct impact on portfolio performance across the banking sector. Delays in government funding and remittance processes created liquidity strain for both businesses and individuals, while the downgrading of Botswana's sovereign rating and weaker GDP forecasts increased overall credit risk within the market.

Rising living costs and higher levels of consumer indebtedness also placed pressure on household affordability. Many customers were increasingly borrowing to meet essential living expenses, including education and transport costs, resulting in reduced disposable income and higher vulnerability to economic shocks. Within the business sector, liquidity constraints and delayed invoice settlements negatively affected customer repayment capacity. At the same time, higher funding costs within the banking industry placed additional pressure on profitability and lending growth.

In response to these conditions, the Credit Division adopted a more agile and supportive approach to credit management. Loan restructures were intensified to align repayments with customers' revised cash flow positions, while settlement discount programmes were introduced to encourage recovery and reduce long-term defaults.

Delivery

Despite the difficult environment, the Credit Division delivered several important outcomes during the year. A key achievement was supporting continued growth and diversification of the loan book, under the target of achieving a mix of 30 percent Business and 70 percent Retail by the end of 2027. This forms part of the Bank's longer-term strategy to achieve a more balanced portfolio mix and reduce concentration risk.

The Division also succeeded in containing the impact of rising impairments on overall profitability. While impairment levels increased in response to economic pressures and model-driven provisioning requirements, proactive management actions helped ensure that profitability was not materially eroded.

The collections and recoveries function underwent significant enhancement during the year. The Bank strengthened operational processes to identify arrears earlier and improve engagement with customers before accounts deteriorated further. Particular focus was placed on managing delays between salary deductions and remittances within the scheme lending portfolio to improve the accuracy and speed of collections processes.

Credit processes and operational efficiencies were also strengthened through automation. New systems implemented within Business Banking improved workflow management and enabled faster response times to customer applications while supporting portfolio growth more efficiently.

The Credit department further repositioned itself as both a governance and business enablement partner within the organisation. This approach strengthened collaboration across teams and ensured alignment between credit risk management and the Bank's broader growth strategy.

Value and Sustainability

The Credit Division's approach during 2025 focused not only on protecting the Bank's financial position but also on supporting customers and maintaining long-term portfolio sustainability.

Extensive restructuring initiatives were implemented to assist both individuals and businesses facing temporary financial strain. By extending repayment periods and consolidating debt obligations, the Bank was able to create more manageable repayment structures that supported customer retention and business continuity.

Enhanced invoice discounting solutions also provided short-term liquidity support to businesses experiencing delayed payments. These initiatives enabled the Bank to continue supporting productive sectors of the economy while carefully managing associated risks.

The Division also strengthened internal foundations across people, processes and systems. Succession planning, leadership development and culture alignment were prioritised to ensure the Credit team remains resilient, accountable and capable of operating effectively in uncertain market conditions.

Importantly, the Division continued refining its lending strategy to focus on sectors, products and customer segments aligned with the Bank's long-term risk appetite. This disciplined approach supports sustainable growth while ensuring the Bank maintains prudent credit standards.

Looking Ahead

Looking ahead, the Credit Division expects economic conditions to remain challenging in the near term and will continue prioritising resilience, agility and disciplined risk management.

The strategic focus will remain on strengthening collections, accelerating portfolio diversification and improving operational efficiencies through technology and process enhancement. Continued emphasis will also be placed on supporting business growth, particularly within the SME sector, through appropriately structured lending solutions.

From a people perspective, the department will continue building a culture of accountability, stewardship and adaptability. Greater decentralisation of decision-making and stronger ownership across teams, are expected to enhance responsiveness and strengthen execution capability.

As Access Bank Botswana continues to pursue its growth ambitions under the Isago Strategy, the Credit department remains committed to balancing prudent risk management with sustainable business enablement. Through disciplined execution, customer-focused solutions and continued investment in people and systems, the department is well positioned to support the Bank's long-term stability and growth objectives.

Protecting **Progress** Through Disciplined Credit Management

Through proactive portfolio management, customer-focused solutions and prudent risk practices, we strengthened resilience while supporting sustainable growth across our customer base.

Risk Management

Kabo Gwafila
Head, Risk

Risk management is a key consideration in the Bank's decision-making process and a function whose critical importance was underlined by the difficult economic environment experienced in 2025.

Priorities for 2025

The Risk department played a central role in supporting the Bank's strategic direction during 2025. While risk management traditionally focuses on governance and policy oversight, the department actively contributed to shaping the Bank's evolving business model and balance sheet structure to strengthen resilience and support long-term growth.

Key priorities during the year included maintaining adequate liquidity and capital levels amid a challenging macroeconomic environment. Liquidity risk remained a top focus as market conditions continued to place pressure on funding and financial resources. The Bank also prioritised capital preservation to ensure continued stability and regulatory compliance.

Cyber and information security risks remained high on the agenda. Enhanced oversight and monitoring were maintained to safeguard the Bank against the growing threat landscape. In addition, operational resilience received significant attention, with a focus on ensuring that the Bank could continue serving customers effectively during potential disruptions such as power outages, natural disasters or other external events.

Another important priority was the continued embedding of a strong risk culture across the organisation. The objective was to integrate risk awareness into everyday decision-making throughout the Bank, enabling business units to better understand risk considerations and respond confidently to customer needs while operating within the Bank's risk appetite.

Delivery

The Risk Department delivered several important outcomes during the year that strengthened the Bank's resilience and operational effectiveness.

Extensive business continuity and resilience testing was undertaken to assess the Bank's readiness to respond to potential disruptions. These exercises resulted in improvements to resilience frameworks and enhanced preparedness across the organisation.

The Bank also maintained operational losses well within approved risk appetite levels throughout the year. While operational incidents continued to occur, their overall severity remained low, contributing to reduced losses and demonstrating the effectiveness of risk management controls.

Despite a rising cost of funding and challenging market conditions, the Bank remained well funded and operated within established liquidity and funding risk parameters. This achievement reflected disciplined balance sheet management and close monitoring of emerging risks.

A key contributor to successful delivery was the strong collaboration between Risk and other business units, particularly Information Technology and Cybersecurity teams. This partnership enabled coordinated responses to emerging risks and supported the achievement of shared objectives across the Bank.

Economic Environment

The operating environment during 2025 was characterised by economic uncertainty and external pressures that highlighted the importance of proactive risk management.

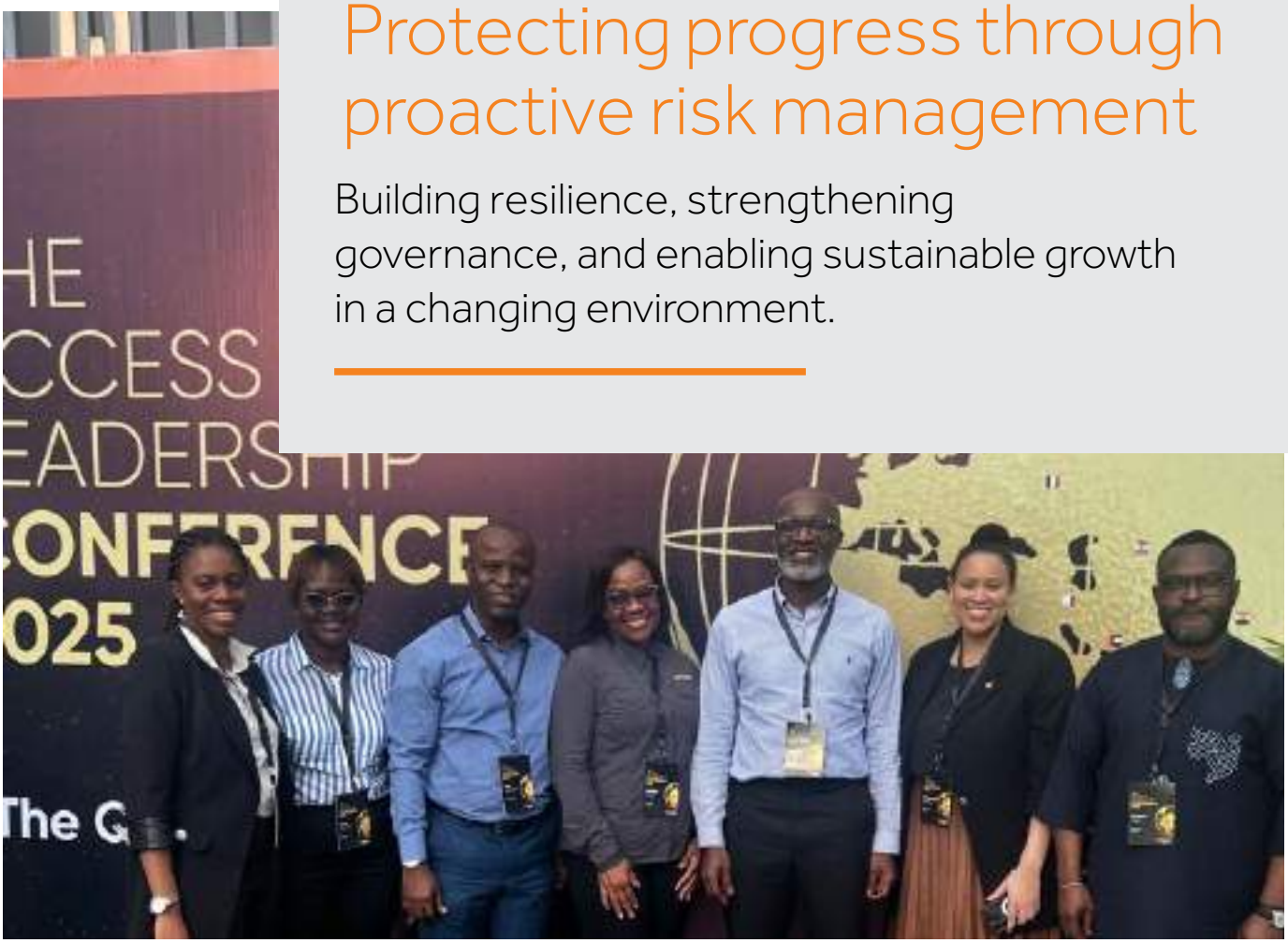
Macroeconomic developments reinforced the need for a more resilient business model and balance sheet structure. In response, the Bank undertook detailed modelling and scenario analysis to assess the potential impact of changing risk factors on financial performance and liquidity positions.

Multiple scenarios were evaluated to understand how different economic outcomes could affect the Bank's balance sheet and income statement. These analyses informed management decisions and enabled the Bank to take timely actions to mitigate risks and position itself for future challenges.

A key differentiator during the year was the successful execution of insights generated through modelling exercises. The Bank implemented practical measures arising from scenario planning, allowing it to respond effectively to changing economic conditions.

Protecting progress through proactive risk management

Building resilience, strengthening governance, and enabling sustainable growth in a changing environment.



Bringing together Group and local leadership to strengthen collaboration and shape future growth

The lessons learned from the economic environment have further reinforced the importance of forward-looking risk management and proactive planning.

Value and Sustainability

We continued to create value by supporting long-term stability and embedding risk culture across the organisation also delivered value to customers. Greater risk awareness within business units enabled faster decision-making and improved service delivery, as employees became more confident in applying risk principles when engaging with clients.

Significant investments were made in systems and processes during the year. New platforms, including Primus Plus for corporate banking, Calypso for treasury and risk and Aperta for customer payment processes, were successfully implemented. These systems strengthened risk monitoring capabilities, improved reporting and enhanced operational efficiency.

The implementation process involved extensive testing and validation to ensure successful deployment. The new technology infrastructure has provided improved visibility of risk exposures, faster aggregation of risk information and more effective oversight of trading activities, in the case of Calypso.

We also recognised the importance of strengthening capacity within key risk functions. While resources were stretched in certain areas during the year, the team continued to perform effectively, and additional capacity has since been introduced to support future growth.

Looking Ahead

The experience of 2025 highlighted the need for even greater anticipation of emerging economic and operational risks. While the Bank responded successfully to many challenges, we have adopted a more proactive approach to identifying and responding to future developments.

Going forward, the department will continue to on anticipating macroeconomic trends and assessing their potential impact on the Bank's performance and strategic objectives.

We remain committed to fostering a strong risk culture, enhancing analytical capabilities and leveraging technology to support informed decision-making. Through these efforts, Risk will continue to play a critical role in protecting the Bank, supporting sustainable growth and enabling Access Bank Botswana to deliver value to its customers and stakeholders

Compliance Review

Allec Tainton
Head, Compliance & Conduct

In 2025, Access Bank Botswana Limited's Conduct and Compliance Function continued to play a pivotal role in enabling sustainable business growth by ensuring that expansion is pursued within a robust framework of governance, integrity, and regulatory adherence. By embedding compliance into business strategy and operations, the function supports innovation and growth while safeguarding the Bank's reputation and maintaining stakeholder trust.

Our approach is anchored in the principle that effective compliance is not a constraint to growth, but an enabler of responsible and resilient progress.

Compliance Framework, Controls and Integrity

The Bank maintains a comprehensive compliance framework comprising policies, procedures, and controls designed to ensure adherence to applicable laws, regulations, and internal standards. Key elements of this framework include:

- Clearly defined regulatory compliance protocols aligned to local and international requirements
- Strong internal control systems to manage operational and conduct risks
- Robust Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) controls
- Data protection and privacy governance standards

These controls collectively ensure that the Bank operates with integrity, transparency, and consistency across all its activities.

Focus on Priority Risk Areas

During the year, the Compliance Function maintained strong focus on critical risk domains that underpin the Bank's license to operate and social responsibility. These include:

- Regulatory compliance and proactive engagement with supervisory authorities
- Financial crime risk management, including AML/CFT/CPF controls
- Fair customer treatment, ensuring that products and services are delivered transparently and responsibly

Through continuous monitoring, advisory support, and risk-based reviews, the function ensures that these priority areas are effectively managed in line with evolving regulatory expectations.

Supporting Innovation and Business Transformation

As the Bank expands its product offering and explores new business opportunities, Compliance remains closely entrenched into the product development lifecycle. The function provides timely guidance on regulatory requirements, conducts risk assessments, and ensures that new products and channels are launched in a controlled and compliant manner.

This proactive involvement enables the Bank to innovate with confidence, accelerate time-to-market, and seize emerging opportunities while maintaining strong governance standards.

Building an Ethical and Informed Organization

A strong ethical culture is fundamental to long-term success. In 2025, the Compliance Function intensified efforts to build a workforce that is aware, informed, and accountable. Key initiatives included:

- Ongoing compliance training and awareness programs
- Targeted guidance on conduct risk and ethical decision-making
- Continuous engagement with staff to reinforce the importance of integrity in daily operations

These efforts contribute to a culture where doing the right thing is embedded in how business is conducted at all levels of the organization.

Looking Ahead

As the Bank continues to grow, the Conduct and Compliance Function will remain focused on balancing risk management with business enablement. Key priorities going forward include:

- Enhancing the use of technology and data analytics to strengthen compliance monitoring
- Advancing regulatory change management capabilities
- Deepening financial crime risk management frameworks
- Continuing to embed a strong culture of ethics and accountability

Through these initiatives, Compliance will continue to support sustainable growth, ensuring that the Bank powers progress with purpose while maintaining the highest standards of integrity and trust.

Ethics & ethical performance

ETHICS AND ETHICAL PERFORMANCE

Anti-Bribery and Corruption (ABC)

The Bank adopts a zero-tolerance approach to bribery and corruption. An annual ABC risk assessment is carried out, and the findings of the assessment are used by the Bank to ensure appropriate controls and mitigants are put in place in areas where bribery and corruption risk exist.

From the analysis of results, the overall bribery and corruption risk is generally low across the Bank. Through this exercise, various functions have been able to demonstrate the controls that are in place to ensure the risk is kept under control. Results are in line with the Global Corruption index which places Botswana as one of the least corrupt countries in Africa.

The Bank will however ensure this culture is maintained through continuous training of its staff on issues of Corruption and Bribery.

Whistle-blowing

The whistle blowing policy is fundamental to the Bank's professional integrity. All acts of suspected internal violations, including violations of, among others, Access Bank's Ethical Standards, Conflicts of Interest Policy, Confidential Information Policy, laws and regulations, etc are reported through this hotline. The platform is managed by an independent vendor and has adequate safeguards, and stakeholders have similarly demonstrated confidence in this platform as reflected by its usage. Reports received through this platform are investigated as appropriate and escalated through the appropriate channels. This has also proved to be an invaluable tool to the governance structures of the Bank in executing on their respective oversight mandate.

Ethics and Conflict of Interest policy

Employees of Access Bank do not engage, without prior approval of the Bank in writing, in any business for which the Bank is licensed. Training and awareness sessions are rolled out to ensure awareness on stakeholder obligations on the need to act ethically and to avoid conflict of interest. Matters which could give rise to a conflict of interest such as the giving and accepting of gifts is declared and a register maintained, Outside Business Interests are also declared. As a listed entity, the Bank also takes complementary measures to manage issues on insider trading, market abuse and other risks related to and incidental to a listed entity.

Ethical Stakeholder Conduct

As a financial institution, the Bank does not tolerate incidents of financial impropriety. Appropriate action is taken against relevant internal stakeholders who fail to manage their financial affairs in a manner that is reflective of their association with the bank. Such information is also shared with the appropriate oversight governance structures. This monitoring has proved to be highly effective and acts as a deterrent.

Treating Customers Fairly / Consumer Protection

Consumers are provided with clear information and kept appropriately informed before, during and after every point of sale/ life of a product. The Bank ensure that customers are made to understand the features, benefits, risks and costs of the financial products we offer and minimize the sale of unsuitable products by encouraging best practice before, during and after sales. The Bank generally ensures that consumers and the general public are safeguarded against unfair practices in the marketplace.

Leadership Connection Session

Driving Purposeful Progress Through Connection, Creativity and Collaboration

access
cess
more than banking

Human Resources

Njalakangwa Ndzinge
Head, Human Resources

Within the Human Resources function, 2025 was a year of building foundations, strengthening resilience and positioning our people to support the long-term ambitions of the Bank. Guided by the theme Powering Progress with Purpose, the Human Resources function remained focused on creating an environment where employees are empowered to perform, collaborate and contribute meaningfully to the purposeful journey of the organisation.

The year required adaptability, discipline and a clear focus on our strategic priorities. Through our focus on culture, leadership development, and employee engagement, we continued to strengthen the people agenda and align it to the broader business strategy.

Priorities for 2025

One of our most significant priorities during the year was the commencement of our culture transformation journey. Feedback from the Employee Satisfaction Survey and culture audit highlighted areas requiring deliberate focus and improvement. This created an opportunity for us to reflect on the kind of Bank we want to build and the employee experience we want to create.

To support this journey, we undertook a comprehensive culture gap analysis through direct engagements with employees across the Bank. These discussions provided valuable insight into employee perceptions, workplace experiences and opportunities for improvement. From this process, we developed a culture blueprint aligned to the Access Way, which defined the values and behaviours expected across the Bank.

The blueprint was adapted to reflect the Botswana operating environment, while remaining aligned to Group standards and values. Importantly, the process was collaborative and inclusive, helping employees feel connected to the future direction of the Bank. While culture transformation is an ongoing journey, the work completed during 2025 established a strong foundation for implementation in the years ahead.

Leadership development was another major priority for the year. As the Bank continues to evolve, we recognise the importance of equipping leaders with the capability to guide teams through change, deliver performance and support transformation. During the year, we implemented leadership coaching initiatives and hosted several engagements involving both executive and management teams.

One of the key themes explored was "Thinking Inside the Box", which encouraged leaders to focus on opportunities within existing resources and capabilities, particularly within a difficult economic climate. We also placed emphasis on customer obsession and collaborative leadership, reinforcing the importance of keeping the customer at the centre of our decisions and operations.

Another important area of focus was the completion of our Employee Value Proposition implementation plan. This formed part of a broader multi-year programme aimed at improving employee engagement, strengthening the workplace experience and responding to areas identified through employee feedback. In line with the implementation plan, we reviewed our remuneration and benefits structures to ensure alignment with market conditions and industry standards.

Delivery

During the year, we made meaningful progress across several strategic initiatives that support both our people agenda and the broader goals of the Bank.

One of the notable achievements was the successful onboarding of the first cohort under our Graduate Trainee Programme. The programme welcomed 11 graduates who underwent a three-month classroom-based learning initiative at the Business School of Excellence in Lagos, Nigeria, before returning to Botswana for a three-month practical workplace experience. We are proud that all graduates were successfully integrated into different areas of the business, strengthening our talent pipeline and supporting succession planning efforts.

Recruitment for a second cohort also commenced during the year as part of our commitment to developing future leaders and positioning the Bank as a destination for young talent.

The HR function also advanced its digitisation agenda during 2025. A key milestone was the implementation of the recruitment platform, which has improved recruitment efficiency and standardisation across the Bank. In addition, groundwork commenced on the automation of the performance management process, which will improve integration, reporting capability and operational efficiency going forward.

Employee wellness and engagement remained an important focus despite the challenges of the year. Several wellness initiatives were implemented, including health screenings, vaccination programmes and awareness campaigns linked to Breast Cancer Awareness Month and Men's Health Month. Staff also participated in wellness and engagement activities throughout the year, helping to strengthen morale, teamwork and a sense of belonging.

In addition, we introduced an enhanced onboarding and induction programme designed to better prepare new employees for success and ensure alignment with the culture and values of the organisation from the outset.

Economic Environment

The operating environment during 2025 presented significant challenges across the market and banking sector. Economic pressures required disciplined cost management, careful prioritisation and greater operational efficiency across the business.

Within the HR function, this meant finding ways to continue delivering strategic priorities while operating within tighter resource constraints. Recruitment freezes and cost optimisation measures required teams to adapt quickly and work more efficiently without compromising service delivery or employee support.

The resilience demonstrated by the HR team during this period was commendable. Employees embraced additional responsibilities, collaborated effectively and remained focused on delivering value to the organisation. Throughout the year, there was a shared understanding that adaptability, teamwork and agility would be essential to navigating the environment successfully.

> At the centre of our strategy is the belief that we win **more** through people.
>
> Building a culture of resilience, leadership, collaboration and purposeful growth.

The challenges of 2025 also reinforced the importance of speed in decision-making and the need for organisations to remain agile in changing market conditions. These lessons will continue to shape our approach going forward.

The support received from the Board, Managing Director and Executive Management team remained instrumental throughout the year. Their continued commitment to prioritising people, culture and employee wellbeing reinforced the importance of the people agenda within the broader business strategy.

Looking Ahead

As we move into 2026, our focus remains centred on building a high-performance culture driven by strong leadership and collaboration. The implementation of a culture blueprint will remain a key priority, alongside continued investment in leadership capability and employee engagement. Additionally, the drive to ensuring that we implement an optimal operating model that will deliver on our ambitious strategic initiatives will be of priority.

We also plan to expand digital learning opportunities through the introduction of an e-learning platform and strengthen strategic partnerships with universities in Botswana.

Further automation of HR systems and processes will remain an important focus area as we continue working toward greater efficiency, integration and agility within the HR function.

At the centre of our strategy is the belief that we win through people. The work completed during 2025 has strengthened the foundation for future growth and positioned us to continue building an organisation where employees are empowered, customers are well served and sustainable value is created for all stakeholders.

CSR Impact

Duduetsang Chappelle-Molloy
Head, Brand, Marketing & Communications

Access Bank Botswana remained committed to the theme **"Powering Progress with Purpose"** throughout 2025 by delivering initiatives that created measurable social and economic impact across communities. The department aligned its sustainability agenda with key United Nations Sustainable Development Goals, focusing on health, education, entrepreneurship and environmental sustainability, areas critical to Botswana and the continent.

Despite a challenging economic environment, community engagement was strengthened through the Employee Volunteer Programme, expanded financial inclusion initiatives and continued support for SMEs and underserved communities. As a result, the Bank significantly increased its reach to more than 104,000 people, up from roughly 9,000 in the previous year.

Priorities for 2025

The department focused on delivering sustainable impact across its four key pillars, aligned with national development priorities.

Education remained a major focus, with school refurbishments, financial literacy programmes, provision of supplies and library improvement projects reaching 21,866 beneficiaries, 145% of the annual target. Education continues to be recognized as a long-term driver of empowerment and sustainability.

Entrepreneurship was prioritized to support economic growth and job creation. Workshops and practical support initiatives were implemented to strengthen financial management and business skills. While 5,926 entrepreneurs reached (40% of target), this highlighted the need for increased focus going forward.

In health, initiatives promoting physical and mental wellbeing included sponsorship of national wellness events, health education programmes and medical equipment donations, reaching approximately 37,000 people.

Environmental sustainability remained another important pillar. Staff participated in clean-up campaigns, environmental awareness programmes and community education activities. More than 39,000 people were reached through environmental initiatives during the year.

Delivery

A key driver of success in 2025 was the transformation of the Employee Volunteer Programme. Employees across the Bank were empowered to identify community needs, develop projects and manage implementation independently. This approach strengthened ownership, accountability and teamwork, while equipping employees with leadership and stakeholder engagement skills. Staff led fundraising, coordinated suppliers, managed implementation and engaged directly with communities.

This shift significantly contributed to the increase in beneficiaries reached. Governance was also strengthened through clearer proposal and approval processes, supported by CSR Champions and improved planning and reporting tools. The strengthened approach to delivery contributed significantly to the increase in community impact from approximately 9,000 beneficiaries in the previous year to more than 104,000 beneficiaries in 2025.

The Bank's efforts received international recognition through the Best CSR Programme in Botswana 2025 award from the Global Banking and Finance Review Awards.

In response to the February 2025 floods, the Bank donated P250,000 to the Private Sector Disaster Recovery Fund, as part of a collective industry response to support affected communities.

The Finance and Legal team donated a porta cabin to Bokamoso Junior Secondary School, providing a dedicated space for guidance and counselling services that supports learner wellbeing, personal growth, and academic success.

Financial inclusion efforts continued to advance through digital solutions. The Nano Loan facility, in partnership with Orange Money, disbursed over P289,367,425.00, exceeding its target and providing critical support to micro businesses and informal traders. Additionally, Cardless Orange Money Cash-In and Cash-Out services were introduced at ATMs, expanding access to financial services for unbanked and low-income customers.

Economic Environment

The 2025 operating environment remained constrained, with liquidity pressures, rising costs and economic strain on households and businesses. The department responded by strengthening financial literacy and thought leadership to help customers navigate these challenges. Relationship managers were introduced within SME Banking to provide targeted support, while customer service training enhanced employee empathy and responsiveness.

The Bank also hosted The Exchange, a foreign exchange conference that brought together experts and businesses to share insights on managing currency risks.

Guided by the Isago 2027 strategy, the Bank maintained focus on execution, adaptability and its long-term ambition of becoming a digital-first SME bank.

Access Bank Botswana donated P250,000 to the Private Sector Disaster Response Fund (PSDRF), with the contribution officially handed over to the Minister of State President, Honourable Moeti Mohwasa, in support of flood relief effort

Value and Sustainability

The department remained focused on creating long-term value through initiatives that empower individuals and support economic participation.

There was a deliberate shift towards sustained community partnerships, with departments encouraged to support schools and organizations over three to five years for deeper impact. Knowledge-sharing became central, with employees contributing expertise in areas such as branding, HR, risk management and financial literacy while environmental efforts progressed with exploration of renewable energy solutions, including solar installations at ATMs and Head Office to improve efficiency and reduce environmental impact.

Looking Ahead

In 2026, the department aims to deepen impact across all focus areas and increase reach to at least 120,000 people.

Education, health, entrepreneurship and environmental sustainability will remain priorities, with greater emphasis on measurable outcomes and long-term partnerships. Increased focus will also be placed on HIV and AIDS awareness and expanded health initiatives. Entrepreneurship development will be strengthened to achieve outreach targets, while environmental efforts will advance through renewable energy and sustainable practices.

Through these initiatives, the Bank remains committed to sustainable growth, community empowerment and purpose-driven banking.

The Internal Audit team participated in a Blood Donation Drive in partnership with the Botswana National Blood Transfusion Service, contributing to a lifesaving initiative that helps ensure a reliable supply of blood for patients in need across Botswana.

Building Stronger Communities

Through Active Employee Participation

Our employees continue to power progress with purpose, supporting education, health, community development, and environmental sustainability across Botswana.

EDUCATION & YOUTH DEVELOPMENT

7
Projects

Empowering learners through resources infrastructure and inclusive education initiatives.

HEALTH & WELLBEING

5
Projects

Promoting healthier communities through blood donations, medical support and care.

COMMUNITY SUPPORT

3
Projects

Uplifting vulnerable communities through outreach, donations and partnerships.

ENVIRONMENTAL SUSTAINABILITY

7
Projects

Protecting our environment through clean-ups, tree planting and awareness initiatives.

19
PROJECTS DELIVERED

P332K
CONTRIBUTED

104 918
BENEFICIARIES REACHED

6
REGIONS SUPPORTED

Across Botswana

Our Impact In Action

Our people show up for communities-driving meaningful change through time, skills, and resources.

EDUCATION & YOUTH DEVELOPMENT
We invest in the future by improving access to quality education and creating opportunities for learners to thrive.

HEALTH & WELLBEING
We promote healthier communities and save lives through access to healthcare, blood donation drives, medical support and care.

COMMUNITY SUPPORT & SOCIAL IMPACT
We uplift vulnerable communities and support social development through outreach, donations and impactful partnerships.

ENVIRONMENTAL SUSTAINABILITY
We protect our environment for future generations through responsible actions, clean-up campaigns, tree planting and awareness initiatives.

> Driven by a shared commitment to make a difference, our people continue to power progress with purpose, supporting education, improving health, uplifting communities, and protecting the environment across Botswana.

access Bank Botswana Limited

Corporate Governance

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Corporate Governance Report

Thato Mmile
Head, Legal & Company Secretary

The Board of Directors of Access Bank Botswana Limited ("the Bank") is pleased to present the Corporate Governance Report for the 2025 Financial Year reporting period. The report provides insight into the operations of our governance framework and the Board's key activities during the reporting period.

The Board's core vision for the Bank is to provide ethical and effective leadership, set the strategic direction, and ensure sustainable value creation and stakeholder confidence. The Board is the custodian of governance and operates in a way that balances Management actions with stakeholder interests. The Board ensures continuous monitoring, evaluation, and strengthening of governance frameworks, including through board evaluations and audit reviews.

Fundamentally, the role and responsibility of the Board is to set the strategic direction and guide the implementation of the Bank's strategy.

The Board Of Directors Of Access Bank Botswana Limited

Access Bank strives to maintain appropriate board composition that comprises a balance of independence, skills, diversity and knowledge for it to effectively discharge its role objectively and effectively.

In accordance with the Botswana Stock Exchange Listings Requirements and leading corporate governance practices, the Board appointed Mrs Mosetlhe as the Lead Independent Director during the year under review. In this capacity, she provides independent leadership where required, serves as an additional point of contact for Directors and stakeholders, and supports the Board in maintaining robust governance practices and objective decision-making.

During the reporting period, the Bank appointed Mr Davis Tele as an Independent Non-Executive Director on 7 April 2025, a seasoned professional with over 15 years of experience as a professional accountant. Mr Tele brings to the Board his expertise to contribute to the organization's growth and success through effective leadership and measured strategic initiatives. He currently serves as the Board Audit Committee Chairperson.

The Board further approved the appointment of 2 new Independent Non-Executive Directors. Mr Mohamed Osman was appointed on March 2, 2026, as an Independent Non-Executive Director, an appointment that brought in a seasoned, highly motivated strategic leader with an elite track record in finance, audit and advisory services. Mr Reetsang Willie Mokgatlhe was appointed on April 15, 2026, signalling the Bank's continued commitment to building a board capable of guiding sustained growth, deepening governance and advancing Botswana's broader economic ambitions.

These appointments brought the total number of Board membership to 13, with 10 Independent Non-Executive Directors, 1 Non-Executive Director and 2 Executive Directors. This aligns with best practice requiring a majority of independent non-executive directors. The Board is characterised by diverse skills and knowledge across various disciplines. This depth of leadership is essential to navigating current realities and future opportunities while strengthening governance and long-term strategic clarity.

The Board of Directors is required to convene at least four times per annum. For the period under review, the Board has been convened 8 times. From this total, 3 were special meetings that focused on various matters integral to the operations of the Bank compliant with the Guidelines set by the Bank of Botswana.

The Bank is compliant with the related party representation of 1/3. Access Bank's ratio is currently 23% following the appointment of Mr Osman and Mr Mokgatlhe in March and April 2026, respectively.

The Board remains satisfied that its composition continues to provide an appropriate balance of skills, experience, diversity and independence required to effectively discharge its governance responsibilities.

Code of Conduct and Ethics

The Board is committed to promoting the highest standards of integrity, ethical conduct and responsible corporate citizenship throughout the Bank. The Board has adopted a Directors' Code of Conduct, which sets out the principles and standards expected of Directors in the discharge of their fiduciary duties and governance responsibilities.

The Directors' Code of Conduct is complemented by the Bank's Code of Conduct and Ethics, which applies to all employees and reinforces the Bank's values, ethical standards and commitment to conducting business lawfully, fairly and with integrity. Directors and employees are required to comply with the Code and annually affirm their commitment to its principles.

The Board oversees the promotion of an ethical culture across the Bank and is satisfied that appropriate policies, processes and controls are in place to support ethical decision-making, manage conflicts of interest and ensure compliance with applicable laws, regulations and internal policies.

Board Diversity

Board Diversity

10
Independent Non-Executive Directors

1
Non-Executive Director

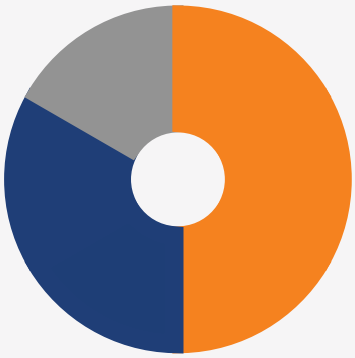
2
Executive Director

Gender

3
Female

10
Male

Tenure of Board



- **6** 0-3 years
- **4** 4-6 years
- **3** 7-10 years

Nationality

8
Batswana

2
British

1
Nigerian

1
Rwandese

1
Zambian

Effective governance is not simply about oversight

it is about creating the confidence that enables innovation, resilience and sustainable growth.

Board of Directors

Boiki Matema Wabo Tema [55]
Independent Non-Executive Director

Qualifications
- Master of Science (MSc) Strategic Management, University of Derby(UK),2007
- Bachelor of Arts – (Economics), University of Botswana, 1994
- Diploma in Financial Management, Allenby College South Africa, 1999
- Diploma in Banking (Stage 1), Botswana Institute of Bankers, 1996
- Senior Management Development Programme University of Pretoria, 2008

Committee Membership
- Board Chairman
- Credit and Finance Committee
- Governance, Nomination and Remuneration Committee

Appointed
October 3, 2018

Ntoti Mosetlhe [66]
Independent Non-Executive Director

Qualifications
- Master of Business Administration, University of Botswana, 1994
- Bachelor of Arts, Politics and Administration, University of Botswana, 1982
- Professional Member of the Institute of the Coaching Federation, 2018

Committee Membership
- Governance, Nomination and Remuneration Committee (Chairperson)
- Risk Management & Compliance Committee

Appointed
November 1, 2018

John Bosco Sebabi [53]
Independent Non-Executive Director

Qualifications
- Master's degree in international economics, Banking and Finance, Cardiff University, Cardiff Wales (UK), 2005-2006
- Bachelor's Degree in Economics, National University of Rwanda, 1997-1999
- Associate Degree in Economics, National University of Rwanda, 1997
- Fellow of the Fletcher Leadership Program for Financial Inclusion (the Fletcher, Tufts University)
- Advanced Management Program, (Strathmore, Lagos and IESE – Barcelona Business School), 2014
- Certificate in Financial Programming and Policies conducted by the IMF
- Certificate in the French language "Diplome D'étude En Langue Française

Committee Membership
- Audit Committee

Appointed
June 3, 2020

Lynda Mataka [54]
Independent Non-Executive Director

Qualifications
- Master of Law Degree in International Business Law (LLM) – 2001, University of Manchester, United Kingdom
- Bachelor of Laws (LLB) Degree – 1997, University of Zambia
- Diploma in Legislative Drafting – 1999, Zambia Institute of Advanced Legal Education (ZIALE)
- Legal Practitioners' Qualifying Examination (LPQE – Certificate) - 1998, Zambia Institute of Advanced Legal Education (ZIALE)
-

Committee Membership
- Credit and Finance Committee (Chairman)
- Governance, Nomination and Remuneration Committee

Appointed
July 1, 2022

Calistas Chijoro [48]
Independent Non-Executive Director

Qualifications
- BA Social Sciences (Accounting & Economics) - 2002, University of Botswana
- Diploma in Banking – 2004, Botswana Institute of Bankers
- Dealing Certificate –2004, Financial Markets Association, ACI
- Certified Retail Banker –2017, Retail Banking Academy, UK
- Retail Executive Programme, Standard Bank Group, 2018

Committee Membership
- Risk Management and Compliance Committee (Chairman)
- Digital and Information Technology Committee

Appointed
February 1, 2024

Ogone Mothooagae [46]
Independent Non-Executive Director

Qualifications
- BSc (Hons) Software Engineering, University of Manchester – 2005
- PRINCE 2 Practitioner, Ants Training Institute (SA) – 2012
- Advanced Corporate Governance Training with Mervin King – March 2023
- General Data Protection Regulation, Udemy College – 2020
- SAP Business Objects Enterprise for Enterprise Data Analytics, Computer Associates, Frankfurt, Germany – 2010
- CA Clarity Technical Essentials I, II and III – Project and Portfolio Management, Computer Associates Training Centre, Johannesburg – 2009.

Committee Membership
- Digital and Information Technology Committee (Chairman)
- Risk Management and Compliance Committee

Appointed
January 3, 2024

Davis Tele [50]
Independent Non-Executive Director

Qualifications
- Master of Science (MSc) in Finance and Accountancy – Birmingham City University (UK), 2011
- Bachelor of Accountancy – University of Botswana, 2000
- Association of Chartered Certified Accountants (ACCA), UK 2012

Committee Membership
- Audit Committee (Chairman)

Appointed
April 7, 2025

Mohamed Osman [50]
Independent Non-Executive Director

Qualifications
- Executive MBA in International Management jointly awarded by Edinburgh University and École Nationale des Ponts et Chaussées (ENPC), Paris (2006)
- Bachelor of Commerce (Honours) in Accounting and Finance from the University of Birmingham, United Kingdom (1998),
- International Mergers & Acquisitions Expert (IM&A), 2021
- Retail Forum for Senior Leaders, Harvard Business School, 2018
- Supply Chain Strategy and Management at the Massachusetts Institute of Technology (MIT), 2018
- Fellow Member of the Institute of Chartered Accountants of England and Wales (ICAEW)
- Fellow Member of the Botswana Institute of Chartered Accountants (BICA)

Committee Membership
- Audit Committee

Appointed
March 2, 2026

Reetsang Willie Mokgatlhe [64]
Independent Non-Executive Director

Qualifications
- Master of Science (MSc) In Transport Economics - Cranfield Institute of Technology, 1993
- Bachelor of Commerce (BCom), Accounting and Finance - University of Botswana, 1985

Committee Membership
- Audit Committee

Appointed
April 15, 2026

Oluseyi Kumapayi [55]
Non-Executive Director

Qualifications
- Executive Master's in business administration (MBA), Institute of Management Development (IMD) – 2023
- Executive Master's in Digital Transformation and Innovation Leadership, 2021 (IE School of Human Sciences and Technology, Madrid).
- Master's Degree in Mechanical Engineering, University of Lagos, 1997.
- Bachelor's Degree in Agricultural Engineering, University of Ibadan,1994
- General Management Program Certificate, Harvard Business School, 2015

Committee Membership
- Governance Nomination and Remuneration Committee
- Digital and Information Technology Committee

Appointed
November 5, 2021

Robert Michael Yorwerth Giles [46]
Independent Non-Executive Director

Qualifications
- Bachelor of Science, Geography (Honours), University of Birmingham, United Kingdom, 2001
- Postgraduate Diploma in Management, University of Leicester Business School, United Kingdom ,2006
- Innovating in the Digital World, London Business School, 2019
- Bespoke programme with Women's World Banking, Wharton Business School,2017)

Committee Membership
- Risk Management and Compliance Committee
- Board Credit Committee

Appointed
November 5, 2021

Sheperd Aisam [48]
Executive Director/ Managing Director

Qualifications
- Master of Science (MSc) in Strategic Management, University of Derby, 2013
- Executive Master of Business Administration (EMBA), University of Cape-Town, 2020
- Bachelor of Business Administration, University of Botswana, 2001
- Masterclass in Strategic Client Relationship Management, 2015
- Board Oversight Training, 2019

Committee Membership
- N/A

Appointed
January 4, 2024

Ratang Icho-Molebatsi [44]
Executive Director/Finance Director

Qualifications
- Master of Science (Msc) Strategic Management, University of Derby, 2014
- Association of Chartered Certified Accountants, 2009
- Bachelor of Arts Economics & Accounting, University of Botswana, 2005

Committee Membership
- N/A

Appointed
September 1, 2019

Board Committees

Board Committees and composition

The Board of Directors has delegated some of its powers to the committees listed below to promote independent judgement, assist with the balance of power and to effectively discharge its duties. Each committee operates under a Board-approved Charter that clearly sets out its mandate, authority, composition and responsibilities. The Charters are reviewed annually to ensure alignment with applicable laws, regulatory requirements and corporate governance standards. The committees assist the Board in the discharge of its duties while remaining accountable to the Board.

The committees comprise directors with the appropriate skills, experience and expertise relevant to their respective mandates. The Chairperson of each committee reports to the Board on key deliberations, recommendations and decisions arising from committee meetings.

The Board is satisfied that the committees effectively discharged their responsibilities during the financial year and contributed meaningfully to the Bank's governance framework.

BOARD AUDIT COMMITTEE

Davis Tele
Committee Chairperson

Members
John Bosco Sebabi,
Mohamed Osman,
Reetsang Willie Mokgatlhe

Mandate: The Audit Committee, guided by it's Terms of Reference which are reviewed annually by the Board, and are in compliance with the Banking Act – 46:04, meets at least four (4) times per year to monitor the integrity of the financial statements of the Bank. This entails reviewing of the Banks' annual and half-yearly reports, prospectuses, trading updates, interim management statements, and any other formal announcements relating to its financial performance. The Committee reviews and reports to the Board on significant financial reporting issues and judgements contained in these documents, having regard to matters communicated by the external auditors. The Committee focuses on monitoring financial controls, accounting systems, and shareholder reporting, adherence to appropriate accounting standards In line with the KING IV Code of corporate governance best practice. Though independent, the Committee reports to and remains fully accountable to the Board of Directors and Shareholders and discharge their duties in line with the King IV principles.

Independence of the External Auditor
The Audit Committee has assessed the independence and objectivity of the external auditor, having considered, among other matters, the nature and extent of non-audit services provided, the auditor's independence declarations and the safeguards in place to preserve independence. The Committee is satisfied that the external auditor remains independent of the Bank and that their objectivity has not been impaired.

Effectiveness of the Head of Internal Audit and the Internal Audit Function
The Audit Committee is responsible for overseeing the effectiveness of the Internal Audit function. During the year under review, the Committee assessed the performance of the Head of Internal Audit, the quality and effectiveness of the Internal Audit function, and the adequacy of its resources, independence and authority.

The Committee is satisfied that the Internal Audit function continues to operate effectively and independently and provides appropriate assurance on the effectiveness of the Bank's governance, risk management and internal control processes.

Effectiveness of the Finance Director and the Finance Function
The Audit Committee has assessed the expertise, experience and performance of the Finance Director, together with the adequacy of the Finance function. Having considered the qualifications, competence, experience and effectiveness of the Finance team, the Committee is satisfied that the Finance Director possesses the appropriate expertise and experience to fulfil the responsibilities of the role and that the Finance function has the necessary resources and capabilities to support the Bank's financial reporting and control environment.

External Auditor Tenure and Rotation
In line with the Bank's commitment to maintaining auditor independence and complying with applicable regulatory and governance requirements, the Board periodically reviews the appointment of the external auditor.

During the year under review, the Bank concluded its five-year audit engagement with PwC Botswana. Following a competitive procurement process and on the recommendation of the Audit Committee, the Board resolved to recommend the appointment of KPMG Botswana as the Bank's Statutory Auditor for the ensuing financial year, subject to shareholder approval at the forthcoming Annual General Meeting.

The Audit Committee is satisfied that the appointment process was conducted in a fair, transparent and objective manner, and that the proposed appointment supports audit quality, auditor independence and effective corporate governance.

In 2025, the Committee achieved the following with respect to its mandate:

- Reviewed and recommended the Charter to Board for approval
- Ensured that the Bank remains compliant with all regulatory controls required under legislative laws and by regulatory authorities.
- Reviewed and approved the financial year budget;
- Reviewed and approved of the Annual Financial Statements and annual report;
- Reviewed and approved the Audit plan for the financial year.

Technology, Information and Stakeholder Governance
The Board recognises that technology, information and stakeholder relationships are critical enablers of the Bank's long-term success and sustainability. Through its governance structures and Board Committees, the Board provides oversight of the Bank's technology and information strategy to ensure that technology investments support the achievement of the Bank's strategic objectives while maintaining appropriate levels of security, resilience and regulatory compliance.

The Board oversees the management of information and cybersecurity risks through the Bank's enterprise risk management framework and receives regular reports from Management on the effectiveness of technology controls, cybersecurity, data governance, operational resilience and business continuity. The Board is satisfied that appropriate governance structures, policies and controls are in place to safeguard the Bank's information assets and support the secure delivery of products and services.

The Board is equally committed to maintaining transparent and constructive relationships with the Bank's stakeholders, including shareholders, customers, employees, regulators, investors, business partners and the communities in which the Bank operates. Stakeholder engagement is embedded within the Bank's governance framework and informs the Board's decision-making, strategic direction and long-term value creation. The Board is satisfied that appropriate mechanisms are in place to identify, understand and respond to the legitimate interests and expectations of stakeholders.
nder legislative laws and by regulatory authorities.

BOARD DIGITAL AND INFORMATION TECHNOLOGY COMMITTEE

Ogone Mothooagae
Committee Chairperson

Members
Calistas Chijoro,
Oluseyi Kumapayi

Mandate: The Board Digital and Information Technology Committee convenes four (4) times annually. The Committee oversees the end-to-end digital delivery of the Bank's products and services through receiving regular reporting on the digital ecosystem and customer experience, providing oversight to the Bank's IT function including IT strategy, enterprise architecture, the alignment of IT function with the Bank's business, system stability, information security and related operations, monitoring the investment in the Bank's IT architecture, infrastructure and support systems to underpin the safe and effective delivery of the products and services; and ensuring alignment between overall business strategy and the IT and digital strategies.

In 2025, the Committee achieved the following with respect to its mandate:

- Reviewed and recommended the Charter to Board for approval
- Ensured that the Bank remains compliant with all regulatory controls required under legislative laws and by regulatory authorities.

BOARD CREDIT AND FINANCE COMMITTEE

Lynda Mataka
Committee Chairperson

Members
Robert Giles
Boiki Matema Wabo Tema

Mandate: The Committee's primary mandate is to assist the Board in fulfilling its oversight responsibilities over the Bank's credit and lending activities. The Committee provides strategic oversight of the Bank's credit risk management framework, lending strategy, and credit portfolio to ensure that credit exposures are managed within the Bank's approved risk appetite and in compliance with applicable laws, regulatory requirements, and internal policies.

In discharging its mandate, the Committee:

- Oversees the formulation, review, and implementation of the Bank's credit policies and lending practices.
- Monitors the quality and performance of the Bank's credit portfolio.
- Reviews the adequacy of provisions for credit losses and the management of non-performing loans.
- Oversees compliance with applicable prudential and regulatory requirements, including the Bank of Botswana's Risk-Based Supervision Framework.
- Reviews delegated lending authorities.
- Provides strategic guidance to the Board and Management on matters relating to credit risk, lending, and the achievement of the Bank's credit and lending objectives.

In 2025, the Committee achieved the following with respect to its mandate:

- Ensured all credit activities relating to large exposures were conducted within the risk strategy, policies and tolerance levels approved by the Board.
- Reviewed and recommended the Committee Charter to Board for approval.
- Reviewed and recommended and approved the Bank's Debt recovery strategies.
- Provided oversight of Company policies and management activities relating to the identification, assessment, measurement, monitoring, and management of the Company's credit risk.
- Maintained oversight of balance between advanced Non-Performing Loans and impairment provisioning

BOARD RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Calistas Chijoro
Committee Chairperson

Members
Ntoti Mosetlhe
Robert Giles
Ogone Mothooagae

Mandate: Board Risk Management and Compliance Committee convened four (4) times in 2025. Its fundamental mandate is to ensure that the Bank maintains a robust and effective risk management and compliance framework, underpinned by appropriate risk control systems that facilitate the identification, measurement, assessment, management, assurance and reporting of material risks. The Committee monitors the Bank's overall risk profile and risk culture, and oversees key risk categories, including capital and liquidity risk, market risk, operational and resilience risk, strategic risk, sustainability risk, reputational risk, legal and compliance risk, and technology-related risks.

During the 2025 reporting period, the Committee strengthened its oversight of enterprise-wide risk and compliance governance, with particular focus on liquidity and sovereign stress scenarios.

In 2025, the Committee achieved the following with respect to its mandate:

- Reviewed and recommended the Charter to Board for approval
- Macroeconomic and sovereign risk oversight, including monitoring of fiscal pressures, foreign exchange dynamics, reserve adequacy, and their potential implications for the Bank's financial performance and clients' risk profiles.
- Comprehensive review of the Company's risk appetite.

BOARD GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Ntoti Mosetlhe
Committee Chairperson

Member
Lynda Mataka
Boiki Matema Wabo Tema
Oluseyi Kumapayi

Mandate: The Board Governance Nomination and Remuneration Committee assists the Board by overseeing the Bank's human capital strategy, reward structures, and leadership governance. The Committee ensures that all people and remuneration policies strictly align with the Bank's organizational culture, long-term strategy, risk appetite, and regulatory requirements. Furthermore, it safeguards organizational continuity by overseeing executive succession plans and continuously evaluating the Board's own structure. This includes routinely assessing the Board's size, composition, and the essential balance between executive and non-executive directors to recommend any adjustments needed for optimal governance.

In 2025, the Committee achieved the following with respect to its mandate:

- Approved the appointment of new Senior Management Officers of the Bank, Head of Brand and Communications, Chief Information Officer and Head of Credit.
- Reviewed and approved the reconstitution of the Board Committees and their functions
- Reviewed and recommended the new Charter to Board for approval
- Board succession and skills assessments
- Review of cultural transformation program

Remuneration Philosophy And Policy

The Bank's remuneration philosophy is designed to attract, motivate and retain individuals with the skills, experience and capabilities required to achieve the Bank's strategic objectives while promoting prudent risk-taking and long-term sustainable performance. The remuneration framework supports the Bank's business strategy, corporate values and risk management objectives, and is aligned with applicable regulatory requirements and leading governance practices.

The Board Governance, Nomination and Remuneration Committee oversees the implementation and periodic review of the Bank's remuneration policy and makes recommendations to the Board on remuneration matters relating to Directors, the Managing Director and Senior Management.

Executive Directors and employees receive a combination of fixed and variable remuneration. Fixed remuneration comprises base salary and contractual benefits, while variable remuneration is linked to the achievement of both individual and Bank performance objectives. Performance assessments incorporate financial and non-financial measures, including strategic execution, risk management, regulatory compliance, customer outcomes and leadership behaviours, ensuring that remuneration outcomes support sustainable value creation and do not encourage excessive risk-taking.

Independent Non-Executive Directors receive fees approved by shareholders and do not participate in any incentive or performance-based remuneration arrangements, thereby preserving their independence and objectivity in carrying out their oversight responsibilities.

The Board is satisfied that the Bank's remuneration practices are fair, transparent and consistent with sound corporate governance principles, effective risk management and the long-term interests of the Bank and its stakeholders. There were no material changes to the remuneration policy during the year under review.

Managing Director's Employment Contract and Succession Planning

The Managing Director is employed under a formal service contract approved by the Board, which sets out the terms and conditions of employment, including remuneration, performance expectations, notice periods and termination provisions, in accordance with applicable laws.

The Board Governance, Nomination and Remuneration Committee, on behalf of the Board, oversees succession planning for the Managing Director and other key executive positions. Succession planning forms an integral part of the Bank's talent management and leadership development framework and is reviewed periodically to ensure leadership continuity, organisational resilience and the sustained execution of the Bank's strategic objectives. The Board is satisfied that appropriate succession plans are in place for the Managing Director and other critical leadership roles.

Company Secretary Evaluation

The Board annually assessed the competence, qualifications and experience of the Company Secretary, taking into account her qualifications, relevant legal, compliance and governance experience, performance and the effectiveness of the support and advice provided to the Board and its committees. The assessment confirmed that the Company Secretary possesses the requisite competence, qualifications and experience to effectively discharge her responsibilities.

The Board also considered the Company Secretary's independence and the maintenance of an appropriate arm's-length relationship with the Board. The Board is satisfied that the Company Secretary is neither a director nor a prescribed officer of the Bank, performs her responsibilities objectively and provides independent governance and legal advice. Accordingly, the Board concluded that an appropriate arm's-length relationship exists and that the Company Secretary is suitably qualified and competent to fulfil her role as the Bank's governance adviser and gatekeeper of good governance.

Board Meeting Attendance

Director	Main Board	REMCO	Audit	Risk Management & Compliance	Credit & Finance	Board Digital & Information Technology	Board Strategy / Board Retreat	Board fees BWP
Boiki Matema Wabo Tema	8/8	7/7			4/4		1/1	BWP684,750
Ntoti Mosetlhe	8/8	7/7		4/4			1/1	BWP638,000
John Bosco Sebabi	7/8		5/5				0/1	BWP456,500
Lynda Mataka	8/8	7/7			4/4		1/1	BWP671,000
Ogone Mothooagae	8/8			4/4		3/3	1/1	BWP544,500
Calistas Chijoro	8/8		1/5	3/4		2/3	1/1	BWP593,500
Davis Tele	6/8		4/5				1/1	BWP425,750
Lorato Mosetlhanyane	1/8	1/4		1/4			0/1	BWP110,000
Oluseyi Kolawole Kumapayi	6/8	6/7				3/3	1/1	-
Robert Giles	8/8			3/4	4/4		1/1	-
Sheperd Aisam	8/8	7/7	5/5	4/4	4/4	4/4	1/1	-
Ratang Icho-Molebatsi	8/8		5/5	4/4	4/4	4/4	1/1	-
								BWP4,124,250

Directors Appointment, Directors Retirement By Rotation, Board Evaluation, Board Training And Board Secretariat

Board Recruitment and Appointment

The Bank has adopted a formal, transparent and rigorous process for the nomination and appointment of Directors to ensure that the Board comprises individuals with the appropriate mix of skills, experience, independence and diversity required to discharge its governance responsibilities effectively. The process is governed by the Board Charter, the Appointment of Directors Policy, the Banking Act, the Guidelines on Corporate Governance for Banks/ Financial Institutions licensed and supervised by the Bank of Botswana, the Botswana Stock Exchange Listings Requirements, and other applicable regulatory requirements.

The Board Governance, Nomination, and Remuneration Committee is responsible for identifying and assessing prospective candidates and recommending suitable appointments to the Board. In fulfilling this responsibility, the Committee considers the Board's skills matrix, succession requirements, diversity objectives and the strategic needs of the Bank to ensure that appointments strengthen the Board's collective capabilities.

Prospective Directors are assessed against fit and proper requirements prescribed by the Bank of Botswana and are subjected to comprehensive due diligence covering integrity, competence, financial soundness, independence, potential conflicts of interest, availability and other directorships. Regulatory approval is obtained prior to appointment in accordance with applicable legislation.

The Board comprises Directors with diverse professional qualifications, industry knowledge and expertise across banking, finance, accounting, law, risk management, technology, governance and business leadership. This diversity of experience enhances the Board's ability to exercise independent judgement, provide effective oversight and support the long-term sustainability of the Bank.

All newly appointed Directors participate in a comprehensive induction programme designed to familiarise them with the Bank's operations, governance framework, regulatory environment and strategic priorities. Directors also participate in continuous professional development programmes to ensure that their knowledge and skills remain current and relevant.

In accordance with the Company Constitution, Directors appointed by the Board during the year are subject to shareholder ratification at the next Annual General Meeting. Since the last Annual General Meeting, Mr Mohamed Osman and Mr Reetsang Willie Mokgatlhe were appointed as Independent Non-Executive Directors on 2 March 2026 and 15 April 2026 respectively, and their appointments will be presented to shareholders for ratification at the forthcoming Annual General Meeting.

The Company Constitution further provides that at least one-third of the Non-Executive Directors shall retire by rotation at each Annual General Meeting and, being eligible, may offer themselves for re-election. Accordingly, Mr Ogone Lekgotla Mothooagae and Mr Calistas Chijoro will retire by rotation and being eligible, have offered themselves for re-election by shareholders. The re-election of Directors is not automatic and remains subject to shareholder approval.

Training and development of members

An annual Board development and training programme is maintained to support the continuous skills development of Directors. A training schedule is prepared and submitted to the Board for approval to guide the implementation of the training sessions.

Compliance With King Iv Principles On Corporate Governance

King IV Principles Of Corporate Governance

PRINCIPLE	EXPLANATION	STATUS
Principle 1: The governing body should lead ethically and effectively.	The Board has adopted Charters which set out the ethical standards, fiduciary duties and behavioral expectations applicable to Directors. The Charters guide ethical and effective leadership and support the Board in discharging its responsibilities in line with the King IV principles and applicable regulatory requirements. These Charters are reviewed annually. The Bank maintains a unitary Board structure comprising thirteen (13) directors, two (2) Executive Directors, one (1) Non-Executive Director, and ten (10) Independent Non-Executive Directors. The majority of the directors, including the Chairperson of the Board, are independent, thereby supporting objective judgement and balanced decision-making. During the reporting period, the Board is satisfied that it effectively discharged its governance responsibilities and fulfilled its mandate in accordance with applicable legal, regulatory, and governance requirements.	Compliant
Principle 2 The governing body should govern the ethics of the Bank in a way that supports the establishment of an ethical culture.	The Bank has adopted a Code of Conduct applicable to all employees, covering business practices, procedures and professional behavior. The Code supports the establishment of an ethical culture and is implemented through staff induction, awareness initiatives and ongoing management oversight.	Compliant
Principle 3 The governing body should ensure that the Bank is and is seen to be a responsible corporate citizen.	The Board has approved a Corporate Social Responsibility (CSR)strategy. Several CSR projects were conducted in 2025, allowing the Bank to be seen as a responsible corporate citizen.	Compliant
Principle 4 The governing body should appreciate that the Bank's purpose, risks, opportunities, strategy, business model and performance are inseparable elements of value creation.	The Board receives quarterly reports on the performance of the Bank. The performance of the Bank is measured against targets, milestones and Key Performance Indicators set and agreed between the Board and Management. Further, on an annual basis the Board reviews the strategy of the Bank. In 2025, the Board strategy session was held in November at Hotel 430.	Compliant
Principle 5 The governing body should ensure that reports enable stakeholders to make informed assessments of performance and prospects.	The Annual financial statements, for the year ended December 2025, were approved by the Board on 09 July 2026 and shared with relevant stakeholders on 13 July 2026. All publications are available for stakeholders on the Bank's website and XNews. The Board receives quarterly updates on the Bank's performance and on risks that may affect its short-, medium-, and long-term prospects, and has ensured that this publication provides stakeholders with sufficient information to make an informed assessment of the Bank's performance.	Compliant
Principle 6 The Board serves as the focal point and custodian of corporate governance in the Bank.	The Board has approved key policies and frameworks that promote good corporate governance and duly monitor embedment. The Board Charter and Board Committees Terms of Reference are reviewed and approved on an annual basis in order to continuously improve corporate governance in the Bank.	Compliant
Principle 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Through the guidance of the Board Remuneration Committee, the Board regularly reviews its composition with a view to continuously seek opportunities to enhance its effectiveness by extracting value from its diverse experience, tenure, skills, knowledge, and independence of its members. The Board should consider its succession plan in the year 2026.	Compliant
Principle 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	The Board has established standing committees with approved terms of reference. These committees support effective delegation of authority, independent oversight and efficient discharge of the Board's responsibilities.	Compliant

Principle 9 The governing body should ensure that evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in performance and effectiveness.	In the reporting period the Board commissioned an external evaluation of Board and Board Committees effectiveness. The evaluation formats took the form of a detailed questionnaire shared with directors electronically. The questionnaire was supplemented by structured individual interviews with each of the directors. The evaluation covered an assessment of the full board; all committee assessments; individual director assessments; Chairman's Assessment; and the support rendered by the Company Secretary function. The results of the external evaluation indicated that overall, board and committee performance was effective. The evaluation determined that the Board had a clear understanding of the company's core business, strategic direction, and all other resources necessary to meet its objectives. The size of the Board was considered adequate to ensure effectiveness and overall, the board was operating effectively across the evaluated themes.	Compliant
Principle 10 The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board is responsible for all executive management appointments and has, without abdication of accountability, delegated the responsibility for the day-to-day management of the Bank. In addition, a succession plan was approved in Q1 2026.	Compliant
Principle 11 The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The Board has approved all risk policies. The Board receives periodic reports through the governance channels on all material risk issues.	Compliant
Principle 12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Digital and Information Technology Committee is responsible for all technology and information issues. The Committee has approved all Information Technology (IT) policies, IT strategy and receives regular updates on implementations.	Compliant
Principle 13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	The Board has approved all compliance policies, compliance monitoring plans which ensures compliance with all applicable laws. They receive regular reports on all Regulatory issues having a direct impact on the Bank.	Compliant
Principle 14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Board has approved the remuneration policy that ensures a fair and transparent reward structure.	
Principle 15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Board receives assurance reports through the Risk Management and Compliance Committee and the Board Audit Committee, supporting effective internal controls and reliable reporting.	Compliant
Principle 16 The governing body should adopt a stakeholder-inclusive approach.	The Board has adopted a shareholder inclusive approach in terms of engagement through regular meetings.	Compliant
Principle 17	Not applicable.	

Shareholders Update

COUNTRY OF INCORPORATION	Nigeria
NATURE OF BUSINESS	Access Bank PLC (the Bank) is the parent company of Access Bank Botswana Limited. The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May, 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Exchange Limited (formerly Nigerian Stock Exchange) on 18 November 1998. The Bank was issued a universal banking license by the Central Bank of Nigeria on 5 February 2001. The principal activities of the Bank and its subsidiaries include the provision of money market products and services, retail banking, granting of loans and advances, corporate finance, foreign exchange operations, and asset management. The Bank's parent company and major shareholder, Access Holdings Plc, is listed on the Nigerian Exchange Limited.
DIRECTORS	IFEYINWA OSIME HASSAN USMAN UCHE ORJI AKINYEMI ODUSOLU DR. OKEY NWUKE OMOSALEWA FAJOBI TITILAYO OSUNTOKI ROOSEVELT OGBONNA HADIZA AMBURSA OLUSEYI KUMAPAYI IYABO SOJI-OKUSANYA
REGISTERED OFFICE AND PLACE OF BUSINESS	Access Tower, 14/15 Prince Alaba Oniru Road, Oniru Estate, Victoria Island, Lagos, Nigeria
POSTAL ADDRESS	Access Tower, 14/15 Prince Alaba Oniru Road, Oniru Estate, Victoria Island, Lagos, Nigeria
DATE OF INCORPORATION	8 February, 1989
AUDITORS	KPMG Professional Services
BANKERS	ACCESS BANK PLC
COMPANY SECRETARY	SUNDAY EKWOCHI
FUNCTIONAL CURRENCY	Nigerian Naira

Shareholding Analysis As At 31 December 2025

CATEGORY	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES HELD
Public	435	217,502,546	30.00%
Non-public	-	-	0.00%
Directors' interest	-	-	0.00%
Access Bank PLC	1	507,497,454	70.00%

SHAREHOLDERS HOLDING MORE THAN 5%			
Access Bank PLC	1	507,497,454	70.00%
BPOPF MORULA ACT MEM DEP EQ	1	53,280,481	7.35%

Shareholder Spread By Holding

Range	No. of shareholders	Percentage of shareholders	Total shares	Percentage Holding
<2000	214	48.74%	149269	0.02%
2001-5000	98	22.32%	324228	0.04%
5001-10000	30	6.83%	250613	0.04%
10001-50000	34	7.74%	1598341	0.22%
50001-100000	12	2.73%	609520	0.08%
100001-500000	19	4.32%	5326949	0.74%
>500000	32	7.28%	716741080	98.86%
Total	439	100.00%	725000000	100.00%

Executive Management

Sheperd Aisam
Managing Director

Refer to page 50 for Mr. Sheperd Aisam's profile

RATANG ICHO-MOLEBATSI
Finance Director

Refer to page 50 for Mrs. Ratang Icho-Molebatsi's profile

Godwin Chukwunta
Chief Operations Officer

Seasoned banking professional with over 20 years' experience across operations, strategy, risk management, and business development. Proven leader with a strong track record of driving growth and advancing organisational performance within leading financial institutions.

Key Focus Areas
- Operational efficiency
- Digital transformation
- Risk & sustainability management

Experience
20+ years in financial services

Education
- MBA, Ambrose Alli University, Nigeria
- MSc Finance & Management, Cranfield University, England
- BSc Mathematics & Statistics, University of Calabar, Nigeria

Shathiso Choto
Head, Retail Banking

Highly experienced retail banking leader with over 25 years' experience across distribution, customer strategy, and sales. Known for driving network performance, strengthening customer engagement, and leading high-performing teams across multiple markets in Africa and Asia.

Key Focus Areas
- Retail Strategy & Growth
- Customer Experience & Distribution
- Sales Performance

Experience
25+ years in retail banking

Education
- MBA, University of Botswana
- Bachelor of Social Science, University of Botswana
- Associate Diploma in Banking, Botswana Institute of Banking

Kabo Gwafila
Head, Risk

Seasoned risk professional with over a decade of banking experience across leading financial institutions locally and internationally. Proven expertise in risk governance, liquidity, funding, and capital management, with a strong track record of supporting sustainable growth and strengthening risk frameworks.

Key Focus Areas
- Risk Governance & Strategy
- Liquidity & Capital Management
- Asset Liability Management

Experience
10+ years in risk management within the banking sector

Education
- Bachelor's Degree in Finance, University of Botswana
- CAIA Charter holder
- PRMIA Market, Liquidity and Asset Liability Management (MRLAM) Certificate
- CFA Program (Level II completed)

Ontibile Masupe
Head, Internal Audit

Summary
Chartered Accountant with over 20 years' experience across audit, finance, and risk within the banking and insurance sectors. Brings a strong track record in financial management, risk oversight, and business partnering, supporting effective decision-making and organisational performance.

Key Focus Areas
- Financial Management & Reporting
- Risk & Controls Oversight
- Business Partnering

Experience
20+ years in finance, audit, and risk

Education
- MBA Oxford Brookes University, ACCA, SMDP Stellenboch
- Higher National Diploma in Accounting & Business Studies, BIAC

Shewauya Charumbira
Head, Global Markets & Treasury

Experienced treasury and investment professional with over 10 years of experience across banking and asset management. Strong track record in driving profitability, managing financial risk, and ensuring regulatory compliance, with solid expertise in treasury and portfolio management.

Key Focus Areas
- Treasury Management & Profitability
- Risk Management & Compliance
- Portfolio & Investment Management

Experience
10+ years in banking and asset management

Education
- Bachelor of Business Science in Finance, University of Cape Town
- ACI Dealing Certificate

Kagiso C. Pontsho
Head, Credit Risk

Seasoned credit and lending professional with over 20 years' experience in banking and development finance. Brings deep expertise across end-to-end credit management, with a strong track record of leading high-performing teams and driving sustainable portfolio growth across Botswana and Eswatini.

Key Focus Areas
- Credit Strategy & Risk Management
- Portfolio Oversight & Recoveries
- Governance & Process Optimisation

Experience
20+ years in banking and credit management

Education
- Bachelor of Business Administration, University of Botswana

Omphemetse Dube
Head, Corporate & Institutional Banking

Seasoned corporate and investment banking professional with over 20 years of leadership experience across leading financial institutions in Botswana. Strong expertise in portfolio management, client coverage, business development, and financial strategy, with a proven track record of driving sustainable revenue growth and delivering innovative client solutions.

Key Focus Areas
- Portfolio & Client Management
- Business Development & Revenue Growth
- Financial Strategy & Risk Management

Experience
20+ years in corporate and investment banking

Education
- ACCA, Botswana Accountancy College
- AAT, Botswana Accountancy College
- Advanced programmes in Strategic Client Management, Leadership, and Financial Analysis
- KPMG Prize for Best Results in Financial Reporting

Allec Tainton
Head, Compliance & Conduct

Experienced banking professional with over 22 years' expertise spanning compliance risk management, financial crime control, regulatory supervision, audit, and governance, internal controls management and monitoring as well as data protection and privacy. Brings deep regulatory insight and a strong track record in strengthening risk frameworks and stakeholder engagement within the banking sector.

Key Focus Areas
- Compliance Risk Management
- Financial Crime Control
- Regulatory & Governance Oversight
- Internal Control Management and Monitoring
- Data Protection and Privacy

Experience
22+ years in banking, regulation, and audit

Education
- Bachelor of Accountancy, University of Botswana
- ACCA, UK
- Compliance Institute of Southern Africa Board Exams
- ACAMS (Ongoing)

Duduetsang Chappelle-Molloy

Head, Brand, Marketing & Communications

Seasoned marketing and communications professional with over 21 years' experience, including 15 years in banking. Proven leader with expertise in business strategy, brand management, and digital marketing, with a strong track record of enhancing brand visibility and driving organisational growth.

Key Focus Areas

- Brand Management
- Business Strategy
- Digital Marketing

Experience

21+ years in marketing and corporate communications, including 15 years in banking

Education

- Master of International Luxury Marketing, Oxford Brookes University, England
- Master of Business Leadership, University of South Africa
- Bachelor of Science in Broadcast Journalism, Emerson College, USA

Njalakangwa Ndzinge

Human Resources

Experienced Human Resources professional with over 15 years' experience as a Human Capital practitioner and consultant. Proven expertise in delivering end-to-end HR solutions, with a strong track record in talent acquisition, employee engagement, and organisational development across multiple industries.

Key Focus Areas

- Talent Acquisition
- Performance Management
- Employee Engagement & Relations

Experience

15+ years in Human Resources across consulting and corporate environments

Education

- Master of Science in Human Resources Management, Heriot-Watt University
- Bachelor of Social Science (Honours) in Organisational Psychology, University of Cape Town
- Bachelor of Social Science in Labour, Organisational Psychology & Human Resource Management, University of Cape Town
- Certified Talent Practitioner

Thato Mmile

Head, Legal & Company Secretary

Seasoned legal and corporate governance professional with over 20 years' experience across banking and the judiciary. Brings deep expertise in legal risk management, regulatory compliance, and company secretariat functions, with a strong track record in leading governance frameworks across regional banking institutions.

Key Focus Areas

- Legal Risk & Compliance
- Corporate Governance
- Company Secretariat & Advisory

Experience

20+ years in legal and banking sectors

Education

LLB, University of Botswana

Bright Motsu

Head, Business and Commercial Banking

Seasoned banking executive with over 20 years of experience across business banking, SME development, treasury, auditing, and commercial asset finance. Proven leader with a strong track record of driving strategy, product innovation, market growth, and building high-performance teams.

Key Focus Areas

- Business & Commercial Banking
- SME Development & Market Growth
- Strategy & Product Innovation

Experience

20+ years in banking and financial services

Education

- MSc in Strategic Management
- Chartered Accountant (FCCA, FCA)
- Certified in Sustainable Finance

Powering More Through Innovation

Our investment in secure, scalable and agile platforms ensures we stay ahead, evolving with our clients and markets.

Step into more with secure, scalable solutions.

access

more than banking

Member of the Deposit Insurance Scheme of Botswana.

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Consolidated and separate annual financial statements

for the year ended 31 December 2025

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Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

General information

Board of Directors

Mr. Boiki Matema Wabo Tema	Motswana (Chairperson) (Appointed on 1 February 2025)
Ms. Lorato Nthando Mosetlhanyane	Motswana (Chairperson) (Resigned on 31 January 2025)
Mr. Joshua Benjamin Galeforolwe	Motswana (Resigned on 31 January 2025)
Mrs. Ntoti Mosetlhe	Motswana
Mr. John Bosco Sebabi	Rwandese
Mr. Robert Michael Yorwerth Giles	British
Mr. Oluseyi Kolawole Kumapayi	Nigerian
Ms. Lynda Mataka	Zambian
Mr. Calistas Chijoro	Motswana
Mr. Ogone Lekgotla Mothooagae	Motswana
Mr. Davis Tele	Motswana (Appointed on 7 April 2025)
Mr. Sheperd Aisam	Motswana
Mrs. Ratang Icho-Molebatsi	Motswana

Management

Mr. Sheperd Aisam	Managing Director
Mrs. Ratang Icho-Molebatsi	Finance Director
Mr. Kabo Gwafila	Chief Risk Officer (Acting)
Mr. Godwin Chukwunta	Chief Operating Officer
Ms. Omphemetse Dube	Head of Corporate and Institutional Banking (Acting)
Ms. Shathiso Choto	Head of Retail Banking (Acting)
Ms. Njalakangwa Ndzinge	Head of Human Capital
Mr. Thato Ngwanaang	Chief Information Officer (Acting)
Mrs. Ontibile Masupe	Head of Internal Audit
Mr. Allec Tainton	Head of Conduct and Compliance
Mrs. Thato Mmile	Head of Legal & Company Secretary
Mr. Shewauya Charumbira	Head of Treasury (Acting)

Administration

Registered Office:	Access House Plot 62433 Fairgrounds Office Park Gaborone Botswana
Telephone:	367 4300
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Auditor
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Main Bankers
Standard Bank of South Africa Limited
Standard Chartered Bank New York
Citibank New York
Commerz Bank
First Rand

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Directors' report

The directors have pleasure in submitting the financial statements of Access Bank Botswana Limited for the year ended 31 December 2025, which comprise the statements of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 December 2025, and notes to the financial statements, as set out on pages 72 to 163 and other information contained in this report.

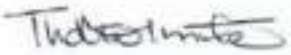
Activities
The Bank was licensed as a commercial bank on 28 August 2009. On 11 October 2021, the Bank ceased trading as a subsidiary of ABC Holdings Limited and became a subsidiary of Access Bank PLC, following a shareholder transaction where Access Bank PLC acquired a majority 78.1% shareholding in the Bank from ABC Holdings Limited. The Bank now trades as Access Bank Botswana Limited. Its principal activities include treasury activities, corporate and small medium enterprise (SME) banking, trade finance, investment banking and retail banking, which includes micro lending and emerging business banking. The Bank registered an insurance agency on 18 January 2012. The insurance agency was registered as Kaleu Pty Ltd, trading as Access Insurance. Kaleu Pty Ltd is 100% owned by the Bank. The Bank registered a custodial services entity on 10 July 2024. The custodial services entity was registered as Access Bank Botswana Nominees Co Proprietary Limited and is 100% owned by the Bank, with business activities having commenced on 11 June 2025.

Stated capital
The issued share capital of the bank comprised of 725 000 000 (2024: 725 000 000) ordinary shares at the end of the year.

Capital adequacy and dividend declaration
Dividend of 6 thebe per share was declared in 2024 and paid in 2025 and dividend of 4 thebe per share was declared and paid during the year 2024.

Changes in directorate
Ms Lorato Nthando Mosetlhanyane and Mr Joshua Benjamin Galeforolwe resigned on 31 January 2025 with Mr Boiki Matema Wabo Tema being appointed the Chairperson of the bank on the 1 February 2025. Mr. Davis Tele joined as a director on the 7 April 2025.

Events after the reporting date
There have been no material events, occurring after the reporting date that require adjustments to or disclosure in the financial statements other than those as stated in note 36 and note 16.2.



Mrs. Thato Mmile
Company Secretary

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Directors' responsibilities and approval

The directors are required in terms of the Companies Act, 2003 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and of the company 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 (IFRS Accounting Standards) and the Companies Act, 2003. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards and the Companies Act, 2003 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 control 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 control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 group's system of controls includes controls over the security of the website and specifically establishing and controlling the process for electronically distributing annual financial statements and other financial information to shareholders.

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 consolidated and separate 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 and the company's cash flow forecast for the year to December 31, 2026 and, in light of this review and the current financial position, they are satisfied that the group and the company have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 68 to 71.

The consolidated and separate annual financial statements set out on pages 72 to 163, which have been prepared on the going concern basis, were approved and authorised by the board of directors on July 9, 2026 and were signed on their behalf by:

.....	.....	.....
Mr Boiki Matema Wabo Tema	Mr Davis Tele	Mr. Sheperd Aisam
Chairperson	Audit Committee Chairperson	Managing Director

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Independent Auditor's Report

To the shareholders of Access Bank Botswana Limited

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Botswana Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited
Access Bank Botswana Limited's consolidated and separate financial statements set out on pages 72 to 163 comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss and other 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 the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in Botswana.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Our audit approach

Overview

Overall group materiality
- Overall materiality: BWP 5 178 600, which represents 5% of consolidated profit before tax.

Group audit scope
- The group audit scope has been determined based on indicators such as contribution to consolidated profit before tax. Full scope audits were performed for the financially significant subsidiary.

Key audit matters
- Expected credit losses ("ECL") on loans and advances.
- Instances of regulatory non-compliance and consequential impact on borrowing covenants

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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Country Senior Partner: R Binedell
Partners: AS Edirisinghe, I D Molebatsi, S K K Wijesena

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Independent Auditor's Report

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	BWP 5 178 600
How we determined it	5% of consolidated profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose a 5% rule of thumb, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this industry.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Company and two wholly owned subsidiaries. Our scoping assessment took into consideration the financial significance of each component to the Group. We identified one financially significant component in the Group, namely Kaleu Pty Ltd. The remaining component, namely Access Bank Botswana Nominees Co Pty Ltd was considered to be insignificant to the Group.

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.

Key audit matter	How our audit addressed the key audit matter

Expected credit losses ("ECL") on loans and advances (this key audit matter refers both to the consolidated and separate financial statements)
Refer to the following notes to the consolidated and separate financial statements for disclosure relating to this key audit matter:
• note 1.3 (Significant judgements and sources of estimation uncertainty - Measurement of expected credit loss allowance);
• note 1.17 (Financial instruments - Expected credit losses);
• note 3.1 (Financial risk management - Credit risk);
• note 7 (Loans and advances to customers); and
• note 21 (Impairment credit on financial assets).
 	
As at 31 December 2025, gross loans and advances to customers subject to ECL amounted to BWP 6 754 274 000, against which an ECL allowance of BWP 297 403 000 was recognised.
 	
The estimation of ECL on loans and advances measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and customer credit behaviour.
 	
Key areas of significant management judgement and estimation applied in the measurement of ECL on loans and advances include:
• assessing whether a significant increase in credit risk ("SICR") occurred;
• determining appropriate Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") assumptions;
• selecting appropriate models used to estimate ECL;
• determining the number of forward- looking scenarios and the weighting assigned to each scenario; and
• grouping loans and advances with similar credit risk characteristics for ECL measurement purposes.
 	
Changes in these assumptions can result in materially different ECL outcomes. Management uses statistical ECL models to estimate PD, LGD and EAD, incorporating historical credit loss experience and forward-looking information.
 	
We considered the ECL on loans and advances to be a matter of most significance to our current year audit due to the degree of judgement and estimation applied by management in determining the ECL, and the magnitude of the ECL recognised as at 31 December 2025.
	Our audit addressed the key audit matter as follows:
	
	• For a sample of loans and advances, we agreed key data inputs used in the ECL models, including outstanding balances, arrears status, contractual terms and collateral information, to underlying accounting records, loan agreements and other supporting documentation.
	• Utilising our actuarial expertise, we reperformed and tested the reasonableness of the ECL calculation by performing the following procedures:
	  • We obtained a detailed breakdown of loans and advances by product type and independently recalculated, on a sample basis, the grouping and risk stage classification using the arrears status. No material exceptions were identified.
	  • We compared the design of the ECL model, including staging, PD, LGD, EAD and forward-looking components against the requirements of IFRS 9 and found no significant differences.
	  • We tested, on a sample basis, whether the approved methodology was applied consistently across significant loan portfolios and noted no material inconsistencies.
	  • We independently recalculated selected PD, LGD, EAD and SICR model components and compared the assumptions used to historical loss experience, current conditions and available forward-looking information. No material exceptions were identified.
	  • We developed an independent estimation of the ECL on loans and advances by calculating a base case range for the ECL allowance, which incorporated independently determined SICR adjustments and forward-looking indicators and compared the result to management's estimate. Management's estimate of ECL was within this range.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Instances of regulatory non-compliance and consequential impact on borrowing covenants This key audit matter refers both to the consolidated and separate financial statements. Refer to the following notes to the consolidated and separate financial statements for disclosure relating to this key audit matter: • note 3.1 — Financial risk management — credit risk; • note 3.4 — Fair value of financial assets and liabilities; • note 9 — Investment securities, in particular note 9.2 — Investment in notes; • note 16 — Borrowings; and • note 36 — Events after the reporting period. As disclosed in note 9.2, on 29 December 2025 the Bank invested in a senior note issued by New Horizon Funding SPV Ltd (the "NHF transaction"). The note had a notional value of USD 20 000 000, was classified under investment securities and measured at amortised cost. The note had a maturity date of 29 March 2026 and a carrying amount of BWP 261 122 000 at 31 December 2025. The investment was significant to our audit because significant judgement was required in: • assessing whether all relevant regulatory approval requirements had been met; • evaluating whether the transaction resulted in regulatory non-compliance; • determining whether similar instances of regulatory non-compliance existed elsewhere in the Bank; • assessing the impact of identified matters on borrowing arrangements, including whether covenant breaches or events of default had occurred; and • determining the related accounting, presentation and disclosure consequences. • We considered this to be one of the matters of most significance in our audit due to the significant judgement required in assessing: • the regulatory, contractual and financial reporting implications of the NHF transaction and other instances of regulatory non-compliance; • the potential impact thereof on the classification and disclosure of borrowings; and • the effect of remediation actions, lender engagement and post year-end developments on the related disclosures.	Our audit procedures included, amongst others: • We inspected transaction agreements, settlement documentation, management approvals and external confirmations relating to the NHF transaction and evaluated management's assessment of the regulatory requirements applicable thereto. We identified potential regulatory non-compliance and financial accounting errors in the initial recording of the NHF transaction and discussed these findings with those charged with governance. • We evaluated the scope, competence, objectivity and findings of the independent investigation commissioned by those charged with governance to investigate the matters we reported to them. We concluded that we could rely on the conclusions of the independent investigation for purposes of our audit. • Based on the findings of the independent investigation, we performed additional risk-targeted audit procedures, including obtaining more detailed confirmations from counterparties, making additional enquiries from management and inspecting transaction documentation, counterparty information, approval records and management's regulatory assessments for a sample of transactions. Our procedures identified further instances of regulatory non-compliance. • With the assistance of our accounting specialists and legal experts, we evaluated management's assessment of borrowing arrangements, including covenant provisions, events of default, lender waivers and rights of deferral at year end. Based on the terms of the borrowing agreements and the regulatory non- compliances identified, we determined that covenant breaches had occurred prior to the reporting date and, in accordance with the requirements of IAS 1 Presentation of Financial Statements, certain affected borrowings were reclassified from non-current to current at 31 December 2025 because the Bank did not have an unconditional right to defer settlement for at least twelve months after the reporting date. • We evaluated evidence supporting remediation actions, lender engagement and other post year-end developments and considered the effect of those actions on disclosures included in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Access Bank Botswana Limited Consolidated and Company Annual Financial Statements for the year ended 31 December 2025" and "Access Bank Botswana Summarised Consolidated Audited Financial Statements For the year ended 31 December 2025", which we obtained prior to the date of this auditor's report, and the document titled "Access Bank Botswana Limited 2025 Integrated Report", which is expected to be made available to us after that date. 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 and will 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 that we 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.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Independent Auditor's Report

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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's 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing member: Sheyan Edirisinghe (CAP 004 2026)

13 July 2026
Gaborone

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

	Notes	Group 2025 P'000	Group 2024 P'000	Company 2025 P'000	Company 2024 P'000
Effective interest and similar income	20	939,000	888,503	939,000	888,503
Effective interest expense and similar charges	20	(570,178)	(474,639)	(584,706)	(487,942)
Net interest income	20	**368,822**	**413,864**	**354,294**	**400,561**
Impairment credit on financial assets	21	(80,209)	(39,534)	(80,209)	(39,534)
Net interest income after impairment credit on financial assets		**288,613**	**374,330**	**274,085**	**361,027**
Net trading income	22	84,034	38,662	84,034	38,662
Fair value loss on financial assets at fair value through profit and loss	14.1	(13,309)	(9,545)	(13,309)	(9,545)
Net fee and commission income	23	289,810	257,792	267,557	233,889
Fee and commission income		*378,452*	*322,806*	*356,199*	*298,903*
Fee and commission expenses		*(88,642)*	*(65,014)*	*(88,642)*	*(65,014)*
Income from operations		**649,148**	**661,239**	**612,367**	**624,033**
Personnel expenses	24	(252,495)	(211,671)	(251,812)	(210,009)
General and administrative expenses	25	(192,955)	(210,547)	(190,712)	(210,298)
Depreciation and amortisation expenses	26	(44,818)	(47,519)	(44,818)	(47,519)
Other operating expenses	27	(55,308)	(56,870)	(54,587)	(55,789)
Total operating expenses		**(545,576)**	**(526,607)**	**(541,929)**	**(523,615)**
Profit before tax		**103,572**	**134,632**	**70,438**	**100,418**
Income taxation expense	28	(23,695)	(34,504)	(16,313)	(26,769)
Profit for the year		**79,877**	**100,128**	**54,125**	**73,649**
Other Comprehensive Income					
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Gain on revaluation of land and buildings		570	1,005	570	1,005
Deferred tax on revaluation of land and buildings	28.3	(125)	(221)	(125)	(221)
Other comprehensive income for the year		**445**	**784**	**445**	**784**
Total comprehensive income for the year attributable to owners of the parent		**80,322**	**100,912**	**54,570**	**74,433**
Earnings per share					
Basic and diluted earnings per share (thebe)	29	11.0	13.8	7.5	10.2

The notes on pages 77 to 163 are an integral part of these financial statements.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Consolidated and Separate Statements of Financial Position as at 31 December 2025

	Notes	Group		Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		P'000	P'000	P'000	P'000
ASSETS					
Cash and balances with the Central Bank	5	489,134	621,903	489,134	621,903
Balances with other banks	6	1,733,949	1,203,115	1,733,949	1,203,115
Balances due from related parties	12.1	7,944	140,491	7,944	141,122
Derivative financial assets	8	4	4,744	4	4,744
Investment securities	9	1,526,879	1,796,122	1,526,879	1,796,122
Loans and advances to customers	7	6,456,871	5,711,480	6,456,871	5,711,480
Current tax receivable	13.1	25,817	8,131	25,180	6,737
Other assets	14	374,074	359,466	373,174	359,049
Property and equipment	10	151,866	165,815	151,866	165,815
Intangible assets	11	40,243	49,818	40,243	49,818
Deferred tax asset	13.2	1,313	9,407	1,313	9,407
Investment in subsidiary	31	-	-	2,000	2,000
Total Assets		**10,808,094**	**10,070,492**	**10,808,557**	**10,071,312**
LIABILITIES					
Balances due to related parties	12.2	16,311	49,473	16,311	49,473
Deposits from banks	15	1,227,892	570,813	1,227,892	570,813
Deposits from customers	15	7,475,965	7,258,555	7,761,078	7,517,299
Borrowings	16	765,668	851,478	765,668	851,478
Derivative financial liabilities	8	1,053	547	1,053	547
Other liabilities	17	170,389	269,132	167,941	267,658
Total liabilities		**9,657,278**	**8,999,998**	**9,939,943**	**9,257,268**
EQUITY					
Stated capital	18	222,479	222,479	222,479	222,479
Retained earnings	19.1	910,950	831,073	628,748	574,623
Revaluation reserve	19.2	11,296	10,851	11,296	10,851
Other reserves	19.3	6,091	6,091	6,091	6,091
Capital		**1,150,816**	**1,070,494**	**868,614**	**814,044**
Total Equity and Liabilities		**10,808,094**	**10,070,492**	**10,808,557**	**10,071,312**

The notes on pages 77 to 163 are an integral part of these financial statements.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Consolidated and Separate Statements of Changes in Equity

Group

	Notes	Stated capital P'000	Revaluation reserve P'000	Other reserves P'000	Total reserves P'000	Retained earnings P'000	Total equity P'000
Balance at 1 January 2024		**222,479**	**10,067**	**6,091**	**16,158**	**802,945**	**1,041,582**
Profit for the year		-	-	-		100,128	100,128
							-
Other comprehensive Income							
Revaluation of land and buildings	**19.2**	-	1,005	-	1,005	-	1,005
Deferred tax on revaluation of land and buildings	**19.2**	-	(221)	-	(221)	-	(221)
Total other comprehensive income		**-**	**784**	**-**	**784**	**-**	**784**
Total comprehensive income		**-**	**784**	**-**	**784**	**100,128**	**100,912**
Transactions with owners of the group							
Dividend declared and unpaid		-	-	-	-	(43,000)	(43,000)
Dividend declared and paid		-	-	-	-	(29,000)	(29,000)
Total other movements in reserves		**-**	**-**	**-**	**-**	**(72,000)**	**(72,000)**
Balance at 31 December 2024		**222,479**	**10,851**	**6,091**	**16,942**	**831,073**	**1,070,494**
	Notes	**18**	**19.2**	**19.3**			
Balance at 1 January 2025		**222,479**	**10,851**	**6,091**	**16,942**	**831,073**	**1,070,494**
Profit for the year		-	-	-	-	79,877	79,877
Other comprehensive Income							
Revaluation of land and buildings	**19.2**	-	570	-	570	-	570
Deferred tax on revaluation of land and buildings	**19.2**	-	(125)	-	(125)	-	(125)
					-		-
Total other comprehensive income		**-**	**445**	**-**	**445**	**-**	**445**
Total comprehensive income		**-**	445	**-**	**445**	**79,877**	**80,322**
Transfer between reserves		-	-	-	-	-	-
Dividend declared and unpaid		-	-	-	-	-	-
Dividend declared and paid		-	**-**	**-**	**-**	**-**	-
Total other movements in reserves		**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2025		**222,479**	**11,296**	**6,091**	**17,387**	**910,950**	**1,150,816**
	Notes	**18**	**19.2**	**19.3**			

The notes on pages 77 to 163 are an integral part of these financial statements.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

Consolidated and Separate Statements of Changes in Equity (continued)

Company

	Notes	Stated capital P'000	Revaluation reserve P'000	Other reserves P'000	Total reserves P'000	Retained earnings P'000	Total equity P'000
Balance at 1 January 2024		**222,479**	**10,067**	**6,091**	**16,158**	**572,974**	**811,611**
Profit for the year		-	-	-	-	73,649	73,649
Adjustment on initial application of IFRS 16, net of tax	**19.1**	-	-	-	-	-	-
Other comprehensive Income							
Revaluation of land and buildings	**19.2**	-	1,005	-	1,005	-	1,005
Deferred tax on revaluation of land and buildings	**19.2**	-	(221)	-	(221)	-	(221)
Total other comprehensive income		**-**	**784**	**-**	**784**	**-**	**784**
Total comprehensive income		**-**	**784**	**-**	**784**	**73,649**	**74,433**
Transactions with owners of the group							**-**
Dividend declared and unpaid		-	-	-	-	(43,000)	(43,000)
Dividends paid		-	-	-	-	(29,000)	(29,000)
Total other movements in reserves		**-**	**-**	**-**	**-**	**(72,000)**	**(72,000)**
Balance at 31 December 2024		**222,479**	**10,851**	**6,091**	**16,942**	**574,623**	**814,044**
	Notes	**18**	**19.2**	**19.3**			
Balance at 1 January 2025		**222,479**	**10,851**	**6,091**	**16,942**	**574,623**	**814,044**
Profit for the year		-	-	-	-	54,125	54,125
Other comprehensive Income							
Revaluation of land and buildings		-	570	-	570	-	570
Deferred tax on revaluation of land and buildings		-	(125)	-	(125)	-	(125)
Total other comprehensive income		**-**	**445**	**-**	**445**	**-**	**445**
Total comprehensive income		**-**	**445**	**-**	**445**	**54,125**	**54,570**
Transfer between reserves		-	-	-	-	-	-
Dividend declared and unpaid		-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-
Total other movements in reserves		**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2025		**222,479**	**11,296**	**6,091**	**17,387**	**628,748**	**868,614**
	Notes	**18**	**19.2**	**19.3**			

The notes on pages 77 to 163 are an integral part of these financial statements.

Consolidated and Separate Statements of Cash flows

	Notes	Consolidated		Company	
		2025 P'000	2024 P'000	2025 P'000	2024 P'000
Cash flows from operating activities					
Profit before tax		**103,572**	**134,632**	**70,438**	**100,418**
Adjusted for:					
Depreciation and amortisation	**26**	44,818	47,519	44,818	47,519
Impairment credit on financial assets		83,225	42,380	83,225	42,380
Fair value loss on financial assets at fair value though profit and loss	**14.1**	13,309	9,545	13,309	9,545
Net exchange (gains)/ losses		(9,512)	14,382	(9,512)	14,382
Currency revaluations	**22**	-	(17)	-	(17)
Net interest income	**20**	(368,822)	(413,864)	(354,294)	(400,561)
Cash flows from operating activities before changes in operating assets and liabilities		**(133,410)**	**(165,423)**	**(152,016)**	**(186,334)**
Movements in operating assets/liabilities:		**281,301**	**53,530**	**307,046**	**80,594**
Loans and advances to customers		(775,878)	406,418	(775,878)	406,418
Balances with other banks		211,646	(211,525)	211,646	(211,525)
Balances due from related parties		139,333	(148,124)	139,964	(147,908)
Other assets		(2,016)	(123,518)	(1,533)	(122,944)
Derivative financial assets		4,740	(4,744)	4,740	(4,744)
Deposits from customers and banks		835,584	74,289	859,956	100,781
Other liabilities		(99,451)	16,622	(99,191)	16,404
Derivative financial liabilities		505	547	505	547
Balances due to related parties		(33,162)	43,565	(33,162)	43,565
Interest received		907,169	867,282	907,169	867,282
Interest paid		(527,077)	(468,600)	(539,608)	(481,903)
Taxation paid	**13.1**	(31,880)	(26,095)	(26,487)	(18,944)
Net cash (used in)/ from operating activities		**496,103**	**260,694**	**496,104**	**260,694**
Cash flows from investing activities					
Purchase of property and equipment	**10**	(17,454)	(25,077)	(17,454)	(25,077)
Purchase of intangibles assets	**11**	(18,300)	(21,219)	(18,300)	(21,219)
Additions to Investment securities		(1,570,427)	(27,074,918)	(1,570,427)	(27,074,918)
Disposals of Investment securities		1,847,597	26,254,508	1,847,597	26,254,508
Net cash generated from /(used in) investing activities		**241,417**	**(866,706)**	**241,417**	**(866,706)**
Cash flows from financing activities					
Dividend paid		(43,000)	(29,000)	(43,000)	(29,000)
Proceeds from Borrowings	**16.1**	-	25,000	-	25,000
Repayments on Borrowings	**16.1**	(57,695)	-	(57,695)	-
Payment of principal on lease liabilities	**34.2**	(8,515)	(8,382)	(8,515)	(8,382)
Net cash utilised in financing activities		**(109,210)**	**(12,382)**	**(109,210)**	**(12,382)**
Net increase in cash and cash equivalents		628,310	(618,393)	628,312	(618,393)
Cash and cash equivalents at beginning of year		1,583,803	2,198,176	1,583,803	2,198,176
Effect of exchange rate fluctuations on cash and cash equivalents held		(17,514)	4,020	(17,514)	4,020
Cash and cash equivalents at end of year		**2,194,599**	**1,583,803**	**2,194,599**	**1,583,803**
Cash and cash equivalents comprised of:					
Balances with other banks	**6**	1,705,465	961,900	1,705,465	961,900
Balances due from related parties	**12.1**	-	-	-	-
Investment securities	**9.1**	-	-	-	-
Cash and balances with the Central Bank	**5**	489,134	621,903	489,134	621,903
		2,194,599	**1,583,803**	**2,194,599**	**1,583,803**

The notes on pages 77 to 163 are an integral part of these financial statements.

Significant accounting policies

General information
Access Bank Botswana Limited ("Access Bank" or "the Bank") provides corporate banking, retail and treasury activities. The company is a limited liability company and is incorporated and domiciled in Botswana (registration number BW00001089931). A 100% owned subsidiary company of Access Bank, Kaleu Pty Ltd was registered as an insurance agency in 2012, and the Bank registered a 100% owned custodial services entity on 10 July 2024 named Access Bank Botswana Nominees Co Pty Ltd. The registered address of the Group and Company is Plot 62433, Access House, Fairgrounds Office Park, Private Bag 00303, Gaborone. The Group's holding company is Access Bank plc with a shareholding of 70%. Access Bank Botswana Limited was listed on the Botswana Stock Exchange on 13 December 2018.

1. Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards (IFRS Accounting Standards) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act, 2003.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, except as modified by the revaluation of financial instruments measured as fair value through profit and loss and property measured at revalued amounts. They are presented in Pula, which is the company's functional currency.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Presentation
The Bank presents its statement of financial position in order of liquidity. Where permitted or required under IFRS Accounting Standards, the Bank offsets assets and liabilities or income and expenses and presents the net amount in the statement of financial position, the income statement or the statement of other comprehensive income.

These accounting policies are consistent with the previous period.

Going concern basis of accounting
The year 2025 has come up with a number economic challenges which has affected different businesses negatively. The weak diamond demand is still a continued struggle for the government as it has reduced the government earnings as well as export earnings in the year. Further, the pressure of inflation has been enhanced by the depreciation in the Pula .

The directors reviewed the group and company's budgets and cashflow forecasts over the remaining years of the current strategy period (2026 – 2027) in light of changing economic circumstances and considered the group and company's ability to continue as a going concern in light of current and anticipated economic conditions. These budgets and cashflow forecasts took the impact of the above mentioned economic uncertainty into consideration, including projections of the impact on the group's capital, funding and liquidity requirements, all of which have remained within internal targets and above regulatory requirements. The directors' assessment did not identify any matters that would cast significant doubt on the group's ability to continue as a going concern.

On that basis, the financial statements are prepared on a going concern basis as there are neither intentions to cease trading nor adverse issues identified that threaten the continued operations of the company.

1.2 Basis of consolidation

Functional and presentation currency
The Company and Group's functional and presentation currency for the year ended 31 December 2025 was Botswana Pula ("BWP" or "P").

All amounts have been rounded to the nearest thousand, except where otherwise stated.

Comparatives
Accounting policies have been applied in a manner consistent with the previous financial year.

The consolidated and separate annual financial statements incorporate the consolidated and separate annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

Accounting policies (continued)

The consolidated annual financial statements include those of Access Bank Botswana Limited and it's subsidiary Kaleu Pty Ltd and Access Bank Botswana Nominees Co Pty Ltd (jointly, "the Group").

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. The result of the subsidiary is included in the consolidated annual financial statements from the date the Group gets control of the subsidiary and ceases when the Group loses control.

Adjustments are made when necessary to the consolidated and separate annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

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 company.

Investments in subsidiaries in the separate financial statements
In the bank's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies
Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment for the year ended 31 December 2025 have been included in the following notes:

- Determination of the fair value of financial instruments with significant unobservable inputs (note 3)
- Impairment of financial instruments: key assumptions used in estimating recoverable cash flows (note 1.3)
- Determination of the fair value of land and buildings with significant unobservable inputs (note 10)
- Determination of the lease period (impact of lease renewals) and incremental borrowing rate (note 34)

The judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

Impairment of financial assets at amortised cost
The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Accounting policies (continued)

Measurement of expected credit loss allowance
The measurement of the expected credit loss allowance for financial assets measured at amortised cost 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 defaulting) and the resulting losses. It also includes estimation of probability of default, loss given default, estimation of exposure at default, assessing significant increases in credit risk, determination of points of write off and curing as well as judgement on management overlays.

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; and
- Establishing groups of similar financial assets with similar credit risk for the purposes of measuring ECL.

The following are considered when assessing changes in credit risk for the retail portfolio, including mortgages:
- Any facility that is more than 30 days past due, or in the case of instalment-based products one instalment past due, is automatically considered to have experienced a significant increase in credit risk.
- Retrenchment or similar events that could lead to loss of employment of the customers
- Expected changes in the loan documentation including changes that demonstrate signs of reduced repayment capacity of the customer.
- Changes in the rates or terms of an existing financial instrument that would result in a significant difference in the carrying amount, if the instrument was newly originated or issued at the reporting date.

The following are considered when assessing changes in credit risk for the corporate portfolio, including mortgages:
- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life.
- An actual or expected significant change in the financial instrument's external credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in unemployment rates.
- An actual or expected significant change in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations, such as a decline in the demand for the borrower's sales product because of a shift in technology.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.
- Significant change in the quality of the guarantee provided by a shareholder (or an guarantor who is an individual) if the shareholder (or guarantor) have an incentive and financial ability to prevent default by capital or cash infusion.
- Significant changes, such as reductions in financial support from a parent entity or other affiliate or an actual or expected significant change in the quality of credit enhancement, that are expected to reduce the borrower's economic incentive to make scheduled contractual payments.
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument if the changes demonstrate signs of reduced repayment capacity of the counterparty.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group.

The above factors are considered in analysing whether there has been significant increase in credit risk (SICR) to loan/other financial asset, which would result in migration from Stage 1 to Stage 2. Loans and other financial assets are migrated to Stage 3 when they are considered impaired.

Accounting policies (continued)

3 Stage approach

Stage 1 - As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses.

Stage 2 - If the credit risk increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected credit losses are recognised. Lifetime expected credit losses are only recognised if the credit risk increases significantly from when the entity originates or purchases the financial instrument.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk ("SICR") for financial instruments since initial recognition by:

- comparing the remaining lifetime probability of default ("PD") with the residual lifetime PD expected at the reporting date when the exposure was first recognised;
- using a set of portfolio-specific qualitative criteria that are indicative of a SICR to enhance the overall SICR assessment; and
- considering instruments that are more than 30 days past due to have experienced a SICR.

Stage 3 - Financial assets are classified as credit-impaired (Stage 3) when objective evidence of impairment exists, such as being more than 90 days past due, the borrower being deceased, or the asset remaining outstanding beyond its contractual maturity. Classification is assessed at client level, meaning all exposures to a client are transferred to Stage 3 once impairment is identified. Full lifetime expected credit losses are still recognised on these financial assets. Interest revenue however is calculated based on the amortised cost (i.e. the gross carrying amount adjusted for the loss allowance). Financial assets in this stage will generally be individually assessed.

As a curing rule, the Group applies a 3 - month period whereby the performance of an account in default is monitored and evaluated in order to determine whether the account is a candidate for reversal from Stage 3 (non-performing state) to Stage 2 (underperforming state).

Technical default is when a loan defaults and migrates into a different credit stage but the default does not necessarily present significant increase in credit risk. This is mainly due to administrative issues in collecting or recording a loan installment.

Probability of Default
Probability of default (PD), is defined as a probability-weighted estimation of the likelihood that a customer will default over a given time horizon. The Probability of Default model estimates the probability of default across various product segments with PD term structures being developed for each segment.

Loss given Default
Loss given default (LGD) is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, including from any collateral. The Secured LGD approach was applied to all Retail Secured, Corporate and Government segments.

Sensitivity analysis on impairment losses on managements estimates is shown as follows:

	Group and Company	
	2025 P'000	2024 P'000
Corporate loans		
Migration of 5% of stage 1 loans to stage 2	993	487
Migration of 5% of stage 2 loans to stage 3	988	0
Increasing the loss ratio by 10%	199	74
Mortgages		
Migration of 5% of stage 1 loans to stage 2	2,495	2,393
Migration of 5% of stage 2 loans to stage 3	305	239
Increasing the loss ratio by 10%	1,908	1,936
Retail and SME loans		
Migration of 1% of stage 1 loans to stage 2	11,414	7,263
Migration of 1% of stage 2 loans to stage 3	464	219
Increasing the loss ratio by 5%	13,092	11,113

Accounting policies (continued)

Retail
For retail exposure, the assessment of the credit risk is made on a collective basis, incorporating all relevant credit information. For this purpose, the Bank groups its exposures on the basis of shared credit risk characteristics.

Wholesale
For larger exposures such as corporate and commercial, the assessment is driven by the internal credit rating of the exposure and other factors, that are specific to the individual borrower, to the extent such information has not been already reflected in the rating process.

Management overlays
Refer to note 3.1.7

Key sources of estimation uncertainty - Fair value estimation
Apart from the estimation of expected credit losses as already described, another source of estimate uncertainty is from determining the fair value of assets and liability. This is particularly so for fair valuation of land and buildings which are accounted for using the revaluation model and the nano loans which are carried at fair value.

To determine the fair values of the assets or liabilities, observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 3.4 and note 10.

1.4 Functional currency and presentation currency

Items included in the consolidated and separate annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate annual financial statements are presented in Pula which is the Group presentation currency.

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Pula, 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 period:
- 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.

In circumstances where the Group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Group determines a date of transaction for each payment or receipt of advance consideration.

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 consolidated and separate annual financial statements are recognised in profit or loss in the period 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 nonmonetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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

Accounting policies (continued)

1.5 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access to at that date. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets. When available, the Group measures fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market then the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

When such valuation models, with only observable market data as input, indicate that the fair value differs from the transaction price, this initial difference, commonly referred to as day one profit or loss, is recognised in the profit or loss immediately. If non-observable market data is used as part of the input to the valuation models, any resulting difference between the transaction price and the model value is deferred. The timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement. The deferral and unwind method is based on the nature of the instrument and availability of market observable inputs.

Subsequent to initial recognition, the fair values of financial assets and liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, pricing models and valuation techniques commonly used by market participants.

1.6 Interest income and expense

The revenue of the bank consists of interest income from the loans and advances, cash and short term funds and investment securities. These are all included under the interest income line as the bank accrues an interest from the individual assets.

Interest income and interest expense are recognised in profit or loss for all interest bearing financial instruments on an accruals basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Group and Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

1.7 Fee and commission and trading income

Fee and commission income
Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commission income from customers. The Bank applies IFRS 15 Revenue from Contracts with Customers to all fee and commission income. Fee and commission income is earned by the bank by providing customers with a range of services and products, and consists of the following main categories:

- banking fee and commission income;
- knowledge-based fee and commission income;
- fee and commission income from service provided; and
- other non-banking fee and commission income.

Accounting policies (continued)

The vast majority of fee and commission income is earned on the execution of a single performance obligation and, as such, it is not necessary to make significant judgements when allocating the transaction price to the performance obligation. As such, fee and commission income, which typically includes transactional banking fees such as bank charges, interchange fees, point-of-sale fees, exchange commissions, cash deposit fees, bundled fees and knowledge-based fee and commission income, are recognised at a point in time.

Where the distinct performance obligation is satisfied over a period of time, the fees are recognised as follows:
- fees for services rendered are recognised on an accrual basis as the service is rendered and the bank's performance obligation is satisfied, e.g. annual card fees, VISA interchange sponsorship fees and related fees; and
- commission income on bills and promissory notes endorsed is credited to profit or loss over the life of the relevant instrument on a time apportionment basis.

Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking, insurance and asset management operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. The revenue is recognised at a point in time and includes commission earned from the sale of prepaid airtime and electricity vouchers paid through SaruMoney mobile platform, as well as insurance commission.

Transactional banking fees, VISA interchange fees, and other related charges become payable immediately upon execution of the transaction.

Annual card-related fees are charged annually. The full annual fee becomes payable immediately upon billing. Commission income earned from the sale of prepaid airtime and electricity vouchers facilitated through the Saru Money mobile platform is payable immediately upon billing on a monthly basis.

Trading income
Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences. Net trading income is recognised at the point in time when the transaction takes place.

1.8 Tax

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

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 period, directly in equity.

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

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities.

Deferred tax assets and liabilities
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). Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Accounting policies (continued)

1.8 Tax (continued)

A deferred tax asset is recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference or unused tax losses 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).

Deferred tax assets and liabilities are recognised on a gross basis in the statement of financial position unless (1) the entity has a legally enforceable right to set off Current tax receivable against current tax liabilities and (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. In the instance of group, deferred tax assets and liabilities can be offset between different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, where permitted by the tax authority.

1.9 Property and equipment

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which is measured at fair value.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land and buildings, the fair values of which can be reliably measured, are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluation increases are credited directly to other comprehensive income and presented in equity under the heading 'Revaluation reserve'. However, revaluation increases are recognised in profit or loss to the extent that they reverse a revaluation decrease of the same asset previously recognised in profit or loss. Revaluation decreases are recognised in profit or loss. However, decreases are debited directly to equity to the extent of any credit balance existing in the revaluation surplus in respect of the same asset. Land and buildings are revalued at fair value as per IFRS 13. Revaluations are performed annually.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years
Furniture and fittings	Straight line	10 years
Motor vehicles	Straight line	5-6 years
Information Technology (IT) equipment	Straight line	5 years
Office equipment	Straight line	5 years
Right of use assets	Straight line	3-10 years

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

Accounting policies (continued)

1.9 Property and equipment (continued)

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.

An impairment loss on a non-revalued asset is recognized in profit or loss. However, an impairment loss on a revalued asset is recognized in revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of assets. Such an impairment loss on a revalued asset reduces the revaluation surplus for that class of assets. The Group transfers the revaluation reserve to retained earnings upon disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

WIP is measured based on the costs accumulated for long term projects that are not yet complete. This will include raw materials, labour and overhead costs incurred at various stages of the project. Capital WIP is measured at cost less accumulated impairment losses.

1.10 Intangible assets

Software
Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life is one to ten years. Intangible assets includes Intangible assets in development and are initially recognised at cost and are subsequently measured at cost less accumulated impairment losses if any. Capital work in progress is stated at cost less accumulated impairment losses.

Qualifying costs for software and intangibles still under construction are capitalised and recognized at cost as capital work-in-progress until the software or intangible is complete and available for use. Capital work in progress is recognized as and when the costs are incurred and measured at cost.

Impairment of non-financial assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.11 Repossessed property

In certain circumstances, property pledged as collateral by customers is repossessed following the foreclosure on loans that are in default.

Repossessed assets are maintained off-balance sheet by the Group's Recoveries and Credit Administration department until they are sold off to extinguish or reduce the outstanding debt. Repossessed assets are maintained off-balance sheet as repossession gives the Bank the right to sell the property and recover amounts due without giving the Bank legal title of the full value of the property. The Group's policy is to pursue timely realisation of the collateral in an orderly manner so that repossessed properties are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

Accounting policies (continued)

1.12 Provisions

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.

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.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.13 Financial guarantee contracts and commitments

Initial recognition
Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. Loan commitments issued at a below-market interest rate are initially recognised in the financial statements at fair value on the date the loan commitment was given, while loan commitments issued at market rates are recorded off balance sheet.

Subsequent measurement
Subsequently financial guarantees and loan commitments are measured at higher of:
- the amount of the loss allowance determined in accordance with IFRS 9, or
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

1.14 Employee benefits

(a)Defined contribution plans
The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other short term employee benefits
The Group's obligation in respect of accumulated leave days is recognised in full in the statement of financial position. Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

The Group assists officers and employees in respect of housing, motor vehicles and personal loans at subsidised rates as part of their remuneration package. The loans are held as financial assets at amortised cost.

1.15 Stated capital

Share issue costs
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity as a deduction in the period in which they are approved by the Group's shareholders. Dividends paid are disclosed as part of cash flows from financing activities in the statement of cash flows.

Accounting policies (continued)

1.16 Leases

The Group and Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings. Details of leasing arrangements where the Group is a lessee are presented in note 34 Leases (Group as lessee).

Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented within other liabilities on the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in Interest charges (note 20).

The Group and Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);

Accounting policies (continued)

1.16 Leases (continued)

- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
For the purposes of the statements of cash flows, interest on lease liabilities are classified as part of Operating cash flows

Rights of use assets
Right-of-use assets are presented within property, plant and equipment on the Statements of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.
Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.17 Financial instruments

Recognition and initial measurement
The Group recognises a financial asset or financial liability when, and only when, the Group becomes party to the contractual provisions of the instruments. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value. Also, a financial liability and asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue are expensed when incurred. These assets are subsequently measured at amortised cost using the effective interest method.

Financial liabilities other than derivative liabilities are initially measured at fair value and subsequently carried at amortised cost using effective interest method.
Financial liabilities are derecognised when they are extinguished. Derivative liabilities are measure at fair value with gain or losses recorded under net trading income in the statement of profit or loss (refer to note 22).

Classification of financial assets
IFRS 9 contains two principal classification categories for financial assets: measured at amortised cost and fair value through profit or loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.
On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. The classification and subsequent measurement of financial assets depends on:

Accounting policies (continued)

1.17 Financial instruments (continued)

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual cash flow characteristics of the asset (that is, whether the cash flows represent solely payments of interest and principal).

The entity recognises a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument.

Financial liabilities are measured at amortised cost.

The following liabilities are measured at amortised cost using the effective interest rate method:

-Deposits from customers
-Deposits from banks
-Borrowings

The bank classifies the financial assets as detailed below.

Type of financial instrument	Business model	Accounting classification	Accounting treatment
Derivative financial assets	Realise changes in value	Fair value through profit or loss (FVPL)	Fair value, changes recorded through profit or loss
Nano loans	Collect contractual cash flows	Fair value through profit or loss (FVPL)	Fair value, changes recorded through profit or loss
Investment securities, loans and advances, cash and balances with central bank, balances with other banks, other assets and balances due from related parties	Collect contractual cash flows	Amortised cost	Amortised cost method

Measurement of fair value
Refer to note 1.5

Amortised cost method
Financial assets are measured at amortised cost when they are held to collect contractual cash flows and meet the SPPI criterion. This classification is not FVOCI, as the business model does not include selling the assets. Under the amortised cost method, the instruments are recorded at acquisition cost with any premium or discount amortized over the life of the instrument using the effective interest method, and transaction costs, if any, are capitalised.

Assessment of whether contractual cash flows are solely payments for principal and interest
For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:
· contingent events that would change the amount and timing of cash flows;
· leverage features;
· prepayment and extension terms; and
· terms that limit the Group's claim to cash flows from specified assets

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or the purchase of a subsidiary whose business model is to realise the value of pre-existing held for trading financial assets through a hold to collect model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated.

Accounting policies (continued)

1.17 Financial instruments (continued)

Borrowings
On initial recognition for Borrowings, any difference between the proceeds net of transaction costs and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transactions costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw-down occurs.

Derivative financial assets and liabilities
A derivative is a financial instrument with the following characteristics:
- It's value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable;
- It requires no initial net investment, or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- It is settled at a future date.

Expected credit losses
The Group recognises loss allowances for ECL on all financial instruments that are not measured at FVTPL which include:
- loans and advances to customers;
- investment securities;
- cash and balances with the central bank;
- balances with other banks;
- balances due from related parties;
- other financial assets (excl nano loans);
- financial guarantee contracts; and
- loan commitments issued.

No impairment loss is recognised on financial assets measured at fair value through profit or loss.

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive over the contractual life of the instrument.

The amount of expected credit losses is updated at each reporting date.

Key credit definitions
Credit risk is broken down into the common risk components of probability of default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), modelled at a client, facility and portfolio level. These risk components are used in the calculation of a number of aggregate risk measures such as Expected Loss Credit (ECL). The models used by the Group are aimed to be compliant with Basel II and regulatory requirements. These risk measures would be used as inputs to calculate the collective impairment amounts.

Components	Definition
Probability of default (PD)	The probability that a counterparty will default, over the next 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2 and stage 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as interest rates, unemployment rates and Gross Domestic Product (GDP) forecasts.
	The PD estimates will fluctuate in line with the economic cycle. The lifetime (or term structure) PDs are based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
Loss given default (LGD)	The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the bank expects to receive.
	The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
Exposure at default (EAD)	The expected exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortisation and prepayments.

Accounting policies (continued)

1.17 Financial instruments (continued)

To determine the expected credit loss (ECL), these components are multiplied together (PD for the reference period (up to 12 months or lifetime) x LGD at the beginning of the period x EAD at the beginning of the period) and discounted to the balance sheet date using the original effective interest rate as the discount rate.

Measurement
Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward-looking.

Forward-looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning. To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Group and Company is exposed to credit risk. However, for certain revolving credit facilities, which include overdrafts, the Group's and Company's exposure to credit risk is not limited to the contractual period. For these instruments, the Group and Company estimates an appropriate life based on the period that the Group and Company is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

For credit-impaired financial instruments, the estimate of cash shortfalls may require the use of expert credit judgement. As a practical expedient, the Group and Company may also measure credit impairment on the basis of an instrument's fair value using an observable market price.

The estimate of ECL on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, regardless of whether foreclosure is deemed probable.

Recognition of credit losses and impairment methodology

12 months expected credit losses (stage 1)

If financial assets are exposed to low credit risk, expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. The credit risk on a financial instrument is considered low if it has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12- month basis. The Group and Bank does not have any assets deemed to be exposed to low credit risk, hence, the above requirement has not been applied.

Financial assets that are 0-29 days past due and not credit-impaired are classified as stage 1.

Financial guarantees, commitments and other credit related liabilities are also classified as stage 1 unless if the counter-party has an under-performing or non- performing exposures to the Group and Company in which case the off balance sheet exposure is migrated to the same stage as the on balance sheet loans.

Significant increase in credit risk (stage 2)

Refer to note 1.3 for the criteria applied in assessing increase in credit risk.

Collateral valuation
To the extent possible, the Group and Company used active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value were valued using models. Non-financial collateral, such as real estate, was valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

Accounting policies (continued)

1.17 Financial instruments (continued)

Credit-impaired (or defaulted) exposures (stage 3)

Financial assets that are credit-impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concession/s that lenders would not otherwise consider. This would include forbearance actions.
- Pending or actual bankruptcy or other financial reorganisation to avoid or delay discharge of the borrower's obligations;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower;

Irrevocable lending commitments to a credit-impaired obligor that have not yet been drawn down are also included within the stage 3 credit impairment provision to the extent that the commitment can be drawn down.

Loss provisions against credit-impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate. The loss provisions held represent the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment. The Group's and Company's definition of default is aligned with the regulatory definition of default.

For individually significant financial assets within stage 3, the MANCO (Management committee) and the Credit Committee will consider all judgements that have an impact on the expected future cash flows of the asset. These include: the business prospects, industry and geo political climate of the customer, quality of realisable value of collateral, the Group's legal position relative to other claimants and any renegotiation/ forbearance/ modification options. The difference between the loan carrying amount and the discounted expected future cash flows will result in the stage 3 credit impairment amount. The future cash flow calculation involves significant judgements and estimates. As new information becomes available and further negotiations/ forbearance measures are taken the estimates of the future cash flows will be revised, and will have an impact on the future cash flow analysis.

For financial assets which are not individually significant, such as the Retail lending portfolio which comprise a large number of homogenous loans that share similar characteristics, statistical estimates and techniques are used, as well as credit scoring analysis.

Retail lending clients are considered credit-impaired where they are more than 90 days past due. Retail lending products are also considered credit-impaired if the borrower files for bankruptcy or other forbearance programme, the borrower's business has shrunk or the business is closed in the case of a small business, or if the borrower surrenders the collateral, or there is an identified fraud on the account. Additionally, if the account is unsecured and the borrower has other credit accounts with the Group and Company that are considered credit-impaired, the account may be also be credit-impaired.

For Corporate lending, borrowers are graded by credit risk management on a credit grading scale from Performing to Loss. Once a borrower starts to exhibit credit deterioration, it will move along the credit grading scale in the performing book and when it is classified as credit grade Special Mention the credit assessment and oversight of the loan will normally be performed by Group Credit Committee.

Expert credit judgement

Techniques used to compute impairment amounts use models which analyse historical repayment and default rates over a time horizon. Where various models are used, judgement is required to analyse the available information provided and select the appropriate model or combination of models to use. Expert credit judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the models. Judgement is also applied to estimate the curing point of loans.

Accounting policies (continued)

1.17 Financial instruments (continued)

Classification and measurement- Modifications financial instruments
Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within changes in expected credit losses in profit or loss in the statement of comprehensive income with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group would not otherwise consider, the instrument is considered to be credit- impaired and is considered forborne.

ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. The entity should consider the credit risk at the reporting date under the modified contractual terms of the asset. This is compared to the credit risk at initial recognition under the original unmodified contractual terms of the financial asset. If this comparison does not show a significant increase in credit risk, the loss allowance should be measured at 12-month ECL. Although loans may be modified for non-credit reasons, a significant increase in credit risk may occur. In addition to the recognition of modification gains and losses, the revised carrying value of modified financial assets will impact the calculation of expected credit losses, with any increase or decrease in expected credit loss recognised within impairment.

Forborne loans
Forborne loans are those loans that have been modified in response to a customer's financial difficulties. Forbearance strategies assist clients who are temporarily in financial distress and are unable to meet their original contractual repayment terms. Forbearance can be initiated by the client, the Group or a third-party including government sponsored programmes or a conglomerate of credit institutions. Forbearance may include debt restructuring such as new repayment schedules, payment deferrals, tenure extensions, interest only payments, lower interest rates, forgiveness of principal, interest or fees, or relaxation of loan covenants. Forbearance and the reasons thereof are considered in the assessment of whether there has been significant increase in credit risk which determinates the stage of the loan and expected credit loss thereof.

Forborne loans that have been modified (and not derecognised) on terms that are not consistent with those readily available in the market and/or where we have granted a concession compared to the original terms of the loans are considered credit-impaired if there is a detrimental impact on cash flows. The modification loss (see Classification and measurement-Modifications) is recognised in the profit or loss within credit impairment and the gross carrying value of the loan reduced by the same amount.

Derecognition of financial assets
The basic premise for the derecognition model in IFRS 9 is to determine whether the asset under consideration for derecognition is:
- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets), or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets)

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following three conditions:
- the entity has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset
- the entity is prohibited from selling or pledging the original asset (other than as security to the eventual recipient),
- the entity has an obligation to remit those cash flows without material delay

Once an entity has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the entity has neither retained nor transferred substantially all of the risks and rewards of the asset, then the entity must assess whether it has relinquished control of the asset or not. If the entity does not control the asset then derecognition is appropriate; however if the entity has retained control of the asset, then the entity continues to recognise the asset to the extent to which it has a continuing involvement in the asset.

Accounting policies (continued)

1.17 Financial instruments (continued)

Expired rights to the cash flows from the asset
The most obvious examples of situations when the contractual rights to the cash flows from the financial asset expire are repayment of a financial asset or expiry of an option. Other less obvious instances are discussed below:

Renegotiation and modification of a financial asset
Some modifications of contractual cash flows will result in derecognition of a financial instrument and the recognition of a new financial instrument in accordance with IFRS 9. If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Write-offs
Write-off must occur when it is not economical to pursue further recoveries, i.e. there is no reasonable expectation of recovering the carrying amount of the asset (gross amount less specific impairments raised):

- By implication, in both retail and wholesale, for secured as well as unsecured exposures, write-offs cannot occur if there is evidence of recent payment behaviour. Each credit portfolio has articulated a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account.
- Within retail portfolios, write-off definitions have been determined with reference to analysis of the materiality of post write-off recoveries. The result of this is that retail secured loans are written off on perfection of collateral and retail unsecured loans are written off when observation of post-default payment behaviour indicates that further material recoveries are unlikely. Write-off points within retail unsecured portfolios are defined on a per-portfolio basis with reference to cumulative delinquency and/or payment recency, with write-offs typically occurring when 12 to 15 cumulative payments have been missed.
- Within wholesale portfolios, a judgemental approach to write-off is followed, based on case-by-case assessment by a credit committee.
- Partial write-offs are not performed within credit portfolios except in limited circumstances within the wholesale portfolio where it is assessed on a case-by case basis. Where required, additional provisions against irrecoverable assets will be raised until such a time as final write-off can occur.

The bank writes off a loan after all legal recovery processes have ceased. However, the credit department does as part of its normal process continue to follow up on written off accounts with customers for recoveries which may or may not result in post write off recoveries.

Collection and enforcement activities post write-off
For unsecured advances, post write-off collection strategies include outsourcing of the account to external debt collections (EDCs). In addition, settlement campaigns are run to encourage clients to settle their outstanding debt. For secured advances, any residual balance post the realisation of collateral and post write-off is outsourced to EDCs. In 2025, loans with an outstanding gross amount of P31.8 million (2024:P20 million) were written off and are under the care of EDCs for continued recovery efforts.

Transfers
The next steps in the derecognition decision tree concern transfers of financial assets. Financial assets should be derecognised if they are transferred and this transfer qualifies for derecognition. An entity transfers a financial asset if, and only if, it either;
a. transfers the contractual rights to receive the cash flows of the financial asset, or
b. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients ('pass through' transfers).

Derecognition of financial liabilities
A financial liability should be removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of financial instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents represent cash on hand and demand deposits and cash equivalents that are short term (i.e. with a maturity of less than 90 days from acquisition), highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. Cash and cash equivalents therefore include cash and balances with central banks that can be withdrawn on demand (except where a specific minimum balance at the end of the day is required to be maintained), other eligible bills and amounts due from banks.

Accounting policies (continued)

1.18 Other assets

Included in other assets are nano loans, prepayments, security deposits, interbranch accounts and other receivables. Except for prepayments and nano loans, other assets are financial assets carried at amortised cost. Prepayments are non-financial assets and are stated at their nominal values.

1.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.20 Offsetting income and expense

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a Group of similar transactions such as the Group's trading activities.

1.21 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues, the operating results of which components are regularly reviewed by the Group's and Company's chief operating decision-makers to make decisions about resources to be allocated and to assess its performance, and for which financial information is available.

The Group's and Company's identification of its segments and the measurement of segment results are based on the Group's and Company's internal management reporting as used for day-to-day decision-making and as reviewed by the chief operating decision-maker, which is the Managing Director, supported by the rest of the Management Committee (MANCO). The segments have been identified according to the nature of their respective products and services and their related target markets. The segments are Retail Banking (offers lending and transactional banking services to individuals), Commercial Banking (provides investment solutions to corporates, financial institutions, government entities and international organisations) and Global Markets (provides foreign exchange solutions to commercial clients, while supporting the branch network's retail foreign exchange service).

The segments identified are complemented by the Head Office functions, which provides support in the areas of finance, human resources, governance and compliance, risk management and information technology. Additional information relating to other performance measures is provided (Refer to note 35). The Group accounts for intersegment revenues and transfers as if the transactions were with third parties at current market prices.

1.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax attributable to the owners of the parent by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share, attributable to the owner's of the parent. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

1.23 Related parties

Parties are considered to be related to the Group if meet the following definitions;

(a) A person or a close member of that person's family:
- has control or joint control over the Group;
- has significant influence over the Group; or
- is a member of the key management personnel of the Group or of the parent of the Group.

(b) An entity for which the following conditions apply:
- the entity and the Group are members of the same Group
- the entity is controlled or jointly controlled by a person identified in (a)
- the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions are summarised in the notes to the financial statements.

Notes to the Consolidated and Separate Annual Financial Statements

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:

IFRS	Effective date	Subject of amendment	Impact
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	These amendments were considered in the current financial year and they were found to not be applicable to the Group as there were no circumstances in which exchangeability of a currency was lacking. Accordingly, the amendments had no impact on the financial statements.

Notes to the Consolidated and Separate Annual Financial Statements

2.2 International Financial Reporting Standards, interpretations and amendments issued but not effective

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

IFRS	Effective date	Subject of amendment	Impact
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026	These amendments: clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets) and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	The Group expects to adopt the amendment for the first time in the 2026 annual financial statements. Group is currently assessing the potential impact of the new standard on the Group's presentation and disclosure requirements.
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.	The Group will adopt IFRS 18 for the first time in its annual financial statements for the year ending 31 December 2027. Group is currently assessing the potential impact of the new standard on the Group's presentation and disclosure requirements.
IFRS 19, 'Subsidiaries without Public Accountability'	1 January 2027	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.	The Group does not expect to adopt the amendment as the amendment is not applicable to the group. This amendment is not expected to have an impact on the financial statements of the Group.

2.3

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

Published: July 2024

Effective date: Annual periods beginning on or after 1 January 2026 with earlier application permitted. These changes are not expected to have a material impact on the presentation and disclosure of the Group's financial statements.

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management

Objectives on risk management
The Group's and Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's and Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the group's financial performance.
The Group's and Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Group and Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Financial risk governance

Audit Committee
The Group's Audit Committee's primary objective is to assist the Board in overseeing the systems of internal control and external financial reporting across the Group. The Committee performs its role by ensuring that the external and internal audit arrangements are appropriate and effective. The annual report and accounts, interim reports and accounts, related internal control disclosures and any other publicly available financial information are reviewed and scrutinised.

Risk and Compliance Committee
The objective of the Committee is to assist the Board in overseeing the systems of compliance policies and procedures across the Group and to provide oversight and advice to the Board in respect of the Group's risk appetite, risk monitoring, capital management and compliance requirements. Further, the Committee provides oversight and advice to the Board on current risk exposures and future risk strategy, and to assist the Board in monitoring and reviewing the effectiveness of the credit and risk functions in the context of the Group's overall risk management framework and in maintaining appropriate compliance policies and procedures such that the Group will remain compliant with all legal and regulatory requirements applicable to it.

Assets and Liabilities Committee (ALCO)
The Group trades in financial instruments where it takes positions in financial instruments, to take advantage of short-term market movements in currency and interest rates. Amongst other responsibilities, ALCO is tasked to monitor the risks associated with these activities. Risk management includes the setting of trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. In addition, with the exception of specific hedging arrangements, foreign exchange and interest rate exposures associated with these derivatives, are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

The Assets and Liabilities Committee monitors the balance sheet management and consideration of risk, liquidity risk, and interest rate risk in the banking book, the foreign exchange position risk and the capital risk. The meetings of the Committee are held monthly, however, extraordinary committee meetings may be called where there is:

(a) a sudden change in regulations;
(b) material loss of deposits without notice, and ahead of maturity;
(c) failure to honour commitments and approved facilities; or
(d) unanticipated movement in exchange rates.

Credit Committee
The Credit Committee approves large exposures to customer loans and advances and monitors them on an ongoing basis. The committee also assists the Board in ensuring that all credit activities relating to large exposures to customer loans and advances are conducted within the risk strategy, policies and tolerance levels approved by the Board.

Notes to the Consolidated and Separate Annual Financial Statements

3.1 Credit risk

Credit risk is the risk of loss due to inability or unwillingness of the customer or other counter-party to meet their obligations. Credit risk is a significant risk facing the Group. In order to manage this risk, the Group has implemented clearly defined credit policies which are documented and form the basis of all credit decisions. The Group structures the levels of credit risk it undertakes, placing limits on the amounts of risk accepted in relation to one borrower, or group of borrowers, and industry segments. The Group also makes provision against non-performing accounts in line with the approved provisioning policy. Also refer to note 3.1.7 for details on management overlays applied to the ECL model.

A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored. If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired.

Risk limit control and mitigation policies
The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups, and to industries and countries.

Such risks are monitored on a revolving basis and subject to an annual or more frequent reviews, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the board of directors, and reviewed regularly. Some specific control and mitigation measures are outlined below.

(a) Collateral
The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:
-cash collateral;
-charges over assets financed;
-charges over cash proceeds from trading transactions financed;
-mortgages over residential and commercial properties;
-charges over business assets such as premises, inventory and accounts receivable; and
-charges over financial instruments such as debt securities, and equities.

In order to minimise credit losses, the Group will also seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument.

(b) Credit related commitments
The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

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3 Financial risk management (continued)
3.1 Credit risk (continued)

Maximum exposure to credit risk after fair value of collateral held or other credit enhancements.

	Group				
31 December 2025	**P'000**	**P'000**			**P'000**
	Maximum exposure to credit risk	**Fair value of collateral**			**Net exposure**
		Property	**Vehicles**	**Cash and other**	
Balances with other banks	1,733,949	-	-	-	1,733,949
Balances with Central Bank	489,134	-	-	-	489,134
Investment securities	1,526,879	-	-	-	1,526,879
Amounts due from related parties	7,944	-	-	-	7,944
Derivative financial assets	4	-	-	-	4
Other financial assets	311,035	-	-	-	311,035
Loans and advances to customers	**6,456,871**	**1,466,387**	**49,987**	**144,266**	**5,268,589**
Mortgage lending	632,116	1,078,032	-	-	-
Vehicle asset finance	22,323	-	48,766	-	-
Corporate lending	198,340	3,101	-	15,299	179,940
Commercial and property finance	191,756	12,298	-	-	179,458
Retail and SME lending	5,412,336	372,957	1,221	128,966	4,909,191
Maximum exposure	**10,525,816**	**1,466,387**	**49,987**	**144,266**	**9,337,535**
Credit exposures relating to off-balance sheet items are as follows:					
Financial guarantees	176,796	-	-	89,190	87,606
Loan commitments and other credit related liabilities	263,579	-	-	-	263,579
	440,374	**-**	**-**	**89,190**	**351,185**

	Company				
31 December 2025	**P'000**	**P'000**			**P'000**
	Maximum exposure to credit risk	**Fair value of collateral**			**Net exposure**
		Property	**Vehicles**	**Cash and other**	
Balances with other banks	1,733,949	-	-	-	1,733,949
Balances with Central Bank	489,134	-	-	-	489,134
Investment securities	1,526,879	-	-	-	1,526,879
Amounts due from related parties	7,944	-	-	-	7,944
Derivative financial assets	4	-	-	-	4
Other financial assets	310,135	-	-	-	310,135
Loans and advances to customers	**6,456,871**	**1,466,387**	**49,987**	**144,266**	**5,268,589**
Mortgage lending	632,116	1,078,032	-	-	-
Vehicle asset finance	22,323	-	48,766	-	-
Corporate lending	198,340	3,101	-	15,299	179,940
Commercial and property finance	191,756	12,298	-	-	179,458
Retail and SME lending	5,412,336	372,957	1,221	128,966	4,909,191
Maximum exposure	**10,524,915**	**1,466,387**	**49,987**	**144,266**	**9,336,633**

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3 Financial risk management (continued)
3.1 Credit risk (continued)

Maximum exposure to credit risk after fair value of collateral held or other credit enhancements (continued)

		Company			
31 December 2025	**P'000**		**P'000**		**P'000**
	Maximum exposure to credit risk	**Fair value of collateral**			**Net exposure**
		Property	**Vehicles**	**Cash and other**	
Credit exposures relating to off-balance sheet items are as follows:					
Financial guarantees	176,796	-	-	89,190	87,606
Loan commitments and other credit related liabilities	263,579	-	-	-	263,579
	440,374	**-**	**-**	**89,190**	**351,185**

31 December 2024 *	**P'000**		**P'000**		**P'000**
Group	**Maximum exposure to credit risk**	**Fair value of collateral**			**Net Exposure**
		Property	**Vehicles**	**Cash and other**	
Balances with other banks*	1,203,115	-	-	-	1,203,115
Balances with Central Bank	621,903	-	-	-	621,903
Investment securities*	1,796,122	-	-	-	1,796,122
Amounts due from related parties*	140,491	-	-	-	140,491
Derivative financial assets	4,744	-	-	-	4,744
Other financial assets	300,309	-	-	-	300,309
Loans and advances to customers *	**5,711,480**	**1,818,890**	**43,909**	**286,414**	**4,521,027**
Mortgage lending	674,389	1,206,186	-	4	-
Vehicle asset finance	15,872	-	15,871	-	1
Corporate lending	259,707	402,765	2,264	268,185	-
Commercial and property finance	218	13,670	-	-	-
Retail and SME lending*	4,761,294	196,269	25,774	18,225	4,521,026
Maximum exposure*	**9,778,163**	**1,818,890**	**43,909**	**286,414**	**8,587,711**

*The 2024 note has been restated to present investment security, balances due from related parties and balances with other banks at their net balance of P1,796,122, P140,491 and P1,203,115, respectively as per requirements of IFRS 7 Financial Instruments: Disclosures paragraph B9 . This was to correct the balances of P1,799,768, P147,277 and P1,203,381, respectively which were represented as a gross figure. Further, the loans and advances have been restated to a net amount of P5.7 bn from a gross amount of P5.9bn and this was due to the correction of retail and SME lending balance from P5bn to P4.8bn . The resulted in the maximum exposure to credit risk being corrected to P9.7bn from P10bn.

Credit exposures relating to off-balance sheet items are as follows:					
Financial guarantees	296,507	-	-	79,072	217,435
Loan commitments and other credit related liabilities	118,079	-	-	-	118,079
	414,586	**-**	**-**	**79,072**	**335,514**

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3 Financial risk management (continued)
3.1 Credit risk (continued)
Maximum exposure to credit risk after fair value of collateral held or other credit enhancements (continued)

31 December 2024 *	P'000	P'000			P'000
Company	**Maximum exposure to credit risk**	**Fair value of collateral**			**Net Exposure**
		Property	**Vehicles**	**Cash and other**	
Balances with other banks*	1,203,115	-	-	-	1,203,115
Balances with Central Bank	621,903	-	-	-	621,903
Investment securities*	1,796,122	-	-	-	1,796,122
Amounts due from related parties*	141,122	-	-	-	141,122
Derivative financial assets	4,744	-	-	-	4,744
Other financial assets	299,892	-	-	-	299,892
Loans and advances to customers: *	**5,711,480**	**1,818,890**	**43,909**	**286,414**	**4,521,027**
Mortgage lending	674,389	1,206,186	-	4	-
Vehicle asset finance	15,872	-	15,871	-	1
Corporate lending	259,707	402,765	2,264	268,185	-
Commercial and property finance	218	13,670	-	-	-
Retail and SME lending	4,761,294	196,269	25,774	18,225	4,521,026
Maximum exposure*	**9,778,378**	**1,818,890**	**43,909**	**286,414**	**8,587,925**

*The 2024 note has been restated to present investment security, balances due from related parties and balances with other banks at their net balance of P1,796,122, P141,122 and P1,203,115, respectively as per requirements of IFRS 7 Financial Instruments: Disclosures paragraph B9 . This was to correct the balances of P1,799,768, P147,908 and P1,203,381, respectively which were represented as a gross figure. Futher, the loans and advances have been restated to a net amount of P5.7 bn from a gross amount of P5.9bn and this was due to the correction of retail and SME lending balance from P5bn to P4.8bn . The resulted in the maximum exposure to credit risk being corrected to P9.7bn from P10bn.

Credit exposures relating to off-balance sheet items are as follows:					
Financial guarantees	296,507	-	-	79,072	217,435
Loan commitments and other credit related liabilities	118,079	-	-	-	118,079
	414,586	**-**	**-**	**79,072**	**335,514**

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)

3.1.1 Repossessed collateral

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

	Consolidated and Company	
Nature of assets	**2025**	**2024**
	P'000	**P'000**
Property - residential	6,203	12,768
Property - commercial	-	5,851
Motor Vehicles	-	1,125
	6,203	**19,744**

The properties repossessed are for Mortgages (secured by residential property), Term loan (secured by commercial property) and Vehicle Financing (secured by motor vehicles), all of which are disclosed at open market value. Refer to note 1.11 for the Group's policy on treatment of repossessed assets.

3.1.2 Loans and advances by industry sectors

The following table analyses the Group's gross loan book by the industry sectors of the counterparties:

	Consolidated and Company	
	2025	**2024**
	P'000	**P'000**
Construction	38,904	17,187
Wholesale, retail and trade	18,925	5,570
Financial services	124,805	38,720
Transport	16,963	11,657
Real Estate	24,480	17,272
Individuals	6,176,876	5,624,535
Tourism	10,615	13,945
Other	342,706	224,942
Total	**6,754,274**	**5,953,828**

Credit exposures relating to off-balance sheet items are as follows:*

Financial services	86,153	176,191
Agriculture	26,801	-
Telecommunications	45,700	-
Construction	2,869	-
Medical services	-	20,000
Other	15,272	100,316
	176,796	**296,507**

*The 2024 note has been restated to correct the presentation of the "off balance sheet" by industry sector, this was previously disclosed under two sectors only.

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)

3.1.3 Financial instruments at amortised cost by stage

The table below presents an analysis of financial instruments at amortised cost by gross exposure, impairment allowance and coverage ratio by stage allocation and products as at 31 December 2025 for the Group and the Company. Also included are off-balance sheet items and financial guarantee contracts. ECL on cash and balances with central bank and derivative assets are considered not significant, and not presented below. This is because cash and bank balances with central bank and investment securities are owed from the government and deemed to be sovereign debt. The government of Botswana has a credit rating of Baa1 and has never defaulted on the amounts owing, hence, the probability of default is minimal. ECL for balances due from related parties is calculated using the loss rate approach which takes into account the probability of default (including country risk) and loss given default. Other assets consist of placements where risk of default is negligible, including clearing accounts which are very short term (less than 30 days) and would have cleared within the expected timelines, hence limited probability of default. ECL for Balances with other banks is calculated using the loss rate approach. The balances have short tenors of less than 60 days and are all classified as stage 1 hence, the resulting ECL is considered immaterial.

The ECLs were calculated based on actual credit loss experience over the past years as well as the forward looking information. The Group performed the calculation of ECL rates separately for Corporate and Retail customers.

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.3 Financial instruments at amortised cost by stage(continued)

31 December 2025 (Group and Company)

In thousands of Pula	31 December 2025 Balance				31 December 2025 ECL				Net exposure				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Mortgage lending	569,169	20,421	42,526	632,116	(4,575)	(1,790)	(12,926)	(19,291)	564,594	18,631	29,601	612,826	3.05%
Corporate lending	186,475	3,600	8,266	198,341	(363)	(6)	(2,017)	(2,387)	186,112	3,594	6,248	195,954	1.20%
Retail and SME lending	5,583,805	70,022	269,991	5,923,818	(40,602)	(65,206)	(169,918)	(275,725)	5,543,203	4,815	100,073	5,648,092	4.65%
Total loans and advances	**6,339,449**	**94,043**	**320,782**	**6,754,274**	**(45,540)**	**(67,002)**	**(184,861)**	**(297,403)**	**6,293,908**	**27,039**	**135,922**	**6,456,870**	**4.40%**
Balances due from related parties	7,944	-	-	7,944	-	-	-	-	7,944	-	-	7,944	0.00%
	440,374	-	-	440,374	(1,518)	-	-	(1,518)	438,856	-	-	438,856	0.34%
Investment securities	1,534,432	-	-	1,534,432	(7,553)	-	-	(7,553)	1,526,879	-	-	1,526,879	0.49%
Cash and balances with the Central Bank	489,134	-	-	489,134	-	-	-	-	489,134	-	-	489,134	0.00%
Balances with other banks	1,734,758	-	-	1,734,758	(809)	-	-	(809)	1,733,949	-	-	1,733,949	0.05%
Derivative financial assets	4	-	-	4	-	-	-	-	4	-	-	4	0.00%
Other financial assets	65,420	-		65,420	-	-	-	-	65,420	-	-	65,420	0.00%
Total	**10,611,515**	**94,043**	**320,782**	**11,026,340**	**(55,420)**	**(67,002)**	**(184,861)**	**(307,282)**	**10,556,095**	**27,040**	**135,922**	**10,719,057**	**2.79%**

31 December 2024 (Group and Company) *

In thousands of Pula	31 December 2024 Balance				31 December 2024 ECL				Net exposure				31 December 2024 ECL Coverage Ratio*
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Mortgage lending	610,492	19,344	44,553	674,389	(2,427)	(1,094)	(15,841)	(19,362)	608,065	18,250	28,712	655,027	2.87%
Corporate lending	251,879	-	7,828	259,707	(130)	-	(600)	(730)	251,749	-	7,228	258,977	0.28%
Retail and SME lending	4,712,330	45,382	262,020	5,019,732	(28,951)	(5,726)	(187,579)	(222,256)	4,683,379	39,656	74,441	4,797,476	4.43%
Total Loans and advances	**5,574,701**	**64,726**	**314,401**	**5,953,828**	**(31,508)**	**(6,820)**	**(204,020)**	**(242,348)**	**5,543,193**	**57,906**	**110,381**	**5,711,480**	**4.07%**
Balances due from related parties	147,277	-	-	147,277	(6,786)	-	-	(6,786)	140,491	-	-	140,491	4.61%
Financial guarantees and loan commitments	414,586	-	-	414,586	(1,518)	-	-	(1,518)	413,068	-	-	413,068	0.37%
Investment securities	1,799,769	-	-	1,799,769	(3,646)	-	-	(3,646)	1,796,123	-	-	1,796,123	0.20%
Cash and balances with the Central Bank	621,903	-	-	621,903	-	-	-	-	621,903	-	-	621,903	0.00%
Balances with other banks	1,203,381	-	-	1,203,381	(266)	-	-	(266)	1,203,115	-	-	1,203,115	0.02%
Derivative financial assets	4,744	-	-	4,744	-	-	-	-	4,744	-	-	4,744	0.00%
Other financial assets**	61,214	-	-	61,214	-	-	-	-	61,214	-	-	61,214	0.00%
Total	**9,827,575**	**64,726**	**314,401**	**10,206,702**	**(43,724)**	**(6,820)**	**(204,020)**	**(254,564)**	**9,783,851**	**57,906**	**110,381**	**9,952,138**	**2.49%**

* ECL coverage ratio is calculated as the total ECL to the gross outstanding balance.
**The 2024 note has been restated within the other financial asset line. The balance was previously presented as P300 million and has now been corrected to P61 million. The restatement arose because of a nano loan measured at fair value through profit or loss was previously included in this disclosure which is intended to reflect only instruments which are measured at amortised cost.

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.4 Renegotiated loans

Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. In order for a loan to qualify for a modification it needs to meet the criteria in the credit policy despite whether it generates a gain or loss. The renegotiated loans are then monitored more strictly than the performing loans with advice of performance being reported to credit committees submitted on a monthly basis.

	Consolidated and Company			
Renegotiated loans as at 31 December 2025	**Stage 1 P'000**	**Stage 2 P'000**	**Stage 3 P'000**	**Total P'000**
Gross carrying amount				
Retail and SME lending	138	-	513	651
	138	**-**	**513**	**651**
Allowance for ECL				
Retail and SME lending	(2)	-	(261)	(263)
	(2)	-	**(261)**	**(263)**
Net renegotiated loans	**136**	**-**	**252**	**388**

In 2025, the amortised cost of the derecognised loans amounted to P651k (2024: P6.8 million) and resulted in a net gain of P139k (2024: 538k).

	Consolidated and Company			
Renegotiated loans as at 31 December 2024*	**Stage 1 P'000**	**Stage 2 P'000**	**Stage 3 P'000**	**Total P'000**
Gross carrying amount				
Retail and SME lending*	-	6,841	-	6,841
	-	**6,841**	**-**	**6,841**
Allowance for ECL				
Retail and SME lending*	-	(713)	-	(713)
	-	**(713)**	**-**	**(713)**
Net renegotiated loans	**-**	**6,128**	**-**	**6,128**

In 2024 , the facilities were restructured on technical grounds and not necessarily due to increased credit risk.

*The comparative figures for the year ended 31 December 2024 was previously disclosed at its post-modification value of P7.3 million. This has been updated to reflect the pre-modification value of P6.8 million.

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.5 Credit quality by asset class

The table below shows the stage wise break up of financial assets.

Consolidated and Company

31 December 2025	Stage 1	Stage 2	Stage 3	Total	Collateral	Net exposure
	P'000	P'000	P'000	P'000	P'000	P'000
At FVTPL						
Derivative financial assets	4	-	-	4	-	**4**
Nano loan float	245,615	-	-	245,615		**245,615**
At amortised cost						
Cash and balances with Central Bank	489,134	-	-	489,134	-	**489,134**
Balances with other banks	1,734,758	-	-	1,734,758	-	**1,734,758**
Balances due from related parties	7,944	-	-	7,944	-	**7,944**
Loans and advances	6,339,448	94,043	320,783	6,754,274	1,188,282	**5,565,992**
Performing	6,339,448	-	-	6,339,448	981,383	**5,358,065**
Special mention	-	94,043	-	94,043	75,652	**18,391**
Substandard	-	-	48,963	48,963	34,691	**14,272**
Doubtful	-	-	29,757	29,757	11,291	**18,466**
Loss	-	-	242,063	242,063	85,265	**156,798**
Investment securities	1,534,432	-	-	1,534,432	-	**1,534,432**
Other financial assets	65,420	-	-	65,420	-	**65,420**
	10,416,755	**94,043**	**320,783**	**10,831,581**	**1,188,282**	**9,643,299**
Off balance sheet items						
Financial guarantees	176,796	-	-	176,796	89,190	**87,606**
Loan commitments and other credit related liabilities	263,579	-	-	263,579	-	**263,579**
Total	**10,857,129**	**94,043**	**320,783**	**11,271,956**	**1,277,472**	**9,994,484**

Consolidated and Company

31 December 2024*	Stage 1*	Stage 2	Stage 3	Total *	Collateral *	Net exposure*
	P'000	P'000	P'000	P'000	P'000	P'000
At FVTPL						
Derivative financial assets	4,744	-	-	4,744	-	**4,744**
Nano loan float *	239,095	-	-	239,095	-	**239,095**
At amortised cost						
Cash and balances with Central Bank	621,903	-	-	621,903	-	**621,903**
Balances with other banks	1,203,381	-	-	1,203,381	-	**1,203,381**
Balances due from related parties	147,277	-	-	147,277	-	**147,277**
Loans and advances	5,574,701	64,726	314,401	5,953,828	1,190,454	**4,763,374**
Performing	5,574,701	-	-	5,574,701	978,910	**4,595,791**
Special mention	-	64,726	-	64,726	34,311	**30,415**
Substandard	-	-	25,664	25,664	18,176	**7,488**
Doubtful	-	-	30,450	30,450	12,792	**17,658**
Loss	-	-	258,287	258,287	146,265	**112,022**
Investment securities	1,799,768	-	-	1,799,768	-	**1,799,768**
Other financial assets	61,214	-	-	61,214	-	**61,214**
	9,652,083	**64,726**	**314,401**	**10,031,210**	**1,190,454**	**8,840,756**
Off balance sheet items						
Financial guarantees	296,507	-	-	296,507	79,072	**217,435**
Loan commitments and other credit related liabilities	118,079	-	-	118,079		**118,079**
Total	**10,066,669**	**64,726**	**314,401**	**10,445,796**	**1,269,526**	**9,176,270**

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.5 Credit quality by asset class (continued)

*The 2024 note was restated to correct the classification of nano loans amounting to P239 million, which were previously included in Other Financial Assets but have now been separately disclosed under the heading for financial assets at FVTPL whereas it was included under the amortised cost heading in the prior year. In addition, off-balance-sheet exposures were segregated to present financial guarantees of P297 million and loan commitments of P118 million, which were previously disclosed as a single aggregate balance of P415 million. Lastly, the collateral values have been restated to limit the reported amounts to the carrying values of the underlying loans they secure and exclude the effect of presenting the over-collateraled positions against unrelated uncollateralised balances. As a result, the financial year 2024 collateral balance was corrected from P2.1 million to P1.2 million, Comparative figures have been restated accordingly.

Substandard - The loan is past due for more than 90 days but less than 180 days and the debtor is potentially bankrupt. The business or obligor is in financial distress and there is considerable uncertainty with respect to payment of principal and interest. In addition, the primary source of repayment is insufficient to service the debt and the obligor has had to resort to secondary sources of payment such as collateral, sale of fixed assets, refinancing or additional capital injections for repayment. The loan has been renegotiated or restructured and requires attention and intensive management.

Doubtful - The obligor is not legally or formally Bankrupt. Nonetheless, the business is effectively or virtually bankrupt and is encountering severe liquidity and solvency challenges. The loan is past due for more than 180 days but less than 360 days and the debtor has failed to pay scheduled principal and interest payments.

Loss - The debtor has defaulted on the debt obligation and is legally and formally bankrupt. The asset is past due for more than 360 days and the obligor has been unable to meet scheduled principal and interest payments. The loan is uncollectible or of such little value that its continuance as an asset is not warranted.

Performing - A loan is not in or near default. Performing loan is a loan in which loan installments inclusive of interest and principal payments are up to date.

Special mention assets - when there is evidence of increased credit risk on a loan but the loan is not considered impaired. This could be due to the loan being past due by not more than 90 days overdue, inadequate credit documentation or collateral not fully in place.

Collateral - This includes bond cession over land and buildings, lien over movable assets, and cash collateral held by the bank, which have all been pledged to the bank. The value of the collateral disclosed is at open market value. As per the banks policy valuations are to be held once every three years.

The credit quality of performing financial loans and advances subject to credit risk, that were neither past due nor impaired, based on the bank's internal credit ratings, was as follows:

	Consolidated and Company	
	2025 P'000	2024 P'000
Loans granted within last 12 months, with no history of default	1,836,815	2,211,152
Loans granted within last 12 months, with minor history of default	968,890	69,001
Loans granted prior to the last 12 months, with no history of default	3,304,710	3,062,330
Loans granted prior to the last 12 months, with minor history of default	229,031	232,218
Total	**6,339,448**	**5,574,701**

Stage 3 analysis of loans (Non-performing loans and advances)

Loans and advances are managed with reference to the days in arrears. Days in arrears are calculated based on the amount past due relative to the instalment amount. Loans and advances outstanding for longer than 90 days are considered non-performing and are included in stage 3 for the loss allowance calculation. As determined by the regulatory requirements, any asset which is overdue 30 days or more but less than 90 days shall be classified as special mention, at a minimum and is subject to impairment in accordance with the stage 2 calculations. The bank follows a more conservative approach than the regulators and already classifies loans in 0-30 days on a watch list, - where, on a case-by-case basis, indicators of a possible future loss event exist. Additionally, loans that are made to a specific industry or individuals that are not past due, but we deem to be risky are assessed and in certain instances subject to impairment in accordance with the stage 2 calculations. Loans categorized on the watch list are performing but subject to the impairment in accordance to the IFRS 9 calculations.

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)

The impaired loans and advances to customers before taking into consideration the cash flows from collateral held is BWP 321 million (2024: BWP 314 million). The breakdown of the gross amount of impaired loans and advances by class, along with the fair value of related collateral held by the bank as security, is as follows:

	Vehicle finance	Commercial loans	Mortgage loans	Individual loans	Overdrafts	Total
31 December 2025	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**
Past due up to 30 days	95	24,782	1,404	71,164	13,636	111,080
Past due 31 - 60 days	534	11	945	28	-	1,518
Past due 61 - 90 days	-	-	291	244	-	535
Past due 91 - 180 days	594	6,136	11,529	27,823	-	46,083
Past due more than 180 days	3,721	3,626	28,357	125,863	-	161,567
Total	**4,944**	**34,556**	**42,526**	**225,122**	**13,636**	**320,783**
Fair value of collateral held	(3,707)	(56,819)	(70,720)	-	-	(131,247)
Total	**1,236**	**-**	**-**	**225,122**	**13,636**	**189,536**
Impairment raised	(2,351)	(8,121)	(12,711)	(150,389)	(11,289)	(184,861)
Net exposure	**-**	**-**	**-**	**74,733**	**2,346**	**4,675**

	Vehicle finance	Commercial loans	Mortgage loans	Individual loans	Overdrafts	Total
31 December 2024	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**
Past due up to 30 days	68	257	5,284	88,610	25,731	119,950
Past due 31 - 60 days	-	-	1,023	1,008	-	2,032
Past due 61 - 90 days	259	-	1,387	1,071	-	2,717
Past due 91 - 180 days	-	-	5,446	19,202	-	24,648
Past due more than 180 days	-	6,469	31,412	127,174	-	165,055
Total	**328**	**6,726**	**44,553**	**237,064**	**25,731**	**314,402**
Fair value of collateral held	(327)	(35,257)	(77,559)	(67,521)	-	(180,664)
Total	**1**	**-**	**-**	**169,543**	**25,731**	**133,738**
Impairment raised	(225)	(249)	(15,843)	(163,053)	(24,650)	(204,020)
Net exposure	**-**	**-**	**-**	**6,490**	**1,081**	**-**

The value of tangible collateral disclosed above is limited to the outstanding balance, therefore any over-collateralised portion of a loan is excluded from the value of tangible collateral. Impairments are raised for under-collateralised non-performing loans, resulting in a net exposure of nil. Further information of the impairment allowance for loans and advances to customers is provided in note 1.3.

As at 31 December 2025 and 2024 the following financial instruments are neither past due nor impaired:

	2025 P'000	2024 P'000
Cash and balances with central bank	489,134	621,903
Derivative financial assets	4	4,744
Due from other banks*	1,733,949	1,203,115
Other assets	311,035	300,309
Total	**2,534,122**	**2,130,071**

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)

*The comparative note for 2024 has been restated to correctly disclose a balance due from other banks amounting to P1,203,115, which was previously omitted

The following section summarises the credit quality of financial assets (excluding loans and advances) and exposures to corresponding and counterparty banks for 31 December 2025.

The bank applies credit ratings in line with regulatory requirements to reflect the credit risk of financial instruments. External credit ratings from reputable international rating agencies are utilised for cross border exposures, which is augmented with thorough internal credit and financial analyses in the determination and setting of exposure limits. Distinction between two broad credit quality classes are made, i.e. investment grade (AAA to BBB) and speculative / high-yield (BB and lower). Fitch ratings are utilised as far as possible. If Fitch ratings are not available, Moody's and Standard & Poor's ratings are used for classification. If no ratings are available, i.e. certain African countries for example, these exposures are classified as unrated and are subject to much stricter lending criteria.

31 December 2025	Investment grade (AAA to BAA)	Unrated	Total
	P'000	P'000	P'000
Balance with central bank	489,134	-	489,134
Balances due from related parties	7,944	-	7,944
Other securities	1,534,432	-	1,534,432
Due from other banks	1,734,758	-	1,734,758
Other assets	-	311,035	311,035
Derivative financial assets	4	-	4
Total	**3,766,272**	**311,035**	**4,077,307**

31 December 2024 *	Investment grade (AAA to BBB)	Unrated	Total
	P'000	P'000	P'000
Balance with central bank	621,903	-	**621,903**
Balances due from related parties	147,277	-	**147,277**
Other securities*	1,799,768	-	**1,799,768**
Due from other banks	1,203,381	-	**1,203,381**
Other assets*	-	300,309	**300,309**
Derivative financial assets	4,744	-	**4,744**
Total	**3,777,072**	**300,309**	**4,077,381**

*The 2024 note has been restated to present only the financial component of the Other Assets balance amounting to P300 million. This correction arose from the previous presentation of P359 million, which reflected the total balance rather than the financial portion. In addition, Other Securities was restated to correct the net amount after ECL of P1,798 million to present the gross carrying amount by credit risk rating grade of P1,799 million as required by IFRS 7 para 35M.

Unrated exposures consist mainly of cash balances and due from other banks. The creditworthiness of these government and large commercial banks' money market instruments are of high quality, which poses low credit risk. Other assets consist of accounts receivable as well as clearing and settlement accounts. Rated and unrated exposures are not collateralised.

The following risk weightings are applied for due from other banks when calculating the risk-based capital ratios:

Exposure to banks assigned a credit risk assessment rating of AAA to AA-	20%
Exposure to banks assigned a credit risk assessment rating of A+ to A-	20%
Exposure to banks assigned a credit risk assessment rating of BB+ to B- or unrated	100%
Exposure to banks assigned a credit risk assessment rating below B-	150%

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.1 Credit risk (continued)

3.1.6 Movement in expected credit losses

Changes in expected credit losses includes the impacts of transfers between stages, changes made to parameters (such as probability of default, exposure at default and loss given default), changes in macroeconomic variables, drawdowns, repayments and other movements.

The following table shows movement in gross loans and advances from 1 January 2025 to 31 December 2025:

	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
(I)				
Opening balance	**5,574,701**	**64,726**	**314,401**	**5,953,828**
New loans	2,609,448	27,403	24,465	2,661,316
Transfer to stage 1	26,104	(20,669)	(5,435)	-
Transfer to stage 2	(52,066)	56,550	(4,484)	-
Transfer to stage 3	(40,675)	(16,348)	57,023	-
Write-offs	-	-	(31,819)	(31,819)
Payments	(1,778,063)	(17,620)	(33,367)	(1,829,050)
Closing Balance	**6,339,449**	**94,042**	**320,783**	**6,754,274**

Retail and SME loans	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**4,712,329**	**45,382**	**262,021**	**5,019,732**
New loans	2,445,969	27,402	24,434	2,497,805
Transfer to stage 1	17,821	(13,650)	(4,171)	-
Transfer to stage 2	(34,282)	36,234	(1,952)	-
Transfer to stage 3	(37,055)	(10,535)	47,590	-
Write-offs	-	-	(31,819)	(31,819)
Payments	(1,520,977)	(14,811)	(26,112)	(1,561,900)
Closing Balance	**5,583,805**	**70,022**	**269,992**	**5,923,818**

Corporate loans	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**251,879**	**-**	**7,828**	**259,707**
New loans	116,294	-	438	116,732
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(3,600)	3,600	-	-
Modifications	-	-	-	-
Loan settlements and write-offs	-	-	-	-
Payments	(178,098)	-	-	(178,098)
Closing Balance	**186,475**	**3,600**	**8,266**	**198,341**

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.6 Movement in expected credit losses (continued)

Mortgage loans	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**610,493**	**19,344**	**44,552**	**674,389**
New loans	47,185	-	-	47,185
Transfer to stage 1	8,283	(7,019)	(1,264)	-
Transfer to stage 2	(14,185)	16,716	(2,531)	-
Transfer to stage 3	(3,620)	(5,813)	9,433	-
Write-offs	-	-	-	-
Payments	(78,988)	(2,807)	(7,664)	(89,459)
Closing Balance	**569,168**	**20,421**	**42,526**	**632,116**

The following table shows movement in expected credit losses from 1 January 2025 to 31 December 2025:

	Expected credit losses			
Loans and advances	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**31,508**	**6,820**	**204,020**	**242,348**
New loans	28,229	5,433	12,349	46,010
Transfer to stage 1	2,926	(1,046)	(1,880)	-
Transfer to stage 2	(7,023)	8,593	(1,570)	-
Transfer to stage 3	(20,074)	(7,038)	27,112	-
Write-offs	-	-	(31,819)	(31,819)
Payments	(2,658)	(4,857)	(29,264)	(36,779)
Changes in PD, LGD and model assumptions	12,632	59,098	5,913	77,643
Closing Balance	**45,540**	**67,002**	**184,860**	**297,403**

The increase in the ECL for this year was mainly driven by the forward looking indicators predominantly the reduction of the GDP rate and the increase in stage 2 is due to fact that there were new schemes that were obtained during the year that missed payments.

The table above provides a breakdown of the change in the ECL impairment recognised in the current period based on the key drivers. The key components of the ECL impairment recognised in the current period are as follows:

Stage 1 – This represents the change in the impairment on stage 1 advances assuming that the coverage ratio has remained unchanged from the prior period. This column therefore represents the change in volume of stage 1 advances due to new business, stage migration, loans commencing the period in stage 2 subsequently migrating to stage 3 or curing. Decreases in stage 1 ECL are largely due to loan book attrition in the bank during the year.

Stage 2 – This represents the change in the impairment on stage 2 advances assuming that the coverage ratio remained unchanged from the prior period. This column therefore represents the change in volume of stage 2 advances due to stage migration, loans commencing the period in stage 2 subsequently migrating to stage 3 or curing. The volume change in stage 2 advances is in line with the reduction in the loan book and curing of loans from stage 3 due to collection strategies.

Stage 3 – This represents the change in the impairment on stage 3 advances due to a change in the coverage ratio and volume changes due to loans commencing in the period in stage 3 subsequently written off or curing. Increases to Stage 3 ECL driven by (1) increased default instances within a portion of the loan book.

Other - these includes change to ECL due to model enhancements and differences in product mix where coverage ratios will differ due to the nature of collateral.

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.6 Movement in expected credit losses (continued)

Retail and SME loans	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**28,951**	**5,726**	**187,579**	**222,256**
New loans	27,683	5,434	12,318	45,435
Transfer to stage 1	2,653	(795)	(1,858)	-
Transfer to stage 2	(6,089)	7,091	(1,002)	-
Transfer to stage 3	(19,502)	(6,119)	25,621	-
Payments	(2,573)	(4,832)	(25,219)	(32,624)
Write-offs	-	-	(31,819)	(31,819)
Changes in PD, LGD and model assumptions	9,479	58,701	4,298	72,478
Closing balance	**40,602**	**65,206**	**169,918**	**275,726**

Corporate loans	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**130**	**-**	**600**	**730**
New loans	148	-	30	178
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(1)	1	-	-
Transfer to stage 3	-	-	-	-
Payments	(5)	-	-	(5)
Changes in PD, LGD and model assumptions	91	5	1,386	1,482
Closing balance	**363**	**6**	**2,017**	**2,386**

Mortgage loans	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**2,427**	**1,094**	**15,841**	**19,362**
New loans	397	-	-	397
Transfer to stage 1	273	(251)	(22)	-
Transfer to stage 2	(933)	1,501	(568)	-
Transfer to stage 3	(572)	(919)	1,491	-
Write-offs	-	-	-	-
Payments	(80)	(25)	(4,032)	(4,137)
Changes in PD, LGD and model assumptions	3,062	390	216	3,668
Closing balance	**4,574**	**1,790**	**12,926**	**19,291**
Changes in expected credit losses (ECL) for total loans during the year	**14,032**	**60,182**	**(19,160)**	**55,055**
Impact of write-offs	-	-	31,819	31,819
Changes in ECL recognised in statement of profit or loss	**14,032**	**60,182**	**12,660**	**86,874**

Investment security	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**(3,646)**	-	-	(3,646)
Movements for the year*	(3,907)	-	-	(3,907)
Closing balance	**(7,553)**	**-**	**-**	**(7,553)**

*The movement is mainly due to the ECL for New Horizon Funding SPV which is Senior note program which has a charge of P3.5million, and P400k for other securities as at year end (refer to note 9).

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.6 Movement in expected credit losses (continued)

Off balance sheet	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**(1,518)**	-	-	(1,518)
Movements for the year	-	-	-	-
Closing balance	**(1,518)**	**-**	**-**	**(1,518)**

The following table shows movement in gross loans and advances from 1 January 2024 to 31 December 2024:

	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**6,020,844**	**49,810**	**292,263**	**6,362,917**
New loans	2,216,255	11,772	15,651	2,243,678
Transfer to stage 1	22,263	(17,354)	(4,909)	-
Transfer to stage 2	(40,452)	44,702	(4,250)	-
Transfer to stage 3	(55,297)	(12,914)	68,211	-
Write offs	-	-	(20,078)	(20,078)
Payments	(2,588,912)	(11,290)	(32,487)	(2,632,689)
Closing Balance	**5,574,701**	**64,726**	**314,401**	**5,953,828**

There were no purchased or originated credit-impaired financial assets during the year.
*Overall, movements in the stages are reflective of improved performance of the loan book during the year. This was due to (1) loan write-offs which reduces the non-performing loan book and (2) effective collection strategies employed by the bank in the past 2 years. This has resulted in the book being skewed towards stage1 and stage 2, compared to the position as at 1 January 2022.

- Realignment of roles within the Collections shop
- Risk segmentation of accounts giving priority to high-risk accounts
- Introduction of Collector KPIs aligned to the impairment budget
- Securing and enforcing Judgement on matters undergoing litigation
- Frequent engagement with our External Debt Collectors to monitor performance and align to Recoveries Strategy

Retail and SME loans

	Gross loans and advances			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total P'000
Opening balance	**5,176,029**	**20,490**	**238,807**	**5,435,326**
New loans	2,051,936	11,771	13,871	2,077,578
Transfer to stage 1	8,236	(6,594)	(1,642)	-
Transfer to stage 2	(27,091)	29,616	(2,525)	-
Transfer to stage 3	(48,647)	(8,965)	57,612	-
Loan settlements and write-offs	-	-	(18,630)	(18,630)
Payments	(2,448,134)	(936)	(25,473)	(2,474,543)
Closing Balance	**4,712,329**	**45,382**	**262,020**	**5,019,731**

Movement in the Retail and SME loans are in line with the movements in the gross book as aforementioned. The performance of the portfolio has improved due to write-offs of part of the non performing portfolio and improved collection strategy.

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.6 Movement in expected credit losses (continued)

Corporate loans

	Gross loans and advances			
	Stage 1	Stage 2	Stage 3	Total
	P'000	P'000	P'000	P'000
Opening balance	**212,429**	**-**	**6,423**	**218,852**
New loans	126,823	-	-	126,823
Payments	(87,373)	-	1,405	(85,968)
Closing Balance	**251,879**	**-**	**7,828**	**259,707**

No significant movements in corporate loans apart from the reduction in the book value due to reduced lending activities and reclassification of some corporate loans to the SME portfolio

Mortgage Loans

	Gross loans and advances			
	Stage 1	Stage 2	Stage 3	Total
	P'000	P'000	P'000	P'000
Opening balance	**632,386**	**29,320**	**47,033**	**708,739**
New loans	37,494	-	1,780	39,274
Transfer to stage 1	14,028	(10,761)	(3,267)	-
Transfer to stage 2	(13,361)	15,086	(1,725)	-
Transfer to stage 3	(6,650)	(3,949)	10,599	-
Write off	-	-	(1,448)	(1,448)
Payments	(53,404)	(10,352)	(8,420)	(72,176)
Other	-	-	-	-
Closing Balance	**610,493**	**19,344**	**44,552**	**674,389**

There were no significant movements in the mortgages portfolio during the year in terms of gross balance and also distribution of the loans amongst stages. This is due to the relatively low risk nature of the portfolio as it is secured such that volume of payments remains high and there are relatively low defaults, hence, insignificant movement between the stages or quicker cure rates in the event of default.

The following table shows movement in expected credit losses from 1 January 2024 to 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total
Loans and advances	P'000	P'000	P'000	P'000
Opening balance	**51,340**	**12,277**	**164,661**	**228,278**
New loans	12,510	1,534	10,896	24,940
Transfer to stage 1	75	(61)	(14)	-
Transfer to stage 2	(4,009)	4,482	(473)	-
Transfer to stage 3	(26,974)	(6,254)	33,228	-
Write-offs	-	-	(20,078)	(20,078)
Payments	(1,434)	(5,158)	15,800	9,208
Closing balance	**31,508**	**6,820**	**204,020**	**242,348**

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3 Financial risk management (continued)
3.1 Credit risk (continued)
3.1.6 Movement in expected credit losses (continued)

The following tables shows movement in expected credit losses from 1 January 2024 to 31 December 2024 across the various portfolios:

	Stage 1	Stage 2	Stage 3	Total
Retail and SME loans	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	**50,450**	**11,681**	**150,930**	**213,061**
New loans	12,303	1,534	9,569	23,406
Transfer to stage 1	50	(40)	(10)	-
Transfer to stage 2	(3,230)	3,598	(368)	-
Transfer to stage 3	(25,534)	(4,784)	30,318	-
Payments	(5,088)	(6,263)	15,770	4,419
Write-offs	-	-	(18,630)	(18,630)
Closing balance	**28,951**	**5,726**	**187,579**	**222,256**

	Stage 1	Stage 2	Stage 3	Total
Corporate loans	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	**355**	**-**	**112**	**467**
New loans	12	-	-	12
Transfer to stage 1	-	-	-	-
Changes in PD, LGD and model assumptions	-	-	-	-
Payments	(237)	-	488	251
Closing balance	**130**	**-**	**600**	**730**

	Stage 1	Stage 2	Stage 3	Total
Mortgage loans	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	**535**	**596**	**13,619**	**14,750**
New loans	195	-	1,327	1,522
Transfer to stage 1	24	(21)	(3)	-
Transfer to stage 2	(779)	884	(105)	-
Transfer to stage 3	(1,439)	(1,470)	2,909	-
Write-offs	-	-	(1,448)	(1,448)
Payments	3,891	1,105	(458)	4,538
Closing balance	**2,427**	**1,094**	**15,841**	**19,362**
Changes in expected credit losses (ECL) during the year	(19,832)	(5,457)	39,359	14,070
Write-offs	-	-	20,078	20,078
ECL credit/(charge) for the period	**(19,832)**	**(5,457)**	**59,437**	**34,148**

(ii) **Investment security ***	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	**(1,816)**	**-**	**-**	**(1,816)**
Movements for the year**	(1,830)	-	-	(1,830)
Closing balance	**(3,646)**	**-**	**-**	**(3,646)**

**The increase ECL was mainly driven by the increase in the government bonds from P496 million to P1.5 bn.

	Stage 1	Stage 2	Stage 3	Total
Off balance sheet (Restated)*	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	**(1,412)**	**-**	**-**	**(1,412)**
Movements for the year	(106)	-	-	(106)
Closing balance	**(1,518)**	**-**	**-**	**(1,518)**

*The 2024 note has been restated to show the correction of the movement of ECL for the investment security and off balance sheet separately, where previously the two balances had been combined.

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3 Financial risk management (continued)
3.1 Credit risk (continued)

3.1.7 Management overlays

The inputs and assumptions into the IFRS 9 model are carefully considered by management for completeness and relevance. The inputs and assumptions are reviewed on an annual basis and adjusted accordingly to reflect changing macro-economic environment and vintages in the loan book. ECL calculations are reviewed for accuracy and consistency and reasonableness on a regular basis. Management overlays are only instituted in cases where the model results are not reflective of underlying customer behaviour and economic conditions. Management overlays are subjected to review and approval by the Management Committee after a rigorous review of the underlying assumptions and departures from the model assumptions.

For the year ended 31 December 2025 management performed no out of model adjustments to ECL on loans and advances whilst in 2024 net out of model adjustments to loans and advances was nil.

3.1.8 ECL sensitivity analysis

The Group and Company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios; one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. In order to carry out this analysis we determined the scenario for the forecast and historical PD fit using the upper and lower bound. If the PD fit is less than or equal to the upper bound, it is an optimistic scenario, if the PD fit is greater than or equal to the lower bound, it is a downturn scenario and if the PD fit falls in between the lower bound and upper bound, it is a base scenario.

Several macro economic factors such as GDP growth rate and changes in lending rates, inflation and unemployment rates were considered. The factors that were statistically significant in the model were GDP growth rate and the interest lending rate.

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios over a two-year forecast period. The assumptions represent year-on-year percentage change for GDP and change in lending rate, based on the Government of Botswana budget speech of February 2025 and other sources. The assumptions are based on analysis of historic projections against actual outturn and establishing a reasonable range of outcomes.

	Base case scenario	Upside/ favourable case scenario	Adverse case scenario
Interest Lending rate			
2027	3.00%	2.61%	3.39%
2026	2.50%	2.11%	2.89%
GDP growth rate			
2027	3.80%	4.98%	2.62%
2026	2.70%	3.88%	1.52%

In the current year, the Group's ECL sensitivity analysis incorporated GDP growth and interest rate assumptions, whereas in the prior year inflation was used alongside interest rates. The transition to updated macroeconomic factors was essential to ensure the continued accuracy and neutrality of the ECL estimates. Specifically, utilising the updated factors prevented an overestimation of default rates that would have occurred if the 2024 factors were maintained. This correction ensures that the reported ECL reflects an unbiased assessment based on the most recent evidence and information available at the reporting date.

The final ECL numbers for loans and advances of P297 million (2024: P242 million) with a coverage ratio of 4.2% (2024: 3.6%) were measured by weighting the ECL outcome for each of scenario by the likelihood of that scenario occurring. The likelihood of the base scenario occurring was 85% upside and adverse scenarios weighted at 10% and 5% respectively (2024: The likelihood of the base scenario occurring was 85%, with upside and adverse scenarios weighted at 10% and 5% respectively).

The Group incorporates forward-looking information (FLIs) noted above reflecting macroeconomic variables such as GDP growth rates and interest rates.

These variables are integrated into the determination of probability of default, loss given default, and exposure at default.

The Group performs sensitivity analyses to illustrate the potential variability in Expected Credit losses (ECL) outcomes arising from changes in these assumptions. In addition to the baseline scenario, the Group applies adjustments to model scalars to derive alternative scenarios. Specifically, a change of ±6% in the scalars is applied to generate the optimistic and downside scenarios.

-Under the optimistic scenario, improved macroeconomic conditions are assumed, resulting in a reduction in ECL.

- Under the downside scenario, adverse macroeconomic conditions are assumed, resulting in an increase in ECL.

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3 Financial risk management (continued)
3.1 Credit risk (continued)

The table below shows the Group's analysis of the ECL's sensitivity to upside, downside and base case economic scenarios. The FLIs were adjusted by 6% in order to determine the impact on the different scenarios.

Loans and advances

31-Dec-25	Gross P'000	ECL P'000	Net P'000	ECL coverage ratio %
Base scenario	6,754,274	(297,403)	6,456,871	4.40%
Upside scenario	6,754,274	(296,336)	6,457,938	4.39%
Adverse scenario	6,754,274	(299,487)	6,454,787	4.43%

Loans and advances

31-Dec-24	Gross P'000	ECL P'000	Net P'000	ECL coverage ratio %
Base scenario	5,953,828	(242,348)	5,711,480	4.07%
Upside scenario	5,953,828	(239,267)	5,714,561	4.02%
Adverse scenario	5,953,828	(250,134)	5,703,694	4.20%

The 2024 balance above were based on the assumptions below:

	Base case scenario	Upside/ favourable case scenario	Adverse case scenario
Inflation rate			
2026	3.28%	2.47%	4.08%
2025	4.90%	4.10%	5.70%
Change in lending rates			
Q1 2024	1.60%	1.52%	1.68%

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3 Financial risk management (continued)

3.2 Liquidity risk

Liquidity risk is the risk of the group not being able to meet its commitments due to shortage of funds. Liquidity risk may arise in situations where there are mismatches between maturities of assets and liabilities. The Group's exposure to the risk is managed by the maturity profiles of the assets and liabilities.

The analysis of assets and liabilities of the group into relevant maturity groupings is based on the remaining period at reporting date to the contractual maturity date. The matching and controlled mismatching of the maturities is fundamental to the management of the risk. An unmatched position potentially enhances profitability, but can increase the risk of loss.

Liquidity risk management process
The Group holds liquidity reserves in highly tradable instruments or money market placements which are immediately available if required. Liquidity is assessed by currency as well as by time bracket. The Group's liquidity management is dependent upon accurate cash flow projections and the monitoring of it's future funding requirements. The Group's liquidity management process, is monitored by Treasury and includes:

- Day-to-Day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in global money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows.
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and
- Managing single counterparty and sector depositor's concentration and profile of debt maturities to minimize liquidity shocks The Bank has put in place single counterparty and sector concentration limits as a means of managing liquidity risk.

The Group manages large depositor and sectorial concentrations through limits on the amounts to be accepted from an individual depositors and exposures to various sectors. The limits are reviewed at Assets and Liabilities Committee ("ALCO") on a regular basis.

ALCO also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Changes in monetary policies were primarily driven by weaker-than-expected economic growth and low inflation, which resulted in decreases to interest rates. In Botswana, the Bank of Botswana decreased the prime lending rate by 0.25% in April and August 2024. Furthermore, the regulatory environment saw a key development with the central bank removing the cash reserve requirement. The Bank managed to comply with the regulatory minimum liquidity ratio of 10% throughout the year. As at 31 December 2025, the Bank's liquidity ratio was 15.6% (2024: 16%).

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)

Liquidity analysis based on contractually undiscounted amounts
The table below analyses the Group's financial assets and liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows related to financial assets and liabilities (except for Nano loans, included in other financial assets, which are based on management expectation of contract timelines) that expose the bank to liquidity risk. Other financial assets and liabilities exclude prepayments, other assets and liabilities which does not meet the criteria of a financial instrument.

Consolidated

Gross cash flows								
31 December 2025								
Assets	**Up to 1 month P'000**	**1 to 3 months P'000**	**3 to 12 months P'000**	**1 to 5 years P'000**	**Greater than 5 years**	**Total P'000**	**Effect of discounting P'000**	**Gross Carrying amount P'000**
Cash and balances with the Central Bank	489,134	-	-	-	-	489,134	-	489,134
Balances with other banks	1,734,758	-	-	-	-	1,734,758	-	1,734,758
Balances due from related parties	7,944	-	-	-	-	7,944	-	7,944
Investment securities	-	261,122	150,000	1,168,987	155,335	1,735,444	(201,012)	1,534,432
Loans and advances to customers	145,790	291,371	1,307,928	5,665,139	2,785,837	10,196,066	(3,441,792)	6,754,274
Derivative financial assets	4	-	-	-	-	4	-	4
Other financial assets	65,420	-	-	-	245,615	311,035	-	311,035
Total	**2,443,050**	**552,493**	**1,457,928**	**6,834,126**	**3,186,787**	**14,474,384**	**(3,642,804)**	**10,831,581**
Liabilities								
Deposits from banks	381,685	849,203	-	-	-	1,230,888	(2,996)	1,227,892
Deposits from customers	3,890,918	838,265	2,826,137	90,957	50,191	7,696,468	(220,503)	7,475,965
Borrowings**	617,173	-	15,750	63,043	175,071	871,037	(105,369)	765,668
Derivative financial liabilities	1,053	-	-	-	-	1,053	-	1,053
Balances due to related parties	16,311	-	-	-	-	16,311	-	16,311
Lease liabilities (note 17)	1,251	2,523	11,497	51,725	25,333	92,328	(22,226)	70,102
Other financial liabilities	38,635	-	-	-	-	38,635	-	38,635
Total	**4,947,027**	**1,689,991**	**2,853,384**	**205,725**	**250,594**	**9,946,720**	**(351,094)**	**9,595,627**
Liquidity (gap)/surplus	**(2,503,977)**	**(1,137,498)**	**(1,395,456)**	**6,628,401**	**2,936,193**	**4,527,66**	**(3,291,710)**	**1,235,954**

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)

Gross cash flows **31 December 2024 *** **Assets**	**Up to 1 month P'000**	**1 to 3 months P'000**	**3 to 12 months P'000**	**1 to 5 years P'000**	**Greater than 5 years P'000**	**Total P'000**	**Effect of discounting P'000**	**Gross Carrying amount P'000**
Cash and balances with the Central Bank	621,903	-	-	-	-	621,903	-	621,903
Balances with other banks	1,203,115	-	-	-	-	1,203,115	-	1,203,115
Balances due from related parties*	5,948	143,205	-	-	-	149,153	(8,662)	140,491
Investment securities	-	604,960	208,841	1,168,936	122,430	2,105,167	(305,399)	1,799,768
Loans and advances to customers*	142,158	265,265	1,278,799	4,850,263	1,652,788	8,189,273	(2,235,445)	5,953,828
Derivative financial assets	-	-	4,744	-	-	4,744	-	4,744
Other financial assets *	61,214	-	-	-	239,095	300,309	-	300,309
Total	**2,034,338**	**1,013,430**	**1,492,384**	**6,019,199**	**2,014,313**	**12,573,664**	**(2,549,506)**	**10,024,158**
Liabilities								
Deposits from banks	571,153	-	-	-	-	571,153	(340)	570,813
Deposits from customers	3,136,719	819,307	3,384,676	63,392	370	7,404,464	(145,909)	7,258,555
Borrowings	4,592	25,856	77,385	913,337	250,837	1,272,007	(420,529)	851,478
Derivative financial liabilities	-	-	547	-	-	547	-	547
Balances due to related parties	49,473	-	-	-	-	49,473	-	49,473
Lease liabilities (note 17)	1,188	2,395	11,016	63,056	23,062	100,717	(25,581)	75,136
Other financial liabilities	140,998	-	-	-	-	140,998	-	140,998
Total	**3,904,123**	**847,558**	**3,473,624**	**1,039,785**	**274,269**	**9,539,359**	**(592,358)**	**8,947,000**
Liquidity (gap)/surplus	**(1,869,785)**	**165,873**	**(1,981,241)**	**4,979,415**	**1,740,044**	**3,034,306**	**(1,957,148)**	**1,077,158**

*The 2024 liquidity risk note has been restated to present Loans and Advances to Customers and Balances Due from Related Parties at their gross balances of P5.9 billion and P149 million, respectively. This correction addresses the prior presentation of net balances, after expected credit losses (ECL), of P5.7 billion and P140 million, respectively, instead of gross amounts. This was done to correct an inconsistency in the note, as the remaining asset balances presented in the liquidity risk disclosure were presented at their gross carrying amounts (ie before ECL). In addition, the balance due from related parties in the 1 to 3 months maturity bucket was previously disclosed as P143 million and has been restated to P150 million. Furthermore, nano loans amounting to P239 million in 2024 were incorrectly presented within the 1-month maturity bucket and have been restated to greater than 5 years bucket to reflect the behavioural life of the asset, which more accurately represents management's expectations regarding the timing of future cash flows.

**Refer to 16.2 for further details.

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)
Liquidity analysis based on contractually undiscounted amounts (continued)

Company

31 December 2025 **Assets**	**Up to 1 month P'000**	**1 to 3 months P'000**	**3 to 12 months P'000**	**1 to 5 years P'000**	**Greater than 5 years P'000**	**Total outflows P'000**	**Effect of discounting P'000**	**Gross Carrying amount P'000**
Cash and balances with the Central Bank	489,134	-	-	-	-	489,134	-	489,134
Balances with other banks	1,734,758	-	-	-	-	1,734,758	-	1,734,758
Derivative financial assets	4	-	-	-	-	4	-	4
Balances due from related parties	7,944	-	-	-	-	7,944	-	7,944
Investment securities	-	261,122	150,000	1,168,987	155,335	1,735,444	(201,012)	1,534,432
Loans and advances to customers	145,790	291,371	1,307,928	5,665,139	2,785,837	10,196,066	(3,441,792)	6,754,274
Other financial assets (note 14)	64,520	-	-	-	245,615	310,135	-	310,135
Total	**2,442,150**	**552,493**	**1,457,928**	**6,834,126**	**3,186,787**	**14,473,484**	**(3,642,804)**	**10,830,681**
Liabilities								
Deposits from banks	381,685	849,203	-	-	-	1,230,888	(2,996)	1,227,892
Deposits from customers	3,901,281	838,265	3,110,867	90,957	50,191	7,991,561	(230,483)	7,761,078
Borrowings	617,173	-	15,750	63,043	175,071	871,037	(105,369)	765,668
Derivative financial liabilities	1,053	-	-	-	-	1,053	-	1,053
Balances due to related parties	16,311	-	-	-	-	16,311	-	16,311
Lease liabilities (note 17)	1,251	2,523	11,497	51,725	25,333	92,328	(22,226)	70,102
Other financial liabilities	36,492	-	-	-	-	36,492	-	36,492
Total	**4,955,246**	**1,689,991**	**3,138,114**	**205,725**	**250,594**	**10,239,669**	**(361,074)**	**9,878,596**
Liquidity (gap)/surplus	**(2,513,096)**	**(1,137,498)**	**(1,680,186)**	**6,628,401**	**2,936,193**	**4,233,815**	**(3,281,730)**	**952,085**

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)
Liquidity analysis based on contractually undiscounted amounts (continued)

31 December 2024 * **Assets**	**Up to 1 month P'000**	**1 to 3 months P'000**	**3 to 12 months P'000**	**1 to 5 years P'000**	**Greater than 5 years P'000**	**Total P'000**	**Effect of discounting P'000**	**Gross Carrying amount P'000**
Cash and balances with the Central Bank	621,903	-	-	-	-	621,903	-	621,903
Balances with other banks	1,203,115	-	-	-	-	1,203,115	-	1,203,115
Derivative financial assets	-	-	4,744	-	-	4,744	-	4,744
Balances due from related parties*	5,948	143,205	-	-	-	149,153	(8,031)	141,122
Investment securities	-	604,960	208,841	1,168,936	122,430	2,105,167	(305,399)	1,799,768
Loans and advances to customers*	142,158	265,265	1,278,799	4,850,263	1,652,788	8,189,273	(2,235,445)	5,953,828
Other financial assets *	61,214	-	-	-	239,095	300,309	-	300,309
Total	**2,034,338**	**1,013,430**	**1,492,384**	**6,019,199**	**2,014,313**	**12,573,664**	**(2,548,875)**	**10,024,789**
Liabilities								
Deposits from banks	571,153	-	-	-	-	571,153	(340)	570,813
Deposits from customers	3,162,943	819,307	3,616,963	63,392	370	7,662,975	(145,676)	7,517,299
Borrowings	4,592	25,856	77,385	913,337	250,837	1,272,007	(420,529)	851,478
Derivative financial liabilities	-	-	547	-	-	547	-	547
Balances due to related parties	49,473	-	-	-	-	49,473	-	49,473
Lease liabilities (note 17)	1,188	2,395	11,016	63,056	23,062	100,717	(25,581)	75,136
Other financial liabilities	139,661	-	-	-	-	139,661	-	139,661
Total	**3,929,010**	**847,558**	**3,705,911**	**1,039,784**	**274,269**	**9,796,532**	**(592,125)**	**9,204,407**
Liquidity (gap)/surplus	**(1,894,672)**	**165,872**	**(2,213,527)**	**4,979,415**	**1,740,044**	**2,777,132**	**(1,956,750)**	**820,382**

*The 2024 liquidity risk note has been restated to present Loans and Advances to Customers and Balances Due from Related Parties at their gross balances of P5.9 billion and P147 million, respectively. This correction addresses the prior presentation of net balances, after expected credit losses (ECL), of P5.7 billion and P140 million, respectively, instead of gross amounts. This was done to correct an inconsistency in the note, as the remaining asset balances presented in the liquidity risk disclosure were presented at their gross carrying amounts (ie before ECL). In addition, the balance due from related parties in the 1 to 3 months maturity bucket was previously disclosed as P143 million and has been restated to P150 million. Furthermore, nano loans amounting to P239 million in 2024 were incorrectly presented within the 1-month maturity bucket and have been restated to greater than 5 years bucket to reflect the behavioural life of the asset, which more accurately represents management's expectations regarding the timing of future cash flows.

**Refer to note 16.2 for further details.
***'Refer to note 3.2 for the management of the liquidity risk.

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.2 Liquidity risk (continued)
Liquidity analysis based on contractually undiscounted amounts (continued)

Liquidity risk on financial guarantee contracts and commitments

31 December 2025	Total P'000	Not later than 1 year P'000	1-5 years P'000	Over 5 years P'000
Financial guarantees, acceptances and other financial facilities	179,592	179,592	-	-
Loan commitments and other credit related liabilities	263,579	263,579	-	-
Total	**443,171**	**443,171**	**-**	**-**

Financial guarantees and loan commitments are callable on demand.

31 December 2024 *	Total P'000	Not later than 1 year* P'000	1-5 years P'000	Over 5 years P'000
Financial guarantees, acceptances and other financial facilities*	296,507	296,507	-	-
Loan commitments and other credit related liabilities	118,079	118,079	-	-
Total	**414,586**	**414,586**	**-**	**-**

*The 2024 note has been restated to show the correction of the financial guarantees of P45million that was placed in the "1-5 years bucket" They have currently been corrected to the "not later than 1 year " bucket as these are callable on demand.

3.2.1 Maturity profile

The table below analyses the carrying amounts of financial assets and liabilities of the Group into relevant maturity groupings based on the remaining period at reporting date to the remaining contractual maturity date except for Nano loans that are available on demand but have been included based on management's expectation of when the cash flows will occur.

Group

As at 31 December 2025	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Total P'000
Cash and balances with the Central Bank	489,134	-	-	-	-	489,134
Balances with other banks	1,733,949	-	-	-	-	1,733,949
Balances due from related parties	7,944	-	-	-	-	7,944
Investment securities	-	257,623	148,310	1,014,554	106,392	1,526,879
Loans and advances to customers	448,797	11,085	168,905	3,409,540	2,418,544	6,456,871
Derivative financial assets	4	-	-	-	-	4
Other financial assets	65,420	-	-	-	245,615	311,035
Total assets	**2,745,248**	**268,707**	**317,215**	**4,424,094**	**2,770,551**	**10,525,817**
Deposits from banks	381,451	846,441	-	-	-	1,227,892
Deposits from customers	3,884,659	822,716	2,642,738	79,500	46,353	7,475,965
Borrowings**	615,625	-	14,588	45,510	89,945	765,668
Derivative financial liabilities	1,053	-	-	-	-	1,053
Balances due to related parties	16,311	-	-	-	-	16,311
Lease liabilities (note 17)	1,137	1,591	7,583	37,567	22,224	70,102
Other financial liabilities	38,636	-	-	-	-	38,636
Total liabilities	**4,938,872**	**1,670,747**	**2,664,908**	**162,577**	**158,523**	**9,595,627**
Net maturity gap 31 December 2025	**(2,193,623)**	**(1,402,040)**	**(2,347,693)**	**4,261,517**	**2,612,028**	**930,190**

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)
Maturity profile (continued)

Group

31 December 2024 *	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Total P'000
Cash and balances with the Central Bank	621,903	-	-	-	-	621,903
Balances with other banks	1,203,115	-	-	-	-	1,203,115
Balances due from related parties	787	139,704	-	-	-	140,491
Investment securities	-	604,960	148,896	937,158	105,108	1,796,122
Loans and advances to customers	34,678	58,938	159,713	2,122,577	3,335,574	5,711,480
Derivative financial assets	-	-	4,744	-	-	4,744
Other financial assets*	61,214	-	-	-	239,095	300,309
Total assets	**1,921,697**	**803,602**	**313,353**	**3,059,735**	**3,679,777**	**9,778,164**
Deposits from banks	570,813	-	-	-	-	570,813
Deposits from customers	3,107,038	811,499	3,281,804	58,214	-	7,258,555
Borrowings	-	-	56,534	469,944	325,000	851,478
Derivative financial liabilities	-	-	547	-	-	547
Balances due to related parties	49,473	-	-	-	-	49,473
Lease liabilities (note 17)	679	1,391	6,744	45,679	20,644	75,136
Other financial liabilities	136,598	-	-	-	-	136,598
Total liabilities	**3,864,601**	**812,890**	**3,345,629**	**573,837**	**345,644**	**8,942,600**
Net maturity gap 31 December 2024	**(1,942,904)**	**(9,287)**	**(3,032,275)**	**2,485,898**	**3,334,132**	**835,563**

*The 2024 note has been restated to correct the classification of nano loans amounting to P239 million, which were previously disclosed within the under 1 month maturity bucket. These balances have been reclassified to the greater than 5 years bucket to reflect the appropriate maturity profile. Further, the other financial liabilities has further restated to correct the balance from P141 million to P137 million to exclude non financial liabilities that had been previously incorrectly included . The borrowings line was restated to present an amount of P57 million under bucket of 3-12 months and also a P526 million was corrected to P469 million under bucket 1-5 years.

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3 Financial risk management (continued)
3.2 Liquidity risk (continued)
Maturity profile (continued)

Company

As at 31 December 2025	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Total P'000
Cash and balances with the Central Bank	489,134	-	-	-	-	489,134
Balances with other banks	1,733,949	-	-	-	-	1,733,949
Balances due from related parties	7,944	-	-	-	-	7,944
Derivative financial assets	4	-	-	-	-	4
Investment securities	-	257,623	148,310	1,014,554	106,392	1,526,879
Loans and advances to customers	448,797	11,085	168,905	3,409,540	2,418,544	6,456,871
Other financial assets (note 14)	64,520	-	-	-	245,615	310,135
Total assets	**2,744,348**	**268,707**	**317,215**	**4,424,094**	**2,770,551**	**10,524,917**
Deposits from banks	381,451	846,441	-	-	-	1,227,892
Deposits from customers	3,895,021	822,716	2,917,488	79,500	46,353	7,761,078
Borrowings	615,625	-	14,588	45,510	89,945	765,668
Derivative financial liabilities	1,053	-	-	-	-	1,053
Balances due to related parties	16,311	-	-	-	-	16,311
Lease liabilities (note 17)	1,137	1,591	7,583	37,567	22,224	70,102
Other financial liabilities	36,492	-	-	-	-	36,492
Total liabilities	**4,947,091**	**1,670,747**	**2,939,658**	**162,577**	**158,523**	**9,878,596**
Net maturity gap 31 December 2025	**(2,202,742)**	**(1,402,040)**	**(2,622,443)**	**4,261,517**	**2,612,028**	**646,321**

Company

31 December 2024 *	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Total P'000
Cash and balances with the Central Bank	621,903	-	-	-	-	621,903
Balances with other banks	1,203,115	-	-	-	-	1,203,115
Balances due from related parties	1,418	139,704	-	-	-	141,122
Derivative financial assets	-	-	4,744	-	-	4,744
Investment securities	-	604,960	148,896	937,158	105,108	1,796,122
Loans and advances to customers	34,678	58,938	159,713	2,122,577	3,335,574	5,711,480
Other financial assets*	61,214	-	-	-	239,095	300,309
Total assets	**1,922,328**	**803,603**	**313,353**	**3,059,735**	**3,679,777**	**9,778,795**
Deposits from banks	570,813	-	-	-	-	570,813
Deposits from customers	3,140,549	811,499	3,507,037	58,214	-	7,517,299
Borrowings	-	-	56,534	469,944	325,000	851,478
Derivative financial liabilities	-	-	547	-	-	547
Balances due to related parties	49,473	-	-	-	-	49,473
Lease liabilities (note 17)	679	1,391	6,744	45,679	20,644	75,136
Other financial liabilities	135,261	-	-	-	-	135,261
Total liabilities	**3,896,774**	**812,890**	**3,570,862**	**573,837**	**345,644**	**9,200,007**
Net maturity gap 31 December 2024	**(1,974,446)**	**(9,287)**	**(3,257,509)**	**2,485,898**	**3,334,132**	**578,788**

*The 2024 note has been restated to correct the classification of nano loans amounting to P239 million, which were previously disclosed within the under 1 month maturity bucket. These balances have been reclassified to the greater than 5 years bucket to reflect the appropriate maturity profile. Further, the other financial liabilities has further restated to correct the balance from P140 million to P135 million to exclude non financial liabilities that had been previously incorrectly included . The borrowings line was restated to present an amount of P57 million under bucket of 3-12 months and also a P526 million was corrected to P469 million under bucket 1-5 years.

**Refer to note 16.2 for further details.

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3 Financial risk management (continued)

3.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

Market and foreign currency exposures related to dealing positions are managed in the Treasury division within a framework of pre-approved dealer, currency and counterparty limits. The currency exposure that arises is managed through the Assets and Liabilities Committee (ALCO).

3.3.1 Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Assets and liabilities carrying variable rate interest are classified under 'up to one month' bracket.

Loans and advances are of a floating rate nature based on the Bank rate, since as per the Group's and Company's loan agreements, the Group reserves the right to change the rate of interest at any time in the event of market fluctuations and/or credit/banking considerations which may be set out from time to time by the Group and/or any government or regulatory authority. The Group also reserves the right to change the interest rates on deposits in line with the market fluctuations and/or change in credit/banking considerations.

The ALCO is responsible for managing interest rate and liquidity risk in the group. The Assets and Liabilities Committee has been established on this mandate and meets on a monthly basis. They operate within the prudential guidelines and policies established by group ALCO. In order to reduce interest rate risk, the majority of the Group's lending is on a variable interest rate. This approach has been adopted as a result of the scarcity of term deposits in the market region which limits the Groups ability to build a substantial stable pool of fixed rate funding

The tables below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates. Assets and liabilities carrying variable interest rates are classified under the 'up to 1 month' bracket.

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3 Financial risk management (continued)
3.3 Market risk (continued)
3.3.1 Interest rate risk (continued)

Group

31 December 2025	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Non-interest bearing P'000	Total P'000
Cash and balances with the Central Bank	-	-	-	-	-	489,134	489,134
Balances with other banks	1,733,949	-	-	-	-	-	1,733,949
Balances due from related parties	7,944	-	-	-	-	-	7,944
Derivative financial assets	-	-	-	-	-	4	4
Investment securities	-	409,499	-	1,010,158	109,723	-	1,529,380
Loans and advances to customers	448,797	11,085	168,905	3,409,540	2,418,544	-	6,456,871
Other financial assets	-	-	-	-	-	311,035	311,035
Total assets	**2,190,690**	**420,583**	**168,905**	**4,419,698**	**2,528,267**	**800,173**	**10,528,317**
Liabilities							
Deposits from banks	381,451	846,441	-	-	-	-	1,227,892
Deposits from customers	3,857,676	822,716	2,642,738	79,500	46,353	26,983	7,475,965
Borrowings	615,625	-	14,588	45,510	89,945	-	765,668
Derivative financial liabilities	-	-	-	-	-	1,053	1,053
Balances due to related parties	-	-	-	-	-	16,311	16,311
Lease liabilities (note 17)	1,137	1,591	7,583	37,567	22,224	-	70,102
Other financial liabilities	-	-	-	-	-	38,636	38,636
Total liabilities	**4,855,890**	**1,670,747**	**2,664,908**	**162,577**	**158,523**	**82,982**	**9,595,627**
Total interest repricing gap	**(2,665,200)**	**(1,250,164)**	**(2,496,003)**	**4,257,121**	**2,369,745**	**717,191**	**932,690**

31 December 2024	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Non-interest bearing P'000	Total P'000
Cash and balances with the Central Bank	-	-	-	-	-	621,903	621,903
Balances with other banks	1,203,115	-	-	-	-	-	1,203,115
Balances due from related parties	-	139,705	-	-	-	786	140,491
Derivative financial assets	-	-	-	-	-	4,744	4,744
Investment securities	-	604,960	148,896	937,158	105,108	-	1,796,122
Loans and advances to customers	34,678	58,938	159,713	2,122,577	3,335,574	-	5,711,480
Other financial assets	-	-	-	-	-	300,309	300,309
Total assets	**1,237,793**	**803,603**	**308,609**	**3,059,735**	**3,440,682**	**927,742**	**9,778,164**
Liabilities							
Deposits from banks	570,813	-	-	-	-	-	570,813
Deposits from customers	3,081,637	811,499	3,281,804	58,214	64	25,337	7,258,555
Borrowings	150,069	-	423,946	101,723	175,740	-	851,478
Derivative financial liabilities	-	-	-	-	-	547	547
Balances due to related parties	-	-	-	-	-	49,473	49,473
Lease liabilities (note 17)	679	1,391	6,744	45,679	20,644	-	75,136
Other financial liabilities	-	-	-	-	-	140,998	140,998
Total liabilities	**3,803,197**	**812,890**	**3,712,494**	**205,616**	**196,448**	**216,355**	**8,947,001**
Total interest repricing gap	**(2,565,404)**	**(9,286)**	**(3,403,885)**	**2,854,118**	**3,244,233**	**711,387**	**831,163**

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3 Financial risk management (continued)
3.3 Market risk (continued)
3.3.1 Interest rate risk (continued)

Company

31 December 2025	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Non-interest bearing P'000	Total P'000
Cash and balances with the Central Bank	-	-	-	-	-	489,134	489,134
Balances with other banks	1,733,949	-	-	-	-	-	1,733,949
Loans and advances to customers	448,797	11,085	168,905	3,409,540	2,418,544	-	6,456,871
Derivative financial assets	-	-	-	-	-	4	4
Investment securities	-	409,499	-	1,010,158	109,723	-	1,529,380
Balances due from related parties	7,944	-	-	-	-	-	7,944
Other financial assets	-	-	-	-	-	310,135	310,135
Total assets	**2,190,690**	**420,583**	**168,905**	**4,419,698**	**2,528,267**	**799,273**	**10,527,417**
Liabilities							
Deposits from banks	381,451	846,441	-	-	-	-	1,227,892
Deposits from customers	3,868,039	822,716	2,917,489	79,500	46,353	26,983	7,761,078
Borrowings	615,625	-	14,588	45,510	89,945	-	765,668
Derivative financial liabilities	-	-	-	-	-	1,053	1,053
Balances due to related parties	-	-	-	-	-	16,311	16,311
Lease liabilities (note 17)	1,137	1,591	7,583	37,567	22,224	-	70,102
Other financial liabilities	-	-	-	-	-	36,492	36,492
Total liabilities	**4,866,252**	**1,670,747**	**2,939,659**	**162,577**	**158,523**	**80,838**	**9,878,596**
Total interest repricing gap	**(2,675,562)**	**(1,250,164)**	**(2,770,754)**	**4,257,121**	**2,369,745**	**718,435**	**648,821**

31 December 2024	Up to 1 month P'000	1 - 3 months P'000	3 - 12 months P'000	1 - 5 years P'000	Greater than 5 years P'000	Non-interest bearing P'000	Total P'000
Cash and balances with the Central Bank	-	-	-	-	-	621,903	621,903
Balances with other banks	1,203,115	-	-	-	-	-	1,203,115
Loans and advances to customers	34,678	58,938	159,713	2,122,577	3,335,574	-	5,711,480
Derivative financial assets	-	-	-	-	-	4,744	4,744
Investment securities	-	604,960	148,896	937,158	105,108	-	1,796,122
Balances due from related parties	-	139,705	-	-	-	1,417	141,122
Other financial assets	-	-	-	-	-	299,892	299,892
Total assets	**1,237,793**	**803,603**	**308,609**	**3,059,735**	**3,440,682**	**927,956**	**9,778,378**
Liabilities							
Deposits from banks	570,813	-	-	-	-	-	570,813
Deposits from customers	3,115,147	811,499	3,507,037	58,214	64	25,338	7,517,299
Borrowings	150,069	-	423,946	101,723	175,740	-	851,478
Derivative financial liabilities	-	-	-	-	-	547	547
Balances due to related parties	-	-	-	-	-	49,473	49,473
Lease liabilities (note 17)	679	1,391	6,744	45,679	20,644	-	75,136
Other financial liabilities	-	-	-	-	-	139,661	139,661
Total liabilities	**3,836,707**	**812,890**	**3,937,727**	**205,617**	**196,448**	**215,019**	**9,204,408**
Total interest repricing gap	**(2,598,914)**	**(9,286)**	**(3,629,118)**	**2,854,118**	**3,244,234**	**712,937**	**573,970**

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.3 Market risk (continued)
3.3.1 Interest rate risk (continued)

Interest rate - sensitivity analysis
A principal part of management of market risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios. The group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income.

Sensitivity of net interest income

	Group	
	2025	**2024**
Change in net interest income arising from a shift in yield curves of +50 basis points (P'000)	4,663	4,156
Change in net interest income arising from a shift in yield curves of -50 basis points (P'000)	(4,663)	(4,156)

	Company	
	2025	**2024**
Change in net interest income arising from a shift in yield curves of +50 basis points (P'000)	3,244	2,870
Change in net interest income arising from a shift in yield curves of -50 basis points (P'000)	(3,244)	(2,870)

3.3.2 Foreign exchange risk
The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board and the ALCO set limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Group (Figures in Pula Thousands)

31 December 2025	**USD**	**EUR**	**ZAR**	**Other***	**Total**
Cash and balances with the Central Bank	19,404	812	1,205	149	21,571
Balances with other banks	1,463,969	38,451	219,364	12,836	1,734,620
Balances due from related parties	4,457	-	3,487	-	7,944
Derivative financial assets	-	-	-	-	-
Loans and advances to customers	95,587	39	19	5	95,649
Investment securities	261,122	-	-	-	261,122
Other financial assets	73	2	3	-	78
Total	**1,844,612**	**39,304**	**224,078**	**12,989**	**2,120,984**
Deposits from Banks	91,421	-	-	-	91,421
Deposits from customers	1,452,301	23,491	119,132	13,454	1,608,378
Borrowings	338,209	-	-	-	338,209
Derivative financial liabilities	1,053	-	-	-	1,053
Balances due to related parties	16,311	-	-	-	16,311
Total	**1,899,295**	**23,491**	**119,132**	**13,454**	**2,055,372**
Net on-balance sheet position	**(54,682)**	**15,813**	**104,947**	**(465)**	**65,612**
Net off-balance sheet position**	**94,650**	**-**	**28,839**	**-**	**123,490**
Net position	**39,968**	**15,813**	**133,786**	**(465)**	**189,101**

*Other includes the GBP and YEN which are individually not material.
**Relates to the letter of credit and guarantees classified in foreign currencies.

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3 Financial risk management (continued)
3.3 Market risk (continued)
3.3.2 Foreign exchange risk (continued)

Company (Figures in Pula Thousands)

31 December 2025	USD	EUR	ZAR	Other*	Total
Cash and balances with the Central Bank	19,404	812	1,205	149	21,571
Balances with other banks	1,463,969	38,451	219,364	12,836	1,734,620
Balances due from related parties	4,457	-	3,487	-	7,944
Derivative financial assets	-	-	-	-	-
Loans and advances to customers	95,587	39	19	5	95,649
Investment securities	261,122	-	-	-	261,122
Other financial assets	73	2	3	-	78
Total	**1,844,613**	**39,304**	**224,078**	**12,989**	**2,120,984**
Deposits from Banks	91,421	-	-	-	91,421
Deposits from customers	1,452,301	23,491	119,132	13,454	1,608,378
Borrowings	338,209	-	-	-	338,209
Derivative financial liabilities	1,053	-	-	-	1,053
Balances due to related parties	16,311	-	-	-	16,311
Total	**1,899,296**	**23,491**	**119,132**	**13,454**	**2,055,372**
Net on-balance sheet position	**(54,682)**	**15,813**	**104,947**	**(465)**	**65,612**
Net off-balance sheet position**	94,650	-	28,839	-	**123,490**
Net position	**39,968**	**15,813**	**133,786**	**(465)**	**189,101**

Other includes the GBP and YEN which are individually not material.
*Relates to the letter of credit and guarantees classified in foreign currencies.

Group (Figures in Pula thousands)

31 December 2024	USD	EUR	ZAR	Other	Total
Cash and balances with the Central Bank	5,412	718	657	338	7,125
Balances with other banks	264,771	26,504	244,895	9,486	545,656
Balances due from related parties	144,968	-	1,523	-	146,491
Derivative financial assets	4,744	-	-	-	4,744
Loans and advances to customers	280	10	113,575	-	113,865
Other financial assets	137	2	7	1	147
Total	**420,311**	**27,234**	**360,657**	**9,825**	**818,027**
Deposits from banks	-	-	203,916	-	203,916
Deposits from customers	676,900	18,153	99,339	8,195	802,586
Borrowings	423,736	-	-	-	423,736
Derivative financial liabilities	547	-	-	-	547
Balances due to related parties	45,173	-	-	-	45,173
Total	**1,146,356**	**18,153**	**303,255**	**8,195**	**1,475,958**
Net on-balance sheet position	**(726,044)**	**9,081**	**57,402**	**1,631**	**(657,931)**
Net off-balance sheet position	**198,351**	**-**	**29,651**	**-**	**228,002**
Net position	**(527,694)**	**9,081**	**87,052**	**1,631**	**(429,929)**

Notes to the Consolidated and Separate Annual Financial Statements

3 Financial risk management (continued)
3.3 Market risk (continued)
3.3.2 Foreign exchange risk (continued)

Company (Figures in Pula thousands)

31 December 2024	USD	EUR	ZAR	Other	Total
Cash and balances with the Central Bank	5,412	718	657	338	7,125
Balances with other banks	264,771	26,504	244,895	9,486	545,656
Balances due from related parties	144,968	-	1,523	-	146,491
Derivative financial assets	4,744	-	-	-	4,744
Loans and advances to customers	280	10	113,575	-	113,865
Other financial assets	137	2	7	1	147
Total	**420,311**	**27,234**	**360,657**	**9,825**	**818,027**
Deposits from banks	-	-	203,916	-	203,916
Deposits from customers	676,900	18,153	99,339	8,195	802,586
Borrowings	423,736	-	-	-	423,736
Balances due to related parties	45,173	-	-	-	45,173
Derivative financial liabilities	547	-	-	-	547
Other financial liabilities	-	-	-	-	-
Current income tax liability	-		-	-	-
Total	**1,146,356**	**18,153**	**303,255**	**8,195**	**1,475,958**
Net on-balance sheet position	**(726,043)**	**9,081**	**57,402**	**1,631**	**(657,931)**
Net off-balance sheet position	**198,351**	**-**	**29,651**	**-**	**228,002**
Net position	**(527,694)**	**9,081**	**87,052**	**1,631**	**(429,929)**

Sensitivity of currency

The following sensitivity analysis is monitored on the following major currencies of non-equity instruments, assuming a 5% increase or decrease arose on the various currencies.

	Consolidated and Company	
	2025 Impact on profit or loss and equity	**2024 Impact on profit or loss and equity**
EUR	791	454
USD	1,998	(26,385)
ZAR	6,689	4,353

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3 Financial risk management (continued)

3.4 Fair value of financial assets and liabilities

(i) Financial instruments not measured at fair value *

The tables below summarise the carrying amounts of those financial assets and liabilities not presented at their fair value on the Group's statement of financial position and for which the fair value approximates the carrying amounts.

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Liabilities recognised at amortised cost				
Balances due to related parties	16,311	49,473	16,311	49,473
Other financial liabilities	38,635	140,998	36,491	139,661
Borrowings	765,668	851,478	765,668	851,478
Deposits from banks and customers	8,703,857	7,829,368	8,988,970	8,088,112
	9,524,471	**8,871,317**	**9,807,440**	**9,128,724**
Assets recognised at amortised cost				
Cash and balances with the Central Bank	489,134	621,903	489,134	621,903
Balances with other banks	1,733,949	1,203,115	1,733,949	1,203,115
Balances due from related parties	7,944	140,491	7,944	141,122
Investment securities	1,526,879	1,796,122	1,526,879	1,796,122
Loans and advances	6,456,871	5,711,480	6,456,871	5,711,480
	10,525,812	**9,773,420**	**10,524,912**	**9,773,634**

*The above note has been restated to correct the lease liabilities of P70million (2024: P75million) and financial assets of P300 million that have been presented in the above table but since been removed from the above as financial assets measured at fair values are separately disclosed in note 3.4 (ii) . Lease liabilities are not required to be disclosed under this note.

The carrying amounts of the financial instruments have deemed to approximate their fair values as follows:

Related party balances, cash and bank balances and other financial assets and liabilities

Related party balances, cash and bank balances and other financial assets and liabilities are concluded at fair market terms or are short term in nature, as such, the carrying amounts are deemed to closely approximate their fair value.

Loans and advances

The fair value of loans and advances is deemed to closely approximate to the carrying value. This is due to the instruments included in this classification being variable rate instruments.

Deposits, Borrowings

Deposits are generally of a short-term nature where the impact of discounting would be negligible. For both deposits and borrowings, the counter parties are not related to the Bank and terms were concluded on market terms, hence, carrying amount approximates market values except as disclosed in note 16.2.

Investment securities*

Treasury bills are actively traded in the market, prices of which are readily available. The government bonds are market driven contractual rate. The fair values of the government bonds were determined by discounting the future maturities by a market driven contractual rate. The differences between carrying amounts and estimated fair values are not considered material relative to the carrying amounts . The investment in notes are short term instruments with a contractual maturity of 91 days. The amortised cost approximate the fair value. Please refer to note 3.1.3 and note 9 for the ECL raised against investment securities and basis thereof.

*In the prior years a table was shown disclosing the IFRS 13 fair value measurement and level classification of investment securities. This table was removed in the current year because the carrying amount of investment securities approximates its fair value for both years presented.

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3 Financial risk management (continued)

3.4 Fair value of financial assets and liabilities (continued)

(i) Financial instruments measured at fair value

The Group classifies and measures derivative financial assets and liabilities mandatorily through fair value profit or loss. Please refer to note 8 for details of the derivatives and counterparties involved.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and investment securities on exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like counterparty credit risk are Bloomberg and Reuters.

The fair values of government bonds classified as Level 2 are determined using the discounted cash flow (DCF) method. Future cash flows comprise fixed coupon payments (based on the bonds' contractual coupon rates) and the principal repayment at maturity, discounted using the government benchmark yield curve reflecting observable market data for sovereign instruments.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and investment securities with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

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3 Financial risk management (continued)

3.4 Fair value of financial assets and liabilities (continued)

31 December 2025	Level 1	Level 2	Level 3	Total
Assets	**P'000**	**P'000**	**P'000**	**P'000**
Forward foreign exchange contracts	-	-	-	-
Currency swap	-	-	4	4
Nano loan float (note 14)	-	-	245,615	245,615
	-	-	**245,619**	**245,619**
Liabilities				
Forward foreign exchange contracts	-	-	-	-
Currency swap	-	-	1,053	1,053
	-	-	**1,053**	**1,053**
Net derivative liability				(1,049)

31 December 2024	Level 1	Level 2	Level 3	Total
Assets	**P'000**	**P'000**	**P'000**	**P'000**
Forward foreign exchange contracts	-	-	862	**862**
Currency swap	-	-	3,882	**3,882**
Nano loan float (note 14)	-	-	239,095	**239,095**
	-	-	**243,839**	**243,839**
Liabilities				
Forward foreign exchange contracts	-	-	1	1
Credit default swap	-	-	546	546
	-	-	**547**	**547**
Net derivative asset				**4,197**

Level 3 Fair value movements

The following table shows a reconciliation of the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

31 December 2025	Nano loan float	Derivative financial assets	Total assets at fair value	Derivative financial liabilities	Total liabilities at fair value
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	239,095	4,744	243,839	547	547
Total gains or losses in profit and loss	(13,309)	-	(13,309)	-	-
Additions	20,000	4	20,004	1,053	1,053
Other	(171)	-	-	-	-
Repayments	-	(4,744)	(4,744)	(547)	(547)
Closing balance	**245,615**	**4**	**245,619**	**1,053**	**1,053**

Consolidated and Company

31 December 2024	Nano loan Float	Derivatives financial assets	Total assets at fair value	Derivative financial liabilities	Total liabilities at fair value
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Opening balance	98,640	-	98,640	-	-
Total gains or losses:	(9,545)	-	(9,545)	-	-
Additions	150,000	4,744	154,744	547	547
Repayments	-	-	-	-	-
Closing balance	**239,095**	**4,744**	**243,839**	**547**	547

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3 Financial risk management (continued)

3.4 Fair value of financial assets and liabilities (continued)

Nano loan float

Access Bank Botswana, LendTech Investment Holdings and Orange Money PTY LTD entered into a tripartite agreement to offer Nano Loans. This product is accessed through the digital platform of the mobile tech company (Orange). Included under Other Assets in note 14 is a balance of P270 million (2024: P250 million) advanced towards the partnership with Orange Money as float for the mobile loans termed as Nano loans. The balance is classified as fair value through profit or loss as it does not pass the solely payment of principal and interest (SPPI) test. Fair value of this advance is the nominal amount advanced as the underlying loans being funded are short term in nature (0-30 days) and the undrawn balance can be recalled on demand. The balance has been classified as level 3 on the fair value hierarchy as neither the advance nor inputs are observable or listed. In determining the fair value, assumptions were considered about the future cash flows and the prevailing market conditions, in addition to the historical performance of the instrument.

The valuation technique includes using a combination of London Stock Exchange Group (LSEG) market data, contract information, management assumptions and historical portfolio data to perform this valuation. The valuation was performed using a market-based approach, where all future cash flows, from the nano-loans portfolio, were discounted back to the valuation date using discount factors derived from a Botswana Sovereign Yield Curve, with an adjustment for borrower credit quality using the probability of write-offs.

(iii) Sensitivity analysis of financial assets and financial liabilities measured at fair value

Description	Fair value as at		Unobservable inputs	Change in percentage (probability weighted average)		Relationship of unobservable inputs to fair value
	31 Dec 2025	31 Dec 2024		2025	2024	
Nano loans	245,615	239,095	Credit risk factor	3%	3%	A shift of credit risk factor of +/- 3% results in a change in the fair value of P8.1m. (2024: change in the credit risk factor of +/- 3% changed fair value by P7.5m.
Derivative assets	4	4,744	Forward exchange rate	4%	4%	A shift in the USD exchange rate of +/- 4% results in a change in fair value of P0.2 thousand (2024: P4.5 thousand balance of derivatives)
Derivative liabilities	1,053	547	Forward exchange rate	4%	4%	A shift in the USD exchange rate of +/- 4% results in a change in fair value of P42.1 thousand (2024: P1.5 thousand balance of derivatives)

4 Capital management

The bank is a subsidiary of Access Bank Plc and manages it's capital in the context of approved Bank capital, which determines levels of risk weighted asset growth and the optimal amount and mix of capital required to support planned business growth. If capital falls below the required threshold, the Group injects capital either by way of Tier 1 or Tier 2 capital.

The Asset and Liabilities Committee (ALCO) manages capital composition and the Bank's ability to comply with capital requirements on a monthly basis, and an internal limit was set by ALCO at 15% which is a 2.5% buffer on the regulatory Capital Adequacy Ratio (CAR), which is required by the central bank to be 12.5% (2024: 12.5%) or more. The Bank ensures that it is adequately capitalized in line with regulatory requirements and Basel II to cover for Credit, Operational and Market risks. The Bank recognizes that it is exposed to other risks and thus strives to maintain capital buffer as indicated above to cover for those risks. As at 31 December 2025, the Bank's CAR stood at 18.3% (2024: 22%). Refer to note 30 for details of the key components of CAR.

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5 Cash and balances with the Central Bank

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Notes and coins	172,314	163,400	172,314	163,400
Unrestricted bank balances	316,820	458,503	316,820	458,503
Statutory reserve	-	-	-	-
	489,134	**621,903**	**489,134**	**621,903**

*Refer to note 3.2 for maturity and liquidity analysis for the cash and bank balances

ECL for physical cash and balances with the central bank is considered negligible due to the very low probability of default. Refer to note 3.1.3.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand can be assessed by reference to historical information about counterparty default rates. Credit risk of the Group's cash and cash equivalents is minimised by investing cash resources only with reputable financial institutions and Bank of Botswana.

6 Balances with other banks

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Balances with other banks	1,734,758	1,203,381	1,734,758	1,203,381
Less : Expected credit losses*	(809)	(266)	(809)	(266)
Balance as at end of year	**1,733,949**	**1,203,115**	**1,733,949**	**1,203,115**

*The impairment charge for the year increased compared to the prior year. The increase is mainly attributable to changes in the Probability of Default (PD) applied in the Expected Credit Loss (ECL) model. The PDs are derived from country credit ratings, and during the year, certain sovereign ratings were downgraded. This resulted in higher risk weights being applied to exposures, thereby increasing the impairment allowance recognized in the financial statements.

Analysed into:	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Current	1,733,949	1,203,115	1,733,949	1,203,115
Non-current	-	-	-	-
	1,733,949	1,203,115	1,733,949	1,203,115

7 Loans and advances to customers

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Gross loans	6,786,250	5,986,667	6,786,250	5,986,667
Unearned fee income	(31,976)	(32,839)	(31,976)	(32,839)
Gross loans and advances after unearned fee income	**6,754,274**	**5,953,828**	**6,754,274**	**5,953,828**
Less: Expected credit losses	(297,403)	(242,348)	(297,403)	(242,348)
	6,456,871	**5,711,480**	**6,456,871**	**5,711,480**

Please refer to note 3.1.3 for detailed disclosures of loans and advances by class.

Analysed into: *	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Current	628,786	253,329	628,786	253,329
Non-current	5,828,085	5,458,151	5,828,085	5,458,151
	6,456,871	**5,711,480**	**6,456,871**	**5,711,480**

*The 2024 note has been restated to correct the split between current and non-current balances. The current portion was previously presented as P2.7 billion and the non-current portion as P3 billion; these have been corrected to P629 million and P5.8 billion, respectively.

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8 Derivatives

Derivative financial instruments 31 December 2025	Group		Company	
	Assets P'000	Liabilities P'000	Assets P'000	Liabilities P'000
Derivatives at fair value through profit or loss				
Forward contracts	-	-	-	-
Currency swap	4	1,053	4	1,053
	4	1,053	4	1,053
Net derivative liability	**-**	(1,049)	**-**	(1,049)

Derivative financial instruments 31 December 2024	Group		Company	
	Assets P'000	Liabilities P'000	Assets P'000	Liabilities P'000
Derivatives at fair value through profit or loss				
Forward contracts	862	1	862	1
Currency swap	3,882	546	3,882	546
	4,744	**547**	**4,744**	**547**
Net derivative asset	**4,197**	**-**	**4,197**	**-**

9 Investment securities

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Treasury Bills	148,377	298,324	148,377	298,324
Government bonds	1,124,933	1,501,444	1,124,933	1,501,444
Investment in notes (refer to 9.2)	261,122	-	261,122	-
Gross Investment securities	**1,534,432**	**1,799,768**	**1,534,432**	**1,799,768**
Expected credit losses *	(7,553)	(3,646)	(7,553)	(3,646)
	1,526,879	**1,796,122**	**1,526,879**	**1,796,122**

*Refer to note 3.1.6 for the movement in the ECL for the current year.

Maturity analysis				
Current	405,933	753,857	405,933	753,857
Non-current	1,120,946	1,042,265	1,120,946	1,042,265
	1,526,879	**1,796,122**	**1,526,879**	**1,796,122**

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9 Investment securities (continued)

9.1 Investment securities qualifying to be included as part of cash and cash equivalents

Treasury Bills and Government Bonds having maturities of less than three months qualify to be included as part of cash and cash equivalents, 2025: nil (2024: nil). As at 31 December 2025 Government Bonds amounting to P330 million (2024: P330 million) were pledged to the Bank of Botswana (BOB) for the purposes of a credit facility with the BOB. These securities are rated as Baa1 by the latest assessment from Moody's.

9.2 Investment in notes

During the year, the Group invested in a short-term fixed-income note (Senior note programme) issued by New Horizon Funding SPV Ltd that is referred to in Note 3.1.6 in the footnote to the table showing the movement in ECL of investment securities (Òthe SPVÓ). The SPV is a bankruptcy-remote special purpose entity established for the purpose of issuing funding notes. The Group does not hold any voting rights, equity instruments, or rights to the net assets of the SPV, and therefore does not have control, joint control, or significant influence over it. The group was also not involved in structuring the SPV. The investment is recognised as a financial asset measured at amortised cost in accordance with IFRS 9, as the business model is to hold the note to collect contractual cash flows. Interest income is recognised using the effective interest rate method.

The Group's involvement is limited strictly to holding a financial asset — a note with a notional value of USD 20,000,000 (P260,926,279), effective 29 December 2025, maturing on 29 March 2026, accruing fixed interest of USD 450,000 (P5,870,841).

9.2.1 Nature of Risks Associated With the Interest

The Group's maximum exposure to loss from its interest in the SPV is limited to the carrying amount of the note, being:
Notional Amount: USD 20,000,000
Accrued Interest Receivable: USD 450,000
Less: Withholding Tax: USD 45,000

The note is repayable in full at maturity, with no contractual provision for early redemption.

The Group does not have any guarantees, liquidity facilities, or derivative arrangements with the SPV.

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10 Property, plant and equipment

2025
Group*

	Land and buildings P'000	Motor vehicles P'000	Furniture and Fittings P'000	Office and IT Equipment P'000	WIP P'000	Total P'000
Cost/revaluation						
At 1 January 2025	**152,585**	**8,154**	**99,579**	**101,036**	**-**	**361,354**
Additions**	3,898	630	944	3,147	-	8,619
Transfers from WIP	-	-	-	12,732	-	12,732
Revaluation	570	-	-	-	-	570
Disposals (Inclu write offs)*	(441)	-	-	(9,674)	-	(10,115)
At 31 December 2025	**156,612**	**8,784**	**100,523**	**107,241**	**-**	**373,160**
Accumulated depreciation						
At 1 January 2025	**(54,497)**	**(1,526)**	**(73,224)**	**(66,292)**	**-**	**(195,539)**
Disposals during the period	120	-	-	5,725	-	5,845
Charge for year (note 26)	(10,625)	(1,585)	(5,404)	(13,986)	-	(31,600)
At 31 December 2025	**(65,002)**	**(3,111)**	**(78,628)**	**(74,553)**	**-**	**(221,294)**
Net book value at 31 December 2025	**91,610**	**5,673**	**21,895**	**32,688**	**-**	**151,866**

**Additions are inclusive of ROU asset additions which are non cash in nature for cash flow purposes
*Under the land and buildings there was a derecognition of leased assets once the lease term ended. For Office and IT equipment these are written off because the bank had no useful value of the assets. The write off had no cash impact as the assets were provided for in prior years - therefore there was no income statement impact in the current year hence no cash flow impact.

2024
Group*

	Land and buildings P'000	Motor vehicle P'000	Furniture and Fittings P'000	Office and IT Equipment P'000	WIP P'000	Total P'000
Cost/revaluation						
At 1 January 2024	**147,591**	**3,052**	**97,190**	**91,294**	**-**	**339,127**
Transfers	-	-	-	-	-	-
Additions**	9,513	6,462	2,641	9,742	-	28,358
Revaluation	1,006	-	-	-	-	1,006
Disposals	(5,525)	-1,360	(252)	-	-	(7,137)
At 31 December 2024	**152,585**	**8,154**	**99,579**	**101,036**	**-**	**361,354**
			-			-
Accumulated depreciation						
At 1 January 2024	**(46,849)**	**(2,191)**	**(67,693)**	**(52,514)**	**-**	**(169,247)**
Disposals during the period	3,640	1,360	252	-	-	5,252
Charge for year (note 26)	(11,288)	(695)	(5,783)	(13,778)	-	(31,544)
At 31 December 2024	**(54,497)**	**(1,526)**	**(73,224)**	**(66,292)**	**-**	**(195,539)**
Net book value at 31 December 2024	**98,088**	**6,628**	**26,355**	**34,744**	**-**	**165,815**

* The figures are the same for group and company
**Additions are inclusive of ROU asset additions which are non cash in nature for cash flow purposes

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10 Property, plant and equipment (continued)

Right of use assets restricted by lease liabilities
Land and buildings includes right of use assets with a carrying amount of P52 million (2024: P53.3 million) related to leased properties that do not meet the definition of investment property. Further details of the right of use assets are disclosed in note 34.1.

Valuation
The Group's commercial land and building situated at Plot 62433, Fairgrounds, Gaborone were valued on 31 December 2025 by Knight Frank Botswana (Pty) Ltd, an external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation was made on the basis of recent market transactions on arm's length terms. The value was determined as P39,490,000 (2024: P39,080,000).

All other items of property and equipment are stated at cost less accumulated depreciation and impairment losses. The fair value measurements of land and building has been categorised as a level 3 fair value based on inputs on the valuation techniques used.

The following table shows the valuation technique used in measuring the fair value of land and buildings, as well as other observable input used:

Valuation technique	Significant observable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Market capitalisation method (investment method) with direct comparison of inputs applied	Market yield of between 7-10% (2024: 7-10%) Capitalisation rate of 7.58% (2024: 8.50%) Prime rentals of office space between P65/sq.m to P120/sq.m (2024: P95-120/sqm)	The estimated fair value would increase/(decrease) if: -Higher/lower capitalisation rates -Higher/lower market yields -Increase/decrease in rental per sq.m

Fair value hierarchy for Land and Buildings
Land and buidings are classified as Level 3 in terms of the fair value hierarchy. Level 3 fair value measurements are those that include the use of significant unobservable inputs. The significant non-observable inputs used in the valuations are the expected rental values per square meter and the capitalisation rates, as disclosed in the section above.

An increase in rentals/sq.m will result in an incresed fair value and vice versa. Alternatively, an upward change in the capitalisation rates will result in a decrease in the fair value computed.

(i) Carrying amounts that would have been recognised if land and buildings were stated at cost;

	Group and Company	
	2025 P'000	**2024 P'000**
Cost	24,485	24,485
Accumulated depreciation	(8,633)	(8,021)
Disposals	-	-
At 31 December	**15,852**	**16,464**

(ii) Reconciliation of land and buildings measured at level 3

Plot 62433, Gaborone	**2025 P'000**	**2024 P'000**
Opening balance	39,080	35,620
Additions during the year	-	2,455
Gains (losses) recognised in other comprehensive income	570	1,005
	39,650	**39,080**

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11 Intangible assets

Software **Group and Company**

	2025			2024		
Cost	**Software**	**WIP**	**Total**	**Software**	**WIP**	**Total**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**
Balance at the beginning of the year	256,993	24,418	281,411	245,227	15,334	260,561
Work in progress	12,751	(12,751)	-	6,890	(6,890)	-
Transfer out	-	(12,732)	(12,732)	-	-	-
Additions	12,045	6,255	18,300	4,876	16,343	21,219
Write-offs	-	(1,925)	(1,925)	-	(369)	(369)
Balance at the end of the year	**281,789**	**3,265**	**285,054**	**256,993**	**24,418**	**281,411**
Accumulated amortization						
Balance at the beginning of the year	(231,593)	-	(231,593)	(215,618)	-	(215,618)
Amortisation charge (note 26)	(13,218)	-	(13,218)	(15,975)	-	(15,975)
Balance at the end of the year	**(244,811)**	**-**	**(244,811)**	**(231,593)**	**-**	**(231,593)**
Carrying amount at the end of the year	**36,978**	**3,265**	**40,243**	**25,400**	**24,418**	**49,818**

* The figures are the same for group and company

Other information

Items of work in progress are capitalised into their respective intangible or PPE asset classes when assets become available for use and pass the recognition criteria per IAS 38 (for intangibles) or IAS 16 (for items of PPE). Additions to intangible assets consists of separately acquired intangible assets.

Additions to intangible assets consists of separately acquired intangible assets. These include payment for Custody plus license fees in relation to setting up the Custody Business Unit (P1.2M), payment for Tieto Card Management Suite (P841K), payment to Software AG for support of the application integration layer (Enterprise Service Bus) (P1.3M), payment to KE Concepts for Credit Management Application (Credit Ease) (P374K), payment for the deployment of Payments Orchestration Hub (POH) project (P1.5M), payment for development and implementation costs for ATM card based deposit (P2M), payment for ATM Monitoring Software license and implementation (70%), implementation costs of the Treasury Management Software (P2.2M).

Software is amortised on a straight line basis over its expected useful life and assumes a residual value of nil.

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12 Related party transactions

The Bank is a majority owned subsidiary of Access Bank PLC which is the ultimate holding company and the ultimate controlling party . The Bank has a related party relationship with its parent company and with the Access Bank PLC subsidiaries. The Bank also has two wholly owned subsidiaries, Kaleu (Pty) Limited and the Access Bank Botswana Nominees Co Pty Ltd. These are also considered a related parties. The transactions between the Bank and its related parties include money market placements, loans, deposits and management services, all of which are entered into in the normal course of business. Related parties also included Key Management Personnel who are members of the Bank's management committee (Manco) and the Board of Directors. Key Management Personnel have authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The volumes of related party transactions, outstanding at year end, and related expense and income for the year are as follows:

Related parties	Relationship
Access Bank PLC	Ultimate Holding Company
Access Bank South Africa Limited	Fellow subsidiary
Access Bank Mozambique	Fellow subsidiary
Access Bank Angola	Fellow subsidiary
Access Bank Botswana Nominees Co Pty Ltd	Subsidiary
Kaleu Pty Ltd	Subsidiary
Access Bank Nigeria Pty Ltd	Fellow subsidiary
Access Bank Kenya	Fellow subsidiary
Access Bank Zambia	Fellow subsidiary
Access Holdings Namibia Pty Ltd	Fellow subsidiary
Access Bank Tanzania	Fellow subsidiary

	Group		Company	
	2025	2024	2025	2024
12.1 **Balances due from related parties:******	P'000	P'000	P'000	P'000
Access Bank PLC	759	141,329	759	141,329
Access Bank South Africa Limited***	468,434	196,648	468,434	196,648
Access Bank Mozambique**	344	1,213	344	1,213
Access Bank Angola**	1,677	1,213	1,677	1,213
Access Bank Zambia	1,677	1,213	1,677	1,213
Access Holdings Namibia (Pty) Ltd	3,487	1,523	3,487	1,523
Kaleu Pty Ltd**	-	-	-	631
Access Bank Kenya**	-	786	-	786
	476,378	**343,925**	**476,378**	**344,556**
Expected credit losses on balances due from related parties				
Impairment on Intercompany receivables*	-	6,786	-	6,786
	476,378	**337,139**	**476,378**	**337,770**

****Access Bank South Africa Limited balances amounting to P468 million (2024: P196 million) are disclosed in the above note; however, these balances are reflected under Balances with Banks on the face of the statement of financial position.

*** The 2024 comparative balance has been restated to correct a classification error. An amount of P197 million, which had been correctly included under balances with other banks, was ommitted from balances due from related party disclosure in note 12.1. This omission has now been rectified.

** These are intercompany balances between the Bank and related parties. They relate to recharges and other expenses that the Bank would have incurred on behalf of the related party. They are generally short term in nature and no interest is charged.

*The impairment charge for the year decreased compared to the prior year, primarily due to the maturation of the USD 10 million placement with Access Bank Plc, which carried a higher credit risk profile. During the current year, the Group held a balance of ZAR 218 million and USD 22 million with Access Bank South Africa Limited, whose stronger credit rating resulted in an immaterial expected credit loss

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12 Related party transactions (continued)

Interest income				
Access Bank PLC	6,909	43,209	6,909	43,209
Access Bank South Africa Limited	19,886	12,596	19,886	12,596
	26,795	**55,805**	**26,795**	**55,805**

12.2 Balances due to related parties:

	Consolidated		Company	
	2025 P'000	**2024 P'000**	**2025 P'000**	**2024 P'000**
Access Bank PLC	2,532	4,300	2,532	4,300
Access Bank Angola	1,316	1,477	1,316	1,477
Access Bank Tanzania	1,974	1,406	1,974	1,406
Access Bank Zambia	4,247	1,790	4,247	1,790
Access Bank Mozambique	6,243	40,500	6,243	40,500
	16,311	**49,473**	**16,311**	**49,473**

Balance due to Access Bank PLC relate to management fees expenses accrued but not paid at year. The balance due to Angola relates visa related costs that were still outstanding as at year end. Balance due to Access Zambia and Access Tanzania relate to current account deposits held by the institutions with Access Botswana. Balance due to Access Bank Mozambique is a non-interest bearing cash collateral for credit facilities granted by Access Bank Botswana to Access Bank Mozambique employees. The facilities were granted as part of the Bank's ordinary lending processes. There is an expectation that these balances will be paid back in 12 months from year end.

Balances due to subsidiary:				
Kaleu Pty Ltd trading as Access Insurance Agency - fixed deposit	-	-	274,752	225,232
Kaleu Pty Ltd trading as Access Insurance Agency - current account	-	-	10,363	33,511
	-	**-**	**285,115**	**258,743**
Total balance due to related parties	**16,311**	**49,473**	**301,426**	**308,216**

Balances due to subsidiary are ordinary banking facilities that the Bank offers to the subsidiary company. The current account is non interest bearing as with the bank's other current accounts with external customers. The fixed deposit has a tenor of 1 year with a fixed interest rate of 6.5% p.a.

	Group		Company	
Interest expense	**2025 P'000**	**2024 P'000**	**2025 P'000**	**2024 P'000**
Kaleu Pty Ltd	-	-	14,340	13,303
	-	**-**	**14,340**	**13,303**

	Group		Company	
Dividend paid	**2025 P'000**	**2024 P'000**	**2025 P'000**	**2024 P'000**
Shareholders	43,000	29,000	43,000	29,000
	43,000	**29,000**	**43,000**	**29,000**

	Group		Company	
Dividend declared and not paid	**2025 P'000**	**2024 P'000**	**2025 P'000**	**2024 P'000**
Shareholders	-	43,000	-	43,000
	-	**43,000**	**-**	**43,000**

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12 Related party transactions (continued)

12.3 Loans and advances to other related parties:	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Executive members of staff*	10,218	19,685	10,218	19,685
	10,218	**19,685**	**10,218**	**19,685**
Interest income	**562**	**794**	**562**	**794**

These loans and advances have been included in loans and advances to customers as per note 7.
The Group assists officers and employees in respect of housing, motor vehicle and personal loans repayable over a maximum period of between 5 to 25 years at subsidised interest rates, ranging between 4.66% and 7.16% per annum (2024: 3.5% - 7%).
*The executive members of staff include only key management personnel.

12.4 Other related party transactions	Group		Company	
	2025	2024	2025	2024
Deposits held by directors and their entities:	P'000	P'000	P'000	P'000
Deposits held by directors	3,791	1,009	3,791	1,009

12.5 Key management compensation	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Salaries and other short term employee benefits	32,431	24,424	32,431	24,424
Post employment benefits	2,006	2,223	2,006	2,223
	34,437	**26,647**	**34,437**	**26,648**

12.6 Directors' fees Fees paid to directors during the year:	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Mrs. Lorato Nthando Mosetlhanyane	110	627	110	627
Mr. Jacob Mooketsi Motlhabane	-	555	-	555
Mr. Joshua Benjamin Galeforolwe	-	605	-	605
Mr. Boiki Matema Wabo Tema	685	578	685	578
Mr. John Bosco Sebabi	457	385	457	385
Mrs. Ntoti Mosetlhe	638	578	638	578
Ms. Lynda Mataka	671	600	671	600
Mr. Ogone Mothooagae	545	440	545	440
Mr. Calistas Chijoro	594	523	594	523
Mr. Davis Tele	426	-	426	-
	4,124	**4,891**	**4,124**	**4,891**

Mrs. Mosetlhanyane, Mr. Motlhabane and Mr. Galeforolwe resigned on 31 January 2025.

12.7 Management fees paid to holding company				
Access Bank PLC	9,314	7,372	9,314	7,372
	9,314	**7,372**	**9,314**	**7,372**

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13 Taxation

13.1 Current tax (payable)/receivable	Group 2025 P'000	Group 2024 P'000	Company 2025 P'000	Company 2024 P'000
Opening balance	8,131	24,609	6,737	22,648
Charge for the year	(15,726)	(42,983)	(8,344)	(35,248)
Tax paid	31,880	26,095	26,487	18,944
Tax credits	1,532	410	299	393
Total	**25,817**	**8,131**	**25,180**	**6,737**

Reconciliation of tax receivable	Group	
Access Bank Botswana Limited - Current tax receivable	**25,180**	**6,737**
Kaleu Pty Ltd - Current tax (payable) / receivable	**638**	**1,394**
Net current tax receivable	**25,817**	**8,131**

13.2 Deferred taxation

Deferred taxes are calculated on all temporary differences using a principal tax rate of 22% (2024: 22%). The movements in the deferred tax account, which are attributable to timing differences are as follows.

	Group 2025 P'000	Group 2024 P'000	Company 2025 P'000	Company 2024 P'000
Deferred tax brought forward	(9,407)	(1,149)	(9,407)	(1,149)
Gain on revaluation of property	125	221	125	221
Charge/(credit) per profit or loss (note 28.1)	7,969	(8,479)	7,969	(8,479)
Deferred tax assets	**(1,313)**	**(9,407)**	**(1,313)**	**(9,407)**
Analysed into Non current and current				
Current	1,307	3,223	1,307	3,223
Non current	(2,620)	(12,630)	(2,620)	(12,630)
Total	**(1,313)**	**(9,407)**	**(1,313)**	**(9,407)**

31 December 2025 Consolidated and Company	Net balance as at 1 January 2025 P'000	Net movement recognised in profit or loss P'000	Recognised in other comprehensive income P'000	Closing balance as at 31 December 2025 P'000
Property and equipment	6,309	1,307	125	7,742
Accruals and other provisions	(11,407)	6,436	-	(4,971)
Loans and advances	(17,321)	(628)	-	(17,949)
Prepayments and other	13,012	854	-	13,866
	(9,407)	**7,969**	**125**	**(1,312)**

31 December 2024 Consolidated and Company	Net balance as at 1 January 2024 P'000	Net movement recognised in profit or loss P'000	Recognised in other comprehensive income P'000	Closing balance as at 31 December 2024 P'000
Property and equipment	2,865	3,223	221	6,309
Accruals and other provisions	-	(11,407)	-	(11,407)
Loans and advances	(16,794)	(527)	-	(17,321)
Prepayments	12,780	232	-	13,012
	(1,149)	**(8,479)**	**221**	**(9,407)**

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14 Other assets	Consolidated		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Prepayments**	63,039	59,157	63,039	59,157
Nano loan float*	245,615	239,095	245,615	239,095
Clearing accounts	25,142	17,864	25,142	17,861
Sundry debtors	22,810	31,681	22,810	31,260
Other receivables***	17,468	11,669	16,568	11,676
	374,074	**359,466**	**373,174**	**359,049**

*Includes the float account of P270 million (2024: P250 million) and fair value loss on nano loans of P17 million (2024: P10.9 million).
**Included in Prepayments is a balance of P51 million (2024: P47.4 million) being the adjustment for loans granted to staff at below market interest rates. ECL is considered negligible for other assets due to the short-term nature and low probabilities of default.
***Other receivables includes settlement accounts and visa receivable accounts

Analysed into:				
Financial assets	311,035	300,309	310,135	299,892
Non-financial assets	63,039	59,157	63,039	59,157
	374,074	**359,466**	**373,174**	**359,049**
Analysed into: *				
Current	65,420	61,214	64,520	61,214
Non current	308,654	298,252	308,654	297,835
	374,074	**359,466**	**373,174**	**359,049**

*The 2024 note has been restated to correct the split from current of P309 million and non current of P51 million to current of P61 million and non current of P298 million for Group. For the company the split was previously current P309 million and non current P51 million and has been restated to current of P61 million and non current of P298 million.

14.1 Fair value loss on financial assets at Fair value though profit and loss	Consolidated		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Fair value loss on Nano loan	13,309	9,545	13,309	9,545
	13,309	**9,545**	**13,309**	**9,545**

15 Deposits from banks and customers	Consolidated		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Deposits from banks	1,227,892	570,813	1,227,892	570,813
Deposits from customers	7,475,965	7,258,555	7,761,078	7,517,299
	8,703,857	**7,829,368**	**8,988,970**	**8,088,112**
Maturity analysis:				
On demand to one month	4,266,110	3,677,851	4,276,473	3,711,362
One month to three months	1,669,156	811,499	1,669,156	811,499
Three months to one year	2,642,738	3,281,804	2,917,488	3,507,037
Greater than one year	125,853	58,214	125,853	58,214
Total deposits*	**8,703,857**	**7,829,368**	**8,988,970**	**8,088,112**

*Greater than one year represents the non-current portion of the balance. The remainder is classified as current.

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16 Borrowings	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Opec Fund for International Development (OFID) (note 16.7)	218,030	280,597	218,030	280,597
Botswana Development Corporation Limited - 2018 issue, subordinated debt (note 16.3)	150,042	149,942	150,042	149,942
Botswana Development Corporation Limited - 2022 issue, subordinated debt (note 16.3)	150,043	149,957	150,043	149,957
3, 5 and 7 year note programme (note 16.6)	127,374	127,517	127,374	127,517
Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') - subordinated debt (note 16.4)	120,179	143,465	120,179	143,465
	765,668	**851,478**	**765,668**	**851,478**

16.1 Reconciliation of movements to cash flows arising from financing activities'000				
Balance at 1 January	851,478	808,328	851,478	808,328
Changes from financing cash flows				
Proceeds from borrowings	-	25,000	-	25,000
Repayment of borrowings	(57,695)	-	(57,695)	-
	(57,695)	**25,000**	**(57,695)**	**25,000**
Other changes				
Foreign exchange variance	(27,026)	18,402	(27,026)	18,402
Interest expense	75,114	80,149	75,114	80,149
Interest paid	(76,204)	(80,400)	(76,204)	(80,400)
	(28,116)	**18,151**	**(28,116)**	**18,151**
	765,668	**851,478**	**765,668**	**851,478**

16.2 Maturity analysis: (Restated)	Group and Company	
	2025 P'000	2024 P'000
Current*	615,625	56,534
Non current *	150,043	794,944
	765,668	**851,478**

*The 2024 note has been restated to correct the classification between current and non-current balances. Amounts previously presented as nil for current and P851 million for non-current have been corrected to P57 million as current and P795 million as non-current.

Post year end developments

The Proparco facility was terminated following a management decision, supported by the requisite regulatory approvals, with repayment effected on 30 January

The Proparco facility was terminated following a management decision, supported by the requisite regulatory approvals, with repayment effected on 30 January 2026. In addition the 2018 BDC facility (BDC 1), having extended its original tenor of five years, no longer contributed meaningfully to the bank's regulatorycapital position in terms of Bank of Botswana (BOB) requirements, this was repaid on 10th April 2026.

Additionally, post the year end it was discovered that there were instances of regulatory non-compliance relating to large exposures and concentration risk required as per Banking Act. Further, there was incomplete Know Your Customer (KYC) documentation as per Financial Intelligence Agency (FIA) act for a new client relationship, New Horizon SPV. This non-compliance resulted in a covenant breach at year end which were not remedied at year end resulting in the facilities (other than BDC 2) now being callable on demand by the finance provider. As a result the facilities outside of BDC 2 facility have been reclassified to current liabilities at year end due to covenant breaches that occurred prior to the reporting date and were not remedied as at the year end. These breaches resulted in the Bank losing its unconditional right to defer settlement for a period of at least twelve months after the reporting date.

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16 Borrowings (continued)

All instances of regulatory non-compliance related to these matters have been fully disclosed to the Bank of Botswana and have since been remedied in line with the provisions of the respective debt agreements. Management has also proactively engaged with the lenders to seek formal waivers and/or remedies in respect of the historical covenant and regulatory breaches. These discussions are still ongoing.

Fair value assessment of borrowings
IFRS 7 Financial Instruments: Disclosures requires the disclosure of the fair value of financial liabilities, even when they are measured at amortized cost. The fair value represents an estimate of the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date. It does not represent the amount at which the liabilities are carried in the statement of financial position.

Proparco, OFID and BDC tranche 1 have variable rates and because rates are market driven the fairvalue therefore approximates the carrying amount at any point in time for these. The BDC tranche 2 has a fixed rate however the rate is still around the same range as BDC tranche 1 which has a rate of 10.11 as year end and therefore the fairvalue is deemed appropriate.

For the 5 year and 7 year note program the fairvalue was determined through present valuing the future cashflows. The rate used was the rate for BDC tranche 1 as it is a variable rate and therefore market driven however, due to the fact the tenure for BDC tranche 1 was longer than for the note programe we have adjusted the rate 0.75% because the credit risk carrying the 5 year and 7 year note programs were lower. The following table presents a comparison of the carrying amount and disclosed fair values of the Group's borrowings using level 3 inputs;

	CARRYING AMOUNT '000	FAIRVALUE '000
5 year note program	71,493	71,040
7 year note program	25,650	25,136

16.3 Botswana Development Corporation Limited - subordinated loan
Tranche 1- The facility with Botswana Development Corporation Ltd (BDC) for BWP 150 million was obtained in 2018. The facility is for 10 years (maturing 3rd August 2028) at an interest rate of Monetary Policy Rate (MOPR) and a margin of 6.61%. The facility qualifies as tier 2 capital. The proceeds were used to repay the two ABC Holdings Ltd Tier II capital instruments of USD10 million and BWP 31 million in 2018. The balance was applied to grow the Bank's loan book.
See below covenant for Tranche 1 and refer to note 16.2 for the details on the breach.
- Tier 1 Capital greater than 4.5%
- Additional Tier 1 Capital to RWA less than 3%
- Capital Adequacy ratio greater than 12.5%
- Statutory liquid asset ratio greater than 10%
- Total large exposure less than 800%
- Overall Net Forex Position less than 30%
- Compliance with applicable laws and regulations (This covenant has been breached)

Tranche 2- The Bank obtained an additional BWP150 million from Botswana Development Corporation Ltd (BDC) in 2022. The facility is for 10 years at a fixed interest rate of 10.5% per annum. The facility qualifies as tier 2 capital. The facility is to support growth of the loan book and optimise the capital of the Bank.
The facility matures on 31 October 2032. See the covenants below for BDC.
- Tier 1 Capital greater than 4.5%
- Additional Tier 1 Capital to RWA less than 3%
- Capital Adequacy ratio greater than 12.5%
- Statutory liquid asset ratio greater than 10%
- Total large exposure less than 800%
- Overall Net Forex Position less than 30%
- Compliance with applicable laws and regulations (This covenant has been breached)

16.4 Proparco - subordinated loan
In 2020, the Bank concluded a subordinated Tier II capital facility with Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') of USD10million, meant to support the Bank's growth strategy of the retail and corporate book. The facility bears interest at Secured Overnight Financing Rate (SOFR) plus a margin of 7.07826% and matures on 15 April 2030. See the below covenants for proparco and refer to note 16.2 for the details on the breach.
- Tier 1 Capital greater than 4.5%
- Capital Adequacy ratio greater than 12.5%
- Statutory liquid asset ratio greater 10%
- Single large exposure limit less than 30%

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16 Borrowings (continued)

- Total large exposure less than 800%
- Compliance with applicable laws and regulations (This covenant has been breached)

16.5 Qualification for Tier II Capital inclusion

The above stated loans (16.3 and 16.4) have met or exceeded the following minimum set criteria by the Directive on the Revised International Convergence of Capital Measurement and Capital Standards for Botswana in order for them to qualify as Tier II Capital:
(i)They are subordinated to depositors and general creditors of the bank;
(ii) They are neither secured or covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis depositors and general bank creditors;
(iii) Maturity:
- Their original maturity is more than five years.
- All the instruments have no step ups or other incentives to redeem.

(iv) The instruments are not callable at the initiative of the issuer before five years:
- The Group will not exercise a call option on the instruments prior to Bank of Botswana approval
- the Group will not do anything that creates an expectation that the call on the instruments will be exercised;
- the Group will not exercise a call option unless :

(a) It replaces the called instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the bank; or
(b) It demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
(v) The Group will not accelerate the repayment of future scheduled payments (coupon or principal), except in bankruptcy and liquidation;
(vi) The instruments do not have a credit sensitive dividend feature, that is a dividend/ coupon that is reset periodically based in whole or in part on the banking organisation's credit standing;
(vii) Neither the Group nor the related party over which the Group exercises control or significant influence have purchased the instruments, nor have the Group have directly or indirectly have funded the purchase of the instrument.

The instruments have been issued out of operating entities or holding company in a consolidated group, therefore proceeds are not required to be immediately available without limitation to an operating entity or the holding company in the consolidated group in a form which meets or exceeds all the other criteria for inclusion in Tier II Capital.

16.6 3, 5 and 7 year unsecured fixed rate notes

The bank issued two notes on 29 November 2023 and one note on 18 March 2024 under the Domestic Medium Term Note programme.

3 Year note - This note bears interest of 8.5% and is due on 29 November 2026.
5 Year note - This note bears interest of 9.25% and is due on 29 November 2028.
7 Year note - This note bears interest of 9.30% and is due on 18 March 2031.

The notes programme borrowings are not secured by any of the banks assets. The regulatory breaches constitutes Events of Default, see note 16.2 for further details on the breach.

16.7 Opec Fund for International Development (OFID)

On 19 June 2023 the bank finalised a USD 20 million loan Facility provided by the the OPEC Fund for International Development ("OFID"). The debt facility is used to finance sub-loans. The loan has a 5 year tenure with a 2 year moratorium on Capital. Interest is paid half yearly and Capital is paid in 6 equal semi annual instalments after year 2. The rate is Secured Overnight Financing Rate (SOFR) plus a margin of 2.75%.

Attached to this borrowing are various covenants relating to liquidity, capital and limits to exposures, which are all in line with regulatory requirements. The Bank did not default on the covenants. The OFID borrowing is not secured by any of the banks assets. See below covenants refer to note 16.2 for the details on the breach.
-Unimpaired capital to RWA (Capital adequacy ratio) greater than 15%
-Single large exposures to unimpaired capital less than 30%
-An aggregated connected persons exposures ratio less than 25%
-An open assets exposure ratio less than 25%
-A liquid coverage ratio greater than 100%
-An aggregate un-hedged open foreign currency ratio less than 25%
-Compliance with applicable laws and regulations (This covenant has been breached)

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17 Other liabilities	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Accruals	20,828	42,028	20,828	41,635
Clearing accounts	12,780	80,803	12,780	80,803
Lease liability	70,102	75,136	70,102	75,136
Provisions	56,494	52,998	55,931	52,861
Other*	10,185	18,167	8,300	17,223
	170,389	**269,132**	**167,941**	**267,658**

*Other liabilities includes VISA payable amounting to P912k (2024: P3.8 million), Output VAT of P2.7 million (2024: P3 million), withholding tax payable P2.6 million (2024: P1.4 million) and other individually immaterial items.

Analysed into:*				
Financial*	108,737	211,734	106,593	210,397
Non-financial *	61,652	57,398	61,348	57,261
	170,389	**269,132**	**167,941**	**267,658**

Analysed into:				
Current *	110,237	208,038	107,789	206,564
Non current *	60,152	61,094	60,152	61,094
	170,389	**269,132**	**167,941**	**267,658**

*'- The 2024 note has been restated to correct the split between current and non-current balances. For the Group, the current and non-current amounts were previously presented as P204 million and P65 million, respectively, and have been corrected to P208 million and P61 million. For the Company, the balances were previously disclosed as current of P202 million and non-current of P65 million and have been restated to current of P206.5 million and non-current of P61 million.

'- In addition, the 2024 note has been restated to correct the split between financial and non-financial components. For the Group, the financial and non-financial balances were previously presented as P216 million and P53 million, respectively, and have been corrected to P212 million and P57 million. For the Company, the balances were previously disclosed as financial of P215 million and non-financial of P53 million and have been restated to financial of P210 million and non-financial of P57 million..

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17 Other liabilities (continued)

Movements in each class of provision during the financial period are set out below (Group):

	Staff provisions	Operational losses	Provision for Management fee	Provision for future decommissioning costs on IFRS16 assets	Other Provisions	Total
	P'000	P'000	P'000	P'000	P'000	P'000
At 1 January 2025	**20,920**	**10,393**	**3,548**	**3,750**	**14,387**	**52,998**
Additions	2,815	22,586	17,346	613	11,729	**55,090**
Amounts utilised	(21,843)	(6,905)	(9,314)	(23)	(13,510)	**(51,594)**
At 31 December 2025	**1,891**	**26,074**	**11,580**	**4,341**	**12,606**	**56,494**

	Staff provisions	Operational losses	Provision for Management fee	Provision for future decommissioning costs on IFRS16 assets	Other Provisions	Total
	P'000	P'000	P'000	P'000	P'000	P'000
At 1 January 2024	**17,355**	**17,033**	**3,240**	**3,397**	**16,374**	**57,399**
Additions	20,620	16,231	11,980	363	14,097	**63,291**
Amounts utilised	(17,055)	(22,871)	(11,672)	(10)	(16,084)	**(67,691)**
At 31 December 2024	**20,920**	**10,393**	**3,548**	**3,750**	**14,387**	**52,998**

Staff provisions- The Bank has contractual and constructive obligations to pay staff for employment services provided by staff. These include severance and gratuity, 13th cheque, etc. Whilst the amounts can be reasonably estimated at reporting date, the actual amounts may differ depending on the number of eligible staff at the time of payment, in the next financial year. Furthermore, the timing of payment is not certain in some instances.

Provisions for operational losses- the Bank holds provisions for expected cashflows where a loss event has occurred in the Bank but the timing of the cash out and settlement amount is uncertain.

Management Fees- The Bank incurs management fees for regional and holding company costs that are incurred on behalf of the bank. These include personel and operational expenses relating to IT costs and other individually immaterial items. Invoices from the regional office and the holding company are expected to be received during the next half-year reporting period, with settlement anticipated in the subsequent financial year.

IFRS 16 provisions- The Bank leases numerous properties as lessee, for branches, ATM sites and office space. The lease tenors vary from 5 to 10 years and can be renewed. At the end of the lease terms, the Bank has legal obligations to decommission any partitioning or alterations it would have made to the properties in pursuit of its business, and restore the properties to their original state. The Bank recognises a provision being the estimated costs to restore the properties to their original state. The actual amount and timing of these costs remains uncertain.

Other Provisions - These relates to the legal cost provision being the provision held for future legal payments of P4.7 million (2024: P5.6 million), the provision for audit fees being the expected payments to be made for year end audit P2.3 million and is expected to be settled in the subsequent financial year (2024: P2.4 million). Other provisions also includes leave pay as the Bank has a contractual obligation to pay employees for accrued leave days that have not been utilised by employees. This payment is made when the employees leave the employment of Bank and is dependent on the actual number of accrued leave days at the point the employee leaves the Bank. The leave pay provision at 31 December 2025 was P1.3 million (2024: P1.8 million). Other Provisions also includes a provision for consultancy fees of P3.1 million which are expected to be settled in the subsequent financial year (2024: P3.0 million) and ECL for off balance sheet items at P1.5 million (2024: P1.5 million).

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18 Stated capital

	Group		Company	
	2025 '000	2024 '000	2025 '000	2024 '000
Ordinary shares of no par value	**725,000**	**725,000**	**725,000**	**725,000**

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
725 million ordinary shares issued and fully paid at the start and end of the year: (2024: 725 million)	**222,479**	**222,479**	**222,479**	**222,479**

These ordinary shares do not have a par value. There are no restrictions on the transfer of ordinary shares or agreements between holders of ordinary shares known to the Group which may result in restrictions on the transfer of securities or voting rights. The company's authorised capital is 725 million ordinary shares.

19 Reserves and retained earnings

19.1 Retained earnings

	Consolidated		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
At 1 January	831,073	802,945	574,623	572,974
Profit for the year	79,877	100,128	54,125	73,649
4 thebe per share final dividend declared and paid for the year ended 31 December 2024	-	(29,000)	-	(29,000)
5.9 thebe per share dividend declared and unpaid for the year ended 31 December 2024	-	(43,000)	-	(43,000)
At 31 December	**910,950**	**831,073**	**628,748**	**574,623**

19.2 Revaluation reserve

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
At 1 January	10,851	10,067	10,851	10,067
Gain on revaluation of land and buildings	570	1,005	570	1,005
Deferred tax thereon	(125)	(221)	(125)	(221)
At 31 December	**11,296**	**10,851**	**11,296**	**10,851**

The revaluation reserve comprises the net cumulative increase in the fair value of land and buildings owned by the Bank as disclosed under note 10.

19.3 Other reserves

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
At 1 January	6,091	6,091	6,091	6,091
Movements during the year	-	-	-	-
As at 31 December	**6,091**	**6,091**	**6,091**	**6,091**

The reserve represents the excess of the general provision against risk weighted assets as required by the Bank of Botswana in addition to the impairment provision required by IFRS.

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20 Net interest income

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Effective interest and similar income				
Cash and short-term funds	26,749	90,749	52,710	90,749
Investment securities	98,061	87,086	98,061	87,086
Loans and advances to customers	778,011	690,983	778,011	690,983
Related party interest*	36,179	19,685	10,218	19,685
	939,000	**888,503**	**939,000**	**888,503**

*The 2024 note has been restated to disclose the related party interest of P19.7 mil as a comparative which was previously omitted.

Effective interest expense and similar charges				
Deposits from banks and customers	488,719	388,088	503,247	401,391
Lease interest expense	6,345	6,402	6,345	6,402
Borrowings	75,114	80,149	75,114	80,149
	570,178	**474,639**	**584,706**	**487,942**
	368,822	**413,864**	**354,294**	**400,561**

21 Impairment credit on financial assets

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Lending activities	(86,874)	(34,148)	(86,874)	(34,148)
Balance with banks	7,556	(266)	7,556	(266)
Recoveries	3,016	2,846	3,016	2,846
Investment securities	(3,907)	(7,966)	(3,907)	(7,966)
	(80,209)	**(39,534)**	**(80,209)**	**(39,534)**

22 Net trading income

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Forex trading profits	84,034	38,645	84,034	38,645
Currency revaluations	-	17	-	17
Net trading income	**84,034**	**38,662**	**84,034**	**38,662**

23 Net fee and commission income

	Group		Company	
	2025 P'000	2024 P'000	2025 P'000	2024 P'000
Fee and commission income				
Fees	162,054	148,055	162,054	149,661
Commission income	172,286	140,757	150,051	115,266
Other income*	44,112	33,994	44,094	33,976
	378,452	**322,806**	**356,199**	**298,903**
Fee and commission expense				
Commission expense	88,642	65,014	88,642	65,014
	88,642	**65,014**	**88,642**	**65,014**
Net fee and commission income	**289,810**	**257,792**	**267,557**	**233,889**

*Other income includes bundled fee of P19.4 million (2024: P21.9 million), card service and BIN sponsorships fees of P24.6 million (2024: P5.3 million), amongst other individually immaterial items

Classification of Fees and commission income				
Point in time	353,906	296,638	331,653	272,735
Over time	24,546	26,168	24,546	26,168
	378,452	**322,806**	**356,199**	**298,903**

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		Consolidated		Company	
		2025	2024	2025	2024
24	**Personnel expenses**	P'000	P'000	P'000	P'000
	Salaries and wages	186,152	167,775	185,631	166,384
	Pension contributions - defined contribution plans**	20,570	17,994	20,526	17,833
	Other employee expenses*	45,773	25,902	45,655	25,792
		252,495	**211,671**	**251,812**	**210,009**

The average number of persons employed by the Group during the year was 438 (2024: 440).
*Other employee costs include medical aid costs of P11.7 million (2024: P10.0 million) and staff incentive costs of P6.0 million (2024: P19.0 million), amongst other individually immaterial costs.
**A defined contribution pension scheme was introduced with effect from 1 January 2002. Eligible employees and the Group contribute 6 percent and 14 percent of pensionable salaries respectively.

		Group		Company	
		2025	2024	2025	2024
25	**General and administrative expenses**	P'000	P'000	P'000	P'000
	IT and software costs	53,697	81,541	53,697	81,541
	Professional fees	9,972	11,123	9,868	11,031
	Marketing and public relations	6,529	8,278	6,529	8,278
	Travel and entertainment	6,642	7,823	6,621	7,823
	Telecommunication and postage	23,150	27,700	23,150	27,700
	Stationery	2,927	2,660	2,927	2,660
	Management fees	17,182	13,066	15,135	13,066
	Utilities and office security	14,156	15,248	14,156	15,248
	Indirect tax expenses	20,347	15,398	20,347	15,398
	Other administrative expenses*	38,353	27,710	38,282	27,553
		192,955	**210,547**	**190,712**	**210,298**

*Included in other administrative expenses is directors and board fees of P3.9 million (2024: P4.9 million), as well as Insurance costs of P6.6 million (2024: P7.8 million), repairs and maintenance of P2million (2024: P3.1 million) and other office expenses of P2 million (2024: P3.7 million). Other minor expenses included there include bank fees, license fees, levies and motor vehicle expenses.

		Group		Company	
		2025	2024	2025	2024
26	**Depreciation and amortisation expenses**	P'000	P'000	P'000	P'000
	Depreciation of property, and equipment (note 10)	31,600	31,544	31,600	31,544
	Amortisation of intangible assets (note 11)	13,218	15,975	13,218	15,975
		44,818	**47,519**	**44,818**	**47,519**

Included in depreciation of property and equipment is the depreciation for right of use asset of P10.6 million (2024: P11.1 million) disclosed on note 34.1.

		Group		Company	
		2025	2024	2025	2024
27	**Other operating expenses**	P'000	P'000	P'000	P'000
	Audit fees (refer to note 27.1)	4,317	5,837	4,207	5,760
	Legal expenses	4,367	3,883	4,367	3,883
	Agency expenses*	46,624	47,150	46,013	46,146
		55,308	**56,870**	**54,587**	**55,789**

*Agency expenses relate to remuneration to direct sales agents contracted by the Bank to sell loans and related products. The remuneration consists on both a fixed and variable portion and relates to the sales of other banking products, hence the costs cannot be directly attributed to or offset against specific revenue lines. Agency fees also include costs to third parties for the collection of loan instalments, insurance premiums and other payments due to the Bank from customers.

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		Group		Company	
		2025	2024	2025	2024
27.1	**Auditors' remuneration**	P'000	P'000	P'000	P'000
	Statutory audit related charges				
	- Group statutory audit fees	4,317	5,837	4,207	5,760
	Year end 31 December	**4,317**	**5,837**	**4,207**	**5,760**
	Non-statutory audit related charges				
	- audit related assurance service fees (included under consultancy costs)	-	-	-	-
	Total non statutory audit related charges	-	-	-	-
	Total fees paid	**4,317**	**5,837**	**4,207**	**5,760**

28 Taxation

		Group		Company	
28.1	**Major components of the tax expense (income)**	2025	2024	2025	2024
		P'000	P'000	P'000	P'000
	Current - Local income tax - current period	15,726	42,983	8,344	35,248
	Deferred tax				
	Origination and reversal of temporary differences	7,969	(8,479)	7,969	(8,479)
	Tax expense per statement of profit or loss	**23,695**	**34,504**	**16,313**	**26,769**

Further information about deferred tax is presented in note 13. The calculated tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

		Group		Company	
28.2	**Reconciliation of the tax expense**	2025	2024	2025	2024
		P'000	P'000	P'000	P'000
	Profit before tax	**103,572**	**134,632**	**70,438**	**100,418**
	Taxation calculated at the rate of 22% (2024: 22%)	22,786	29,619	15,496	22,092
	Impact of permanent differences	-	83	35	66
	Under provision in prior years	909	4,802	782	4,611
	Tax expense per statement of comprehensive income	**23,695**	**34,504**	**16,313**	**26,769**
	Effective tax rate	**22.9%**	**25.6%**	**23.2%**	**26.7%**

		Consolidated and Company	
28.3	**Deferred tax loss on revaluation of property**	2025	2024
		P'000	P'000
	Deferred tax loss on revaluation of property	**125**	**221**

29 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	Group	
	2025	2024
	P'000	P'000
Basic and diluted earnings per share		
Profit attributable to equity holders of the Company (P'000)	79,877	100,128
Weighted average number of ordinary shares in issue ('000)	725,000	725,000
Basic and diluted earnings per share (thebe)	**11.0**	**13.8**
Number of shares ('000)		
Number of ordinary shares in issue	**725,000**	**725,000**

Notes to the Consolidated and Separate Annual Financial Statements

30 Capital adequacy

30.1 Capital adequacy	Capital composition under Basel II Framework	
	Consolidated and Company	
	2025 P'000	2024 P'000
Core capital (Tier 1)		
Stated capital	222,479	222,479
Statutory credit risk reserve and other reserves	17,387	16,942
Retained earnings	910,950	831,073
Regulatory adjustments applied in the calculation of CET 1 Capital (intangible asset)	(40,243)	(49,818)
	1,110,573	**1,020,676**
Supplementary capital (Tier 2)		
General provision/ general loan-loss reserves eligible for inclusion in Tier II	45,540	39,938
Subordinated loan	210,000	379,860
	255,540	**419,798**
Total capital (Tier 1 and Tier 2)	**1,366,113**	**1,440,474**
Market risk	5,454	27,751
Operational risk	1,185,071	1,056,586
On Balance sheet assets/ credit risk weighted assets	6,262,338	5,546,586
Total risk weighted assets	**7,452,863**	**6,630,923**
Core capital ratio	14.90%	15.39%
Capital adequacy ratio	18.33%	21.72%
Bank of Botswana preferred minimum risk asset ratio	12.50%	12.50%

The Bank is supervised by the Bank of Botswana and is required to maintain a minimum capital ratio, known as the Capital Adequacy Ratio, expressed in terms of the ratio of unimpaired capital to the risk weighted value of assets and off balance sheet items. The ratio as at 31 December 2025 meets the minimum requirement of 12.5% set by Bank of Botswana.

Core capital is the portion of capital which is permanently and freely available to absorb unanticipated losses without the Bank being mandated to cease trading. It comprises CET1 capital and Additional Tier I capital (Basel II enhancements).

Capital management
Access Bank Botswana Limited is a subsidiary of Access Bank Plc and manages it's capital in the context of approved Bank capital, which determines levels of risk weighted asset growth and the optimal amount and mix of capital required to support planned business growth. If capital falls below the required threshold, the Group injects capital either by way of Tier 1 or Tier 2 capital.

The principal forms of capital included in the statement of financial position are stated capital, other reserves, retained earnings and subordinated loans.

Notes to the Consolidated and Separate Annual Financial Statements

31 Investments in subsidiaries

Kaleu Pty Ltd trading as Access Insurance is a 100% owned subsidiary company of Access Bank Botswana Limited and was incorporated in Botswana on 22 February 2011 and started trading on 18 January 2012. The Company does not have any regulatory restrictions to use its subsidiary's assets and its cash balances. Kaleu Pty Ltd has paid up capital of P2 000 100 (2024: P2 000 100). Access Bank Botswana Nominees Co Pty Ltd is a 100% owned subsidiary of Access Bank Botswana Limited and was incorporated on 10 July 2024 and commenced operations on 11 June 2025.

	Consolidated and Company	
	2025	2024
32 Contingent liabilities and loan commitments	**P'000**	**P'000**
Financial guarantees	176,796	296,507
Loan commitments and other credit related liabilities	263,579	118,079
Legal claim*	254,717	241,326
	695,091	**655,912**
Expected credit loss	(1,518)	(1,518)
	693,573	**654,394**

*Access Bank Botswana Limited together with Standard Chartered Bank Botswana, African Banking Corporation Zambia and Standard Chartered Bank Johannesburg Branch (Lenders) are defendants in a dispute before the Gauteng High Court, instituted by Mapula Solutions (Pty) Ltd "Mapula". Mapula is claiming damages, to the sum of ZAR704 million (approx. BWP512 million), for an alleged breach of contract in respect of a Debt Rescheduling Agreement "DRA". The DRA was signed between the Lenders and Blue Financial Services Limited "Blue". Blue breached the terms of the DRA and the Lenders cancelled the DRA, this cancellation was confirmed by the *Johannesburg High Court. Mapula assumed rights by cession from a Related Party of Blue, based on that cession of rights Mapula instituted action against the Lenders. Mapula is claiming that the Lenders had no right to cancel the DRA. In August 2023, judgement was made in favour of Mapula which would result in Access Bank Botswana being liable for approximately P255 million, being 25% of the total amount claimed by Mapula and the interest since the serving of summons at the prescribed rate on that date.

The final appeal was heard on November 18, 2025, at the Supreme Court of South Africa, and the Supreme Court on March 26, 2026 ruled in favour of the Bank and the other appelants. On April 20, 2026 Mapula lodged an appeal with the Constitutional Court of South Africa for which all parties still await a trial date. Based on updated legal advice, management continues to assess that the claim is unlikely to result in an outflow of economic resources, and as a result has continued to be disclosed as a contingent liability.

	Consolidated and Company	
	2025	2024
33	**P'000**	**P'000**
Commitments in respect of capital expenditure:		
Approved and contracted for	27,665	25,665
Approved but not contracted for	2,047	5,047
Total commitments	**29,712**	**30,712**

This committed expenditure relates to software purchase and other PPE and will be financed by available bank facilities, retained profits, issue of debentures/listed notes, mortgage facilities, existing cash resources, funds internally generated, etc.

Notes to the Consolidated and Separate Annual Financial Statements

34 Leases

The group leases office spaces for running its operation. The average lease term is 5 years (2024: 5 years) but for lease accounting, management considers extension options and computing the lease term. Judgment is exercised as management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Bank. The repayments made towards leases in 2025 is P14.5 million (2024:P15 million).

Judgement is also applied in determining the incremental borrowing rate used to discount the lease payments. Management considers where possible, recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. If a readily observable amortising loan rate is available (through recent financing or market data) which has a similar payment profile to the lease, then management considers that rate as a starting point to determine the incremental borrowing.

All lease contracts require that, at the end of the lease tenure, the rented properties are restored to their state before commencement of the lease.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

34.1 Right of use assets - land and buildings	Consolidated and Company	
	2025 P'000	2024 P'000
Cost		
Balance at 1 January	113,581	112,047
Disposal	(441)	(5,525)
Additions during the period	3,897	7,058
	117,037	**113,581**

Accumulated depreciation	Consolidated and Company	
Balance at 1 January	54,497	46,849
Disposal	(120)	(3,640)
Charge for the period	10,625	11,288
	65,002	**54,497**
Carrying amount	**52,035**	**59,084**

Future restoration costs

All lease contracts require that, at the end of the lease tenure, the rented properties are restored to their state before commencement of the lease. Future restoration costs amounting to P3.3 million (2024: P3.1 million) were capitalised to the right of use assets.

*The 2024 note relating to furture restoration costs was restated to correct the balance from P182 thousand to P3.1 million.

Other notes

The Right of use assets form part of Land and buildings disclosed in note 10, Property, plant and equipment.

Notes to the Consolidated and Separate Annual Financial Statements

34.2 Lease liability		Consolidated and Company 2025 P'000	2024 P'000
Balance at 1 January		75,136	79,377
Interest expense		6,345	6,402
Cash payments :	Interest	(6,345)	(6,402)
	Principal	(8,515)	(8,382)
Additions		3,736	6,380
Disposals		(255)	(2,240)
		70,102	**75,136**

Analysed into:		
Current	9,950	9,800
Non-current	60,152	65,336
	70,102	**75,136**

35 Segmental Reporting

Basis of Segmenting
The Managing Director, supported by the rest of the Management Committee (MANCO), is considered the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments. The Group has three reportable segments being Retail, Corporate and Commercial Banking and Global Markets. All operating segments used by the group meet the definition of reportable segments and the results presented are in line with reports used internally to assess each reportable segment. The CODM uses Profit Before Tax (PBT) as the measure of segmental performance. Head Office is not considered a segment and Head Office costs are apportioned to the respective operating segment.

Reportable segments
The group discloses the break up of it's result of operations and financial position among the below segments.

Retail banking
The retail banking segment offers lending and transactional banking services to individuals. The predominant aspect of its retail offering comes from Access's partnerships with unions and small corporate enterprises (SME's) who provide a steady stream of retail customer base who require secured and unsecured loans. The segment also offers savings, payroll accounts, call and fixed deposit products as well as insurance products via banc assurance.

Corporate and Commercial Banking
Commercial banking segment provides investment solutions to corporates, financial institutions, government entities and international organisations. The segment provides short-term fixed deposit investment products that collectively provide the Bank with funding for the retail loan book.

Global Markets
The Global Markets segment provides foreign exchange solutions to commercial clients, while supporting the branch network's retail foreign exchange service. The Group's treasury division plays an important role in managing the Bank's funding and liquidity and assists with sourcing interbank lines and supporting complex transactions. This business unit is facilitated and benefits from the Access Bank PLC coordination and efforts within the Access Group that specialises in global markets and treasury operations.

Access Bank Botswana Limited
Consolidated and separate annual financial statements
for the year ended 31 December 2025

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35 Segmental Reporting (continued)

Segmental Reporting December 2025

Statement of comprehensive income	Retail Banking P'000	Global Markets P'000	Corporate and Commercial Banking P'000	Total P'000
Interest income*	778,958	132,584	27,458	939,000
Interest expense	(536,615)	(95,705)	62,142	(570,178)
Net interest income	**242,343**	**36,879**	**89,600**	**368,822**
Net trading income	20,209	55,993	7,832	84,034
Fees and Commission income - Point in time	324,428	2,958	5,467	332,853
Fees and Commission income - Over time	41,825	-	3,774	45,599
Fees and Commission expense	(88,642)	-	-	(88,642)
Total income	**540,163**	**95,830**	**106,673**	**742,666**
Impairment of financial assets	(92,305)	-	(1,213)	(93,518)
Net income	**447,858**	**95,830**	**105,460**	**649,148**
Operating expenditure***	(228,329)	(29,967)	(34,785)	(293,081)
Payroll costs	(201,526)	(28,337)	(22,632)	(252,495)
Profit before taxation	**18,003**	**37,526**	**48,043**	**103,572**
Taxation	(6,122)	(9,678)	(7,895)	(23,695)
Profit after tax	**11,881**	**27,848**	**40,148**	**79,877**

*This is interest income from external customers.
***Please refer to note 25 for the disaggregation of operating expenses. The disaggregated operating expenses would generally follow the same allocation basis shown above.
Most of the revenues are from external customers domiciled in Botswana. There are no major customer contributing to 10% or more in terms of revenue. There is no concentration in this regard. Repossessed property is moderately liquid with a readily available market.

	Retail Banking P'000	Global Markets P'000	Corporate and Commercial Banking P'000	Total P'000
Statement of financial position				
Investment securities	-	1,526,879	-	1,526,879
Loans and advances to customers	6,260,917	-	195,954	6,456,871
Other assets for reportable segments	876,829	1,855,048	92,468	2,824,346
Total assets for reportable segments	**7,137,746**	**3,381,927**	**288,422**	**10,808,095**
Deposits from customers	2,846,893	-	4,629,072	7,475,965
Deposits from banks	-	1,227,892	-	1,227,892
Other liabilities for reportable segments	3,817,761	1,202,044	(4,066,384)	953,421
Total liabilities for reportable segments	**6,664,654**	**2,429,936**	**562,688**	**9,657,278**

Notes to the Consolidated and Separate Annual Financial Statements

35 Segmental Reporting (continued)

Segmental Reporting December 2024

Statement of comprehensive income	Retail Banking P'000	Global Markets P'000	Corporate and Commercial Banking P'000	Total P'000
Interest income*	769,223	74,023	45,257	888,503
Interest expense**	(555,835)	4,213	76,983	(474,639)
Net interest income	**213,388**	**78,236**	**122,240**	**413,864**
Net trading income	17,103	9,879	11,680	38,662
Fees and Commission income - Point in time	275,470	3,281	5,048	283,799
Fees and Commission income - Over time	34,160	-	4,847	39,007
Fees and Commission expense	(65,014)	-	-	(65,014)
Total income	**475,107**	**91,396**	**143,815**	**710,318**
Impairment of financial assets	(48,816)	-	(263)	(49,079)
Net income	**426,291**	**91,396**	**143,552**	**661,239**
Operating expenditure***	(241,403)	(33,046)	(40,488)	(314,936)
Payroll costs	(170,444)	(21,829)	(19,397)	(211,671)
Profit before taxation	**14,444**	**36,521**	**83,667**	**134,632**
Taxation	(7,747)	(8,229)	(18,528)	(34,504)
Profit after tax	**6,697**	**28,292**	**65,139**	**100,128**

*This is interest income from external customers.
**Interest expense includes inter-segment funding arrangements where Global Markets and Commercial Banking are in a net positive interest expense considering the interest income from inter segment funds transfer pricing. Intersegment interest expense for Retail was P370 million which was allocated as income to Wholesale Banking (P356 million) and Global Markets (P14 million).
***Please refer to note 25 for the disaggregation of operating expenses. The disaggregated operating expenses would generally follow the same allocation basis shown above.
Most of the revenues are from external customers domiciled in Botswana. There are no major customer contributing to 10% or more in terms of revenue. There is no concentration in this regard. Repossessed property is moderately liquid with a readily available market.

	Retail Banking P'000	Global Markets P'000	Corporate and Commercial Banking P'000	Total P'000
Statement of financial position				
Investment securities	-	1,796,122	-	1,796,122
Loans and advances to customers	5,452,503	-	258,977	5,711,480
Other assets for reportable segments	419,987	2,048,414	94,489	2,562,890
Total assets for reportable segments	**5,872,490**	**3,844,536**	**353,466**	**10,070,492**
				-
Deposits from customers	1,870,768	-	5,387,787	7,258,555
Deposits from banks	-	570,813	-	570,813
Other liabilities for reportable segments	3,859,509	2,882,825	(5,571,704)	1,170,630
Total liabilities for reportable segments	**5,730,277**	**3,453,638**	**(183,917)**	**8,999,998**

Notes to the Consolidated and Separate Annual Financial Statements

35 Segmental Reporting (continued)

36 Events after the reporting period

At 31 December 2025, the Company was defending a legal claim brought by Mapula Solutions (Pty) Ltd to the Company and three other defendants amounting to ZAR 704 million (BWP 542 million). Based on legal advice, management believed that the claim was not likely to result in an outflow of resources and accordingly no provision was recognized. The matter was disclosed as a contingent liability in the prior periods. Subsequent to the reporting date, on March 26, 2026, the court ruled in favour of the Bank and the other appellants involved. On April 20, 2026 Mapula lodged an appeal with the Constitutional Court of South Africa for which all parties await a trial date. Based on updated legal advice, management continues to assess that the claim is unlikely to result in an outflow of economic resources, and as a result has continued to be disclosed as a contingent liability.

While the tensions in the Middle East continued into 2026 and affected global trade corridors and Botswana's diamond export sector, the Bank's retail-focused loan book experienced indirect pressures through higher inflation with rising energy import costs contributing to elevated living expenses for the retail customer portfolio. Consistent with the Bank's prudent approach to provisioning, Management has evaluated all events and transactions that occurred subsequent to the date of the financial statements but before the date of issuance. No adjusting events were identified that would materially alter the reported financial position. The group is monitoring the developments and the impact.

During the year, the Bank invested USD 20 million (BWP 260.9 million) in a 90-day senior note bond issued by New Horizon Funding SPV. The instrument was classified under investment securities as at the reporting date. Subsequent to year-end, the note matured and the principal together with accrued interest was fully repaid to the Bank on 31 March 2026.

37 Authorisation of Financial Statements

The consolidated and separate annual financial statements set out on pages 72 to 163, which have been prepared on the going concern basis, were approved and authorised by the board of directors on July 9, 2026.

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access
Bank Botswana Limited

More Than Banking

Member of the Deposit Insurance Scheme of Botswana