



Stanbic Bank

Stanbic Bank (Botswana) Limited **Prospectus**



STANBIC BANK (BOTSWANA) LIMITED
(Incorporated in the Republic of Botswana on 19 July 1991 and re-registered as a public company limited by shares on 9 September 2019)
(Unique Identification Number BW000000732198)
(“Stanbic Bank”, “SBBL” or “the Bank”)

BSE Stock Code: SBBL-EQO

ISIN: BW 000000 7996

Prospectus

relating to:
An offer for sale by Stanbic Africa Holdings Limited of up to 319 362 050 Stanbic Bank Shares at an offer price of BWP4.30 per Share

by way of

a private placement of 255 489 640 Stanbic Bank Shares,
a public offer of 63 872 410 Stanbic Bank Shares,

and

the subsequent listing of the Stated Capital of Stanbic Bank on the Main Board of the Botswana Stock Exchange (“BSE”).

Important Dates:	
Press Announcement on Listing	29 October 2026
Issue of this Prospectus	29 October 2026
Opening of the Public Offer at 09h00	30 October 2026
Closing of the Public Offer at 16h30	27 November 2026
Listing on the BSE	7 December 2026

This Prospectus dated 20 October 2026, accompanied by the documents referred to under “Registration of Prospectus”, was registered by CIPA on 23 October 2026 in terms of sections 300(1) and 308(2) of the Companies Act (CAP. 42:01).

This Prospectus is issued for the purpose of providing certain information about an investment in Stanbic Bank (Botswana) Limited, a public company incorporated in the Republic of Botswana and to be listed on the BSE. If you are in doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal practitioner or other professional adviser immediately. If you wish to apply for Stanbic Bank Shares in terms of the Public Offer then you must complete the procedure for application and payment set out in this Prospectus.

The BSE takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of the contents of this Prospectus. Admission of the Stanbic Bank Shares to the Official List of the BSE is not to be taken as an indication of the merits of Stanbic Bank or of the Stanbic Bank Shares.

Legal Advisors  Attorneys, Notaries & Conveyancers	Valuation Advisor 
Sponsor  Capital Securities <small>*A member of the Botswana Stock Exchange</small>	Auditors 
Transfer Secretary 	Reporting Accountants 
Communications Advisor 	Corporate Advisor Stanbic Financial Services 

Public Offer / Listing Statement

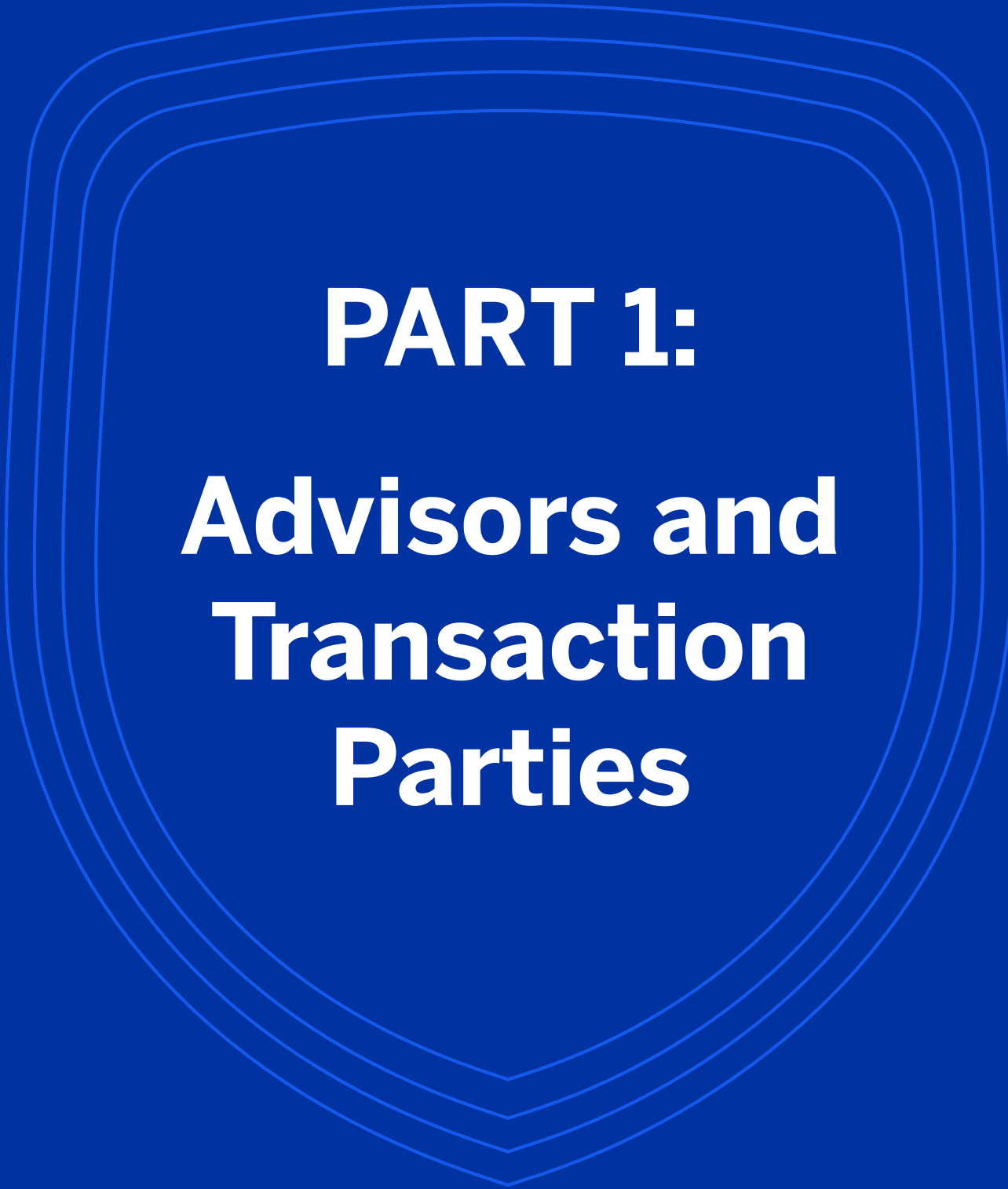
Application has been made to the Botswana Stock Exchange for permission to list all the issued ordinary shares of Stanbic Bank (Botswana) Limited, including the shares which are the subject of this Offer, on the Main Board of the BSE. Such permission will be granted when the Bank has been admitted to the Official List of the Botswana Stock Exchange. Acceptance of applications will be conditional upon permission being granted to list all the issued securities of the Bank. Monies paid in respect of any application accepted will be returned if such permission is not granted.

BSE Disclaimer
The BSE takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of the contents of this Prospectus. Admission of the Stanbic Bank Shares to the Official List of the BSE is not to be taken as an indication of the merits of Stanbic Bank or of the Stanbic Bank Shares.

CIPA Disclaimer
CIPA has scrutinized the information disclosed in this Prospectus to ensure that it complies with statutory provisions and regulations of the Companies Act. CIPA does not express a view on the risk for investors or the value of the shares and as such CIPA accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the Securities of the Company.

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PART 1: Advisors and Transaction Parties

Part 1: Advisors and Transaction Parties

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<p>Sponsor</p> <p>IMARA Capital Securities <small>(A member of the Botswana Stock Exchange)</small></p>  <p>Office 3A, Third Floor Masa Centre, Plot 54353, New CBD, Gaborone, Botswana Contact: Gregory Matsake Email: gregory.matsake@imara.com</p>	<p>Auditors</p> <p>Deloitte.</p>  <p>2nd Floor, Twin Towers East, Plot 2883, Fairgrounds Office Park, Gaborone, Botswana Contact: Cecilia Ramatlapeng Email: cramatlapeng@deloitte.co.bw</p>
<p>Reporting Accountants</p> <p>Deloitte.</p>  <p>2nd Floor, Twin Towers East, Plot 2883, Fairgrounds Office Park, Gaborone, Botswana Contact: Cecilia Ramatlapeng Email: cramatlapeng@deloitte.co.bw</p>	<p>Transfer Secretary</p>  <p>4th Floor, Fairscape Precinct, Plot 70667, Fairgrounds, Gaborone, Private Bag 00417, Gaborone, Botswana Telephone: +267 393 2244, +267 367 4400 Email: csd@bse.co.bw</p>
<p>Company Secretary Siamisang Thokie Morolong</p>  <p>Private Bag 00168, Gaborone, Botswana Plot 50672, Off Machel Drive Fairgrounds, Gaborone, Botswana (appointed 18 August 2010)</p>	<p>Corporate Adviser Stanbic Financial Services</p>  <p>Plot 50672, Off Machel Drive Fairgrounds, Gaborone, Botswana</p>
<p>Communications Advisor</p>  <p>Unit 3, Plot 144, Mountain View Office Park, Kgale, Gaborone, Botswana Contact: Kabelo Binns Email: kbinns@hotwireprc.com Telephone: +267 392 3579</p>	<p>Receiving Banker Stanbic Bank (Botswana) Limited</p>  <p>Plot 50672, Off Machel Drive Fairgrounds, Gaborone, Botswana</p>

Forward Looking Statements

This Prospectus contains statements about the Bank that are or may be forward looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward looking statements, including, without limitation, those concerning strategy; economic outlook; cash costs; operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure. These forward looking statements are not based on historical facts but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Bank cautions that forward looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the Bank’s industry may differ materially from those made in, or suggested by, the forward looking statements contained in this Prospectus.

All these forward looking statements are based on estimates and assumptions, all of which estimates and assumptions, although the Bank may believe them to be reasonable, are inherently uncertain and are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Bank, or not currently considered material), could cause the actual results, performance or achievements to materially differ from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Such factors include, but are not limited to: general economic and business conditions in Botswana and in the Southern African region and internationally; inflation, deflation and interest rates; fluctuations in commodity prices, exchange rates, stock markets and currencies; the ability to access sufficient funding to meet the Bank’s liquidity needs; natural and other disasters, adverse weather and similar contingencies outside the control of the Bank; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts; geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices; regulatory capital or liquidity requirements and similar contingencies outside the control of the Bank; the policies and actions of governmental or regulatory authorities in Botswana, Southern African region or elsewhere; the ability to attract and retain key employees; the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets; market relating trends and developments; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints; changes in competition and pricing environments; the actions of competitors; and the success of the Bank in managing the risks of the foregoing.

Investors should keep in mind that any forward looking statement made in this Prospectus or elsewhere is applicable only at the date on which such a forward-looking statement is made. New factors that could cause the business of the Bank or other matters to which such forward looking statements relate, not to develop as expected, may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results or matters to differ materially from those contained in any forward looking statement is not known. The Bank has no duty, and does not intend, to update or revise the forward looking statements contained in this Prospectus after the date of this Prospectus, except as may be required by applicable law or regulation.

Part 2: Definitions

In this Prospectus and the annexures hereto, unless the context indicates otherwise, the terms in the first column have the meanings assigned to them in the second column, words in the singular include the plural and vice versa, words importing natural persons include corporations and associations of persons and reference to any gender includes the other genders.

TERM	MEANING
“the Act”	The Companies Act (Cap 42:01), as amended from time to time;
“Application Forms”	means the application forms attached to this Prospectus, or such electronic or broker-assisted application process as may be permitted in terms of the Offer;
“Armstrongs”	means Armstrongs Attorneys, a partnership practising as attorneys in terms of the Legal Practitioners Act of Botswana;
“Bank of Botswana” or “BoB”	means the central bank of Botswana, established under the Bank of Botswana Act, and the primary prudential regulator of Stanbic Bank;
“Banking Act”	means the Banking Act [Cap 46:04] of Botswana, as amended from time to time;
“BCB”	means Business and Commercial Banking, one of the Bank’s three core business units, as more fully described in Section 12 of this Prospectus;
“BIC”	means Botswana Insurance Company Limited which is the Bank’s insurance underwriting entity;
“the Board”	means the board of directors of Stanbic Bank (Botswana) Limited;
“Bookrunner”	means Imara Capital Securities Proprietary Limited, in its capacity as bookrunner to the Offer, being the same entity acting as Sponsor;
“Botswana”	means the Republic of Botswana;
“Broker Placing”	means the placement of Offer Shares by the Sponsor, acting as placing agent on behalf of the Company, with clients of the Sponsor in accordance with the terms and conditions of this Prospectus;
“the BSE”	means the Botswana Stock Exchange;
“BWP”	means Botswana Pula, the lawful currency of Botswana;
“CIB”	means Corporate and Investment Banking, one of the Bank’s three core business units, as more fully described in Section 12 of this Prospectus;
“CIPA”	means the Companies and Intellectual Property Authority of Botswana;
“Constitution”	means the registered constitution of Stanbic Bank, adopted by special resolution on 08 September 2026;
“Corporate Advisor”	means Stanbic Financial Services Proprietary Limited;
“CSDB”	means Central Securities Depository Company of Botswana Limited;
“the Directors”	means the directors of Stanbic Bank;

PART 2: Definitions

TERM	MEANING
“DMTN Programme”	means the BWP 2 000 000 000 Domestic Medium Term Note Programme established by Stanbic Bank, under which Senior Unsecured Notes and Subordinated Tier II Notes have been issued and listed on the BSE;
“Franchise Agreement”	means the Botswana Franchise Agreement dated 1 January 2011 between The Standard Bank of South Africa Limited and Stanbic Bank;
“IAM”	means Insurance and Asset Management, in respect of SBG, one of its four core business units in addition to PPB, BCB and CIB, as described in Section 11 of the Prospectus;
“Listing”	means the listing of the Shares of Stanbic Bank on the Main Board of the BSE following completion of the Private Placement and the Public Offer;
“Listing Date”	means the date on which Stanbic Bank is expected to list on the BSE, on or around 7 December 2026;
“NBFIRA”	means the Non-Bank Financial Institutions Regulatory Authority of Botswana;
“the Offer”	means the Private Placement and the Public Offer, collectively;
“the Offer Price”	means the price payable for the offer of Stanbic Bank Shares, being BWP4.30 per Stanbic Bank Share;
“the Offer Shares”	means a total of 319 362 050 Stanbic Bank Shares, being the subject of the Offer;
“Placees”	means the select institutional and other investors to whom Stanbic Bank Shares are offered for sale pursuant to the Private Placement;
“PPB”	means Personal and Private Banking, one of the Bank’s three core business units, as more fully described in Section 12 of this Prospectus;
“Private Placement”	means the offer for sale of 255 489 640 Stanbic Bank Shares to selected institutional and other investors as contemplated in this Prospectus, prior to the Public Offer;
“Public Offer”	means the offer for sale of 63 872 410 Stanbic Bank Shares to members of the public as contemplated in this Prospectus;
“the SBBL Group”	means Stanbic Bank and its subsidiaries, being Stanbic Financial Services Pty Ltd, Stanbic Insurance Services Pty Ltd and Stanbic Nominees Botswana Pty Ltd;
“SBBL” or “Stanbic Bank” or “the Bank”	means Stanbic Bank (Botswana) Limited (Unique Identification Number BW00000732198), a public company incorporated with limited liability and registered according to the laws of Botswana which is licensed as a commercial bank under the Banking Act;
“Selling Shareholder” or “Stanbic Africa Holdings” or “SAHL”	means Stanbic Africa Holdings Limited (registration number 849806), a private limited company incorporated in England and Wales and a wholly owned subsidiary of Standard Bank Group Limited, being the sole shareholder of Stanbic Bank prior to the Offer;

TERM	MEANING
“Stanbic Bank Shares” or “Shares”	means ordinary shares of no par value in the share capital of Stanbic Bank;
“Standard Bank Group” or “SBG”	means Standard Bank Group Limited (registration number 1969/017128/06), a public company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange, Namibian Stock Exchange and the A2X Market, being the ultimate holding company of Stanbic Bank;
“Stated Capital”	means the total issued ordinary share capital of Stanbic Bank from time to time.
“USD”	means United States Dollars, the lawful currency of the United States of America; and
“ZAR”	means South African Rand, the lawful currency of the Republic of South Africa.

PART 3: Features of The Offer

Part 3: Features of the Offer

1. Purpose of The Offer

1.1. The main purposes of the Offer and Listing are:

- 1.1.1.** To facilitate the sale by the Selling Shareholder, Stanbic Africa Holdings Limited, of a portion of its shareholding in Stanbic Bank, in order to achieve the public shareholding spread required for admission to the Main Board of the BSE. The BSE has approved a free float of 20% for the purposes of the Listing. Stanbic Africa Holdings currently holds 100% of the Bank's Stated Capital and intends to dispose of 319 362 050 Stanbic Bank Shares, representing 20% of the Stated Capital, pursuant to the Offer.
- 1.1.2.** To provide citizens of Botswana with an opportunity to participate in the future growth and performance of Stanbic Bank and to demonstrate long-term commitment to Botswana.
- 1.1.3.** To broaden and diversify the Bank's shareholder base, increase local ownership and support citizen economic empowerment objectives in Botswana. The Listing is also expected to enhance the Bank's profile in the market and support its long-term strategic positioning as a leading Botswana banking franchise.
- 1.1.4.** To enhance the Bank's profile within the investment community, broaden access to its shareholder base and reinforce transparency through ongoing compliance with the continuing disclosure obligations applicable to listed issuers.
- 1.1.5.** The Bank is well capitalised and, accordingly, does not require additional capital to support its current operations, regulatory capital requirements or anticipated growth plans. The Offer is therefore an offer for sale of existing Shares by the Selling Shareholder. Accordingly, the proceeds of the Offer will accrue entirely to the Selling Shareholder and the Bank will not receive any proceeds from the sale of the Offer Shares.

PART 4: Bank Overview

Part 4: Bank Overview

2. Stanbic Bank's Key Strengths

The key strengths of Stanbic Bank are:

2.1. Backed by Africa's Leading Banking Group

Stanbic Bank is a member of Standard Bank Group, Africa's largest banking group by assets and one of the continent's leading financial institutions. Through its membership of the Standard Bank Group and the Franchise Agreement, the Bank benefits from access to established technology platforms, risk management frameworks, product expertise and specialist capabilities developed across the Group's operations. Standard Bank Group operates in 21 African countries and maintains international offices in London, New York, Dubai and Beijing. The Bank combines the scale, expertise and capabilities of Africa's largest banking group with deep knowledge of the Botswana market, enabling it to provide a broad range of financial solutions across its client franchise.

2.2. Leading and Established Botswana Banking Franchise

With more than three decades of operating history in Botswana, Stanbic Bank has established itself as one of the country's leading banking institutions. Over this period, the Bank has built long-standing relationships across the corporate, institutional, public sector, business and personal banking segments of the economy.

As at 31 December 2025, the Bank reported total assets of BWP27.6 billion and total deposits of BWP22.7 billion, reflecting the scale of its franchise and position within the Botswana banking sector. The Bank's established market presence, recognised brand and diversified client relationships position it to participate in Botswana's long-term economic development and the continued growth of the country's financial services sector.

2.3. Strong Financial Performance, Capital Position and Balance Sheet Resilience

A consistent track record of profitability, supported by disciplined risk management and prudent capital allocation, has enabled the Bank to maintain a strong financial position and a resilient business model. The Bank's ability to generate earnings while maintaining strong capital and liquidity positions reflects the quality of its franchise and the effectiveness of its risk management framework. Over the last three financial years, the Bank continued to deliver strong returns while maintaining a well-capitalised and conservatively managed balance sheet.

For the year ended 31 December 2025, the Bank reported profit after tax of BWP710 million and a return on equity of 24.3%. The Bank maintained a capital adequacy ratio of 22.6%, significantly above regulatory minimum requirements, while total assets and total deposits amounted to BWP27.6 billion and BWP22.7 billion, respectively.

The Bank's balance sheet is predominantly funded by customer deposits, providing a stable funding base to support lending activities and future growth. Between 2023 and 2025, total assets increased from BWP25.0 billion to BWP27.6 billion, while total deposits increased from BWP21.2 billion to BWP22.7 billion, reflecting continued franchise growth and customer confidence.

The Bank has also demonstrated a continued focus on operational efficiency and disciplined cost management, with its cost-to-income ratio improving from 52.8% in 2023 to 49.1% in 2024 and 48.6% in 2025. The Bank's prudent approach to risk management is further evidenced by a credit loss ratio of 0.6% in 2025, below its stated risk appetite threshold, while maintaining strong capital and liquidity levels despite a challenging operating environment characterised by economic contraction, reduced activity in the diamond sector and broader liquidity pressures within the Botswana economy.

2.4. Strong Governance, Risk Management and Experienced Leadership

Stanbic Bank operates within a well-established governance framework supported by an experienced Board of Directors and executive management team. The Bank combines local oversight with alignment to the governance and risk management standards of Standard Bank Group, reinforcing accountability and prudent management across the organisation.

The Board comprises a majority of non-executive and independent non-executive directors with experience spanning banking, finance, law and corporate governance. Board oversight is supported by dedicated committees responsible for audit, risk management, credit, information technology, and nomination and remuneration matters.

The Bank maintains a comprehensive risk management framework that is embedded across its operations and decision-making processes. Risk oversight is exercised through dedicated Board Committees and management structures responsible for monitoring credit, market, operational, liquidity and regulatory risks.

The Bank operates under the supervision of the Bank of Botswana and maintains governance and risk management practices consistent with the standards expected of a leading financial institution. These frameworks support prudent decision-making across the organisation and have contributed to the Bank's ability to navigate changing economic conditions while maintaining financial resilience and regulatory compliance.

2.5. Diversified Banking Franchise

The Bank operates a diversified banking franchise serving personal, business, commercial, corporate, institutional and public sector clients across Botswana. Through its Personal and Private Banking, Business and Commercial Banking and Corporate and Investment Banking divisions, the Bank provides a broad range of financial solutions, including lending, transactional banking, treasury, foreign exchange, trade finance and advisory services.

The breadth of the Bank's client base and product offering reduces reliance on any single customer segment or revenue line, supporting earnings resilience across different economic and market conditions. This diversification is reflected in the Bank's balanced mix of interest and non-interest income. For the year ended 31 December 2025, the Bank generated net non-interest income of BWP942 million, including net fee and commission income of BWP369 million and net trading income of approximately BWP541 million.

The Bank's offering is further complemented by subsidiaries operating in capital markets, corporate advisory and insurance-related services, enabling it to support clients across a wider range of financial needs and deepen client relationships across its franchise.

2.6. Established Capital Markets Franchise

Stanbic Bank has an established presence in Botswana's capital markets through its BWP2 billion Domestic Medium Term Note Programme, under which senior unsecured and subordinated Tier II notes have been issued and listed on the Botswana Stock Exchange. The Bank's participation in the debt capital markets demonstrates its ability to access diversified funding sources and engage with institutional investors within a regulated public market environment.

Through Stanbic Financial Services (Pty) Ltd and its Corporate and Investment Banking division, the Bank provides a range of capital markets and advisory solutions to corporate, institutional and public sector clients. These capabilities complement the Bank's broader banking franchise and position it to support clients across a wider spectrum of financing and strategic requirements.

The Bank's experience as both a market participant and provider of capital markets services supports its understanding of public markets, disclosure standards and investor engagement, reinforcing its position within Botswana's financial services sector.

3. Historical and Forecast Income Statement Highlights

3.1. The historical financial information included in this Prospectus has been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, its interpretations adopted by the International Financial Reporting Interpretations Committee of the IASB®.

3.2. The tables below presents a summary of the Bank's historical financial information for the financial years ended 31 December 2023 to 2025 and the forecast financial information for the financial years ending 31 December 2026 to 2029.

The detailed historical financial information is set out in Annexure 2, while the Reporting Accountants' Report thereon is included in Annexure 3. In addition, Annexures 4 and 5 contain the reviewed condensed consolidated interim financial results of the Bank.

The forecast financial information has been prepared by the Directors in accordance with the Bank's accounting policies and is based on assumptions considered reasonable by the Directors. Details of the forecast financial information, the underlying assumptions and the Reporting Accountants' opinion thereon are set out in Annexure 6.

This summary information is provided for ease of reference only and should be read in conjunction with the relevant annexures referred to above.

3.3. On 08 September 2026, the Bank implemented a 50-for-1 share subdivision in preparation for the Listing. Historical financial information has not been restated for the share subdivision. Where relevant, pro forma per share information has been presented to assist investors in comparing per share metrics on a consistent basis. Reference should be made to Section 43 of this Prospectus for further details of the pro forma financial information and the basis of its preparation.

Historical Financial Information and Key Ratios

Stanbic Bank (Botswana) Limited audited consolidated results for the financial years ended 31 December 2023, 2024, and 2025, and the reviewed consolidated results for the half year ended 30 June 2026. The historical financial information and the per-share information set out in this section have been reviewed by the Reporting Accountants', whose report is set out in Annexure 3 accompanied by the review of the interim financial statements as set out in Annexure 5 of the Prospectus.

	12 months to 31 December 2023	12 months to 31 December 2024	12 months to 31 December 2025	6 months to 30 June 2026
	BWP '000 (Audited)	BWP '000 (Audited)	BWP '000 (Audited)	BWP '000 (Reviewed)
Statement of Comprehensive Income				
Interest income	1 757 799	1 885 860	2 031 731	1 111 170
Interest expense	(646 405)	(514 394)	(957 190)	(470 290)
Net interest income	1 111 394	1 371 466	1 074 541	640 880
Net fee and commission income	275 344	318 371	369 187	161 252
Net trading income	224 685	241 388	541 166	244 560
Other income	20 159	19 774	31 236	12 412
Non-interest revenue	520 188	579 533	941 589	418 224
Total income	1 631 582	1 950 999	2 016 130	1 059 104
Credit impairment charges	(109 303)	(42 839)	(84 600)	(40 655)
Net income after impairments	1 522 279	1 908 160	1 931 530	1 018 449
Staff costs	(427 911)	(444 454)	(460 010)	(247 860)
Other operating expenses	(433 270)	(513 969)	(519 795)	(291 358)
Total operating expenses	(861 181)	(958 423)	(979 805)	(539 218)
Profit before indirect tax	661 098	949 737	951 725	479 231
Indirect tax	(32 628)	(36 397)	(44 400)	(25 797)
Profit before direct tax	628 470	913 340	907 325	453 434
Direct tax	(144 542)	(205 374)	(197 576)	(99 438)
Profit for the year / period	483 928	707 966	709 749	353 996
Total comprehensive income for the year/period	483 928	707 966	709 749	353 996

Selected Statement of Financial Position information

	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
	BWP '000 (Audited)	BWP '000 (Audited)	BWP '000 (Audited)	BWP '000 (Reviewed)
Loans and advances to customers	13 333 231	14 954 053	13 761 203	14 290 937
Deposits from customer accounts	20 140 427	20 875 947	20 274 088	21 781 095
Total assets	25 047 600	27 645 375	27 591 205	29 325 979
Total equity	2 326 618	2 560 584	3 270 333	3 624 329
Stated capital	390 177	390 177	390 177	390 177

Stated capital has been unchanged at P390 177 000 throughout the periods presented; no ordinary shares were issued or repurchased.

The Bank's share of net profits and/or losses attributable to each subsidiary for the years presented is set out below:

	As at 31 December 2023 (P'000)	As at 31 December 2024 (P'000)	As at 31 December 2025 (P'000)
Stanbic Insurance Services Pty Ltd	6 983	7 248	5 890
Stanbic Financial Services Pty Ltd	88	1 198	2 877

Stanbic Insurance Services (Pty) Ltd and Stanbic Financial Services (Pty) Ltd are wholly owned subsidiaries of the Bank. Their assets, liabilities, income and expenses are consolidated line by line in the Group Historical Financial Information for the years ended 31 December 2023, 2024 and 2025.

The table above presents the net profit and/or loss of each subsidiary for the periods presented. Transactions and balances between the Bank and its subsidiaries are disclosed in the related party and subsidiary notes to the Historical Financial Information, as applicable.

Per-share information

Share capital used in the computation

Basis	Before Share Subdivision	After 50-For-1 Share subdivision
Ordinary shares in issue	31 936 205	1 596 810 250
Nominal (par) value per share	No par value	No par value
Stated capital (BWP)	390 177 000	390 177 000
Stated capital per share (memorandum only)	P12.22 · 1 221.70 thebe	P0.24 · 24.43 thebe

The Bank's ordinary shares are shares of no par value; there is accordingly no nominal value per share. Stated capital of P390 177 000 is unchanged by a subdivision - a subdivision alters only the number of shares into which that capital is divided. Stated capital per share is shown for memorandum purposes only and is not a nominal value.

Before share subdivision

Per-Share Measure	12 months to 31 December 2023	12 months to 31 December 2024	12 months to 31 December 2025	6 months to 30 June 2026
BEFORE SHARE SUBDIVISION - 31 936 205 ordinary shares of no par value				
Earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45
Dividend per share (thebe)	971.00	1 484.00	#	#
Headline earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45
Diluted headline earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45

The Bank declared a dividend for the financial year ended 31 December 2025 of 1 565.62 thebe per share (before share subdivision), which was paid on 2nd of September 2026. The Bank is a wholly owned subsidiary of SAHL and all dividends accrued to SAHL. No other amounts were paid by the Bank to SAHL.

Post share subdivision (50-for-1)

Per-Share Measure	12 months to 31 December 2023	12 months to 31 December 2024	12 months to 31 December 2025	6 months to 30 June 2026
AFTER 50-FOR-1 SHARE SUBDIVISION - 1 596 810 250 ordinary shares of no par value				
Earnings per share (thebe)	30.31	44.34	44.45	22.17
Dividend per share (thebe)	19.42	29.68	#	#
Headline earnings per share (thebe)	30.31	44.34	44.45	22.17
Diluted headline earnings per share (thebe)	30.31	44.34	44.45	22.17

The Bank declared a dividend for the financial year ended 31 December 2025 of 31.31 thebe per share, which was paid on 2nd of September 2026. The Bank is a wholly owned subsidiary of SAHL and all dividends accrued to SAHL. No other amounts were paid by the Bank to SAHL.

Basis of computation**Notes:**

- i. **Headline earnings per share.** Calculated on the same denominator, using headline earnings determined by adjusting profit for the period for the separately identifiable re-measurements specified in the applicable headline earnings circular, principally gains and losses on disposal or impairment of property, equipment, intangible assets, and investments. No material remeasurement arises in the periods presented and headline earnings per share therefore equals basic earnings per share.
- ii. **Diluted headline earnings per share.** Calculated by adjusting the denominator for all dilutive potential ordinary shares. The Bank has no convertible instruments in issue; employee share incentives are settled in the shares of the ultimate holding company and not in shares of the Bank. Accordingly, the diluted headline earnings per share therefore equals headline earnings per share.
- iii. **Dividend per share.** Calculated by dividing the total ordinary dividend declared in respect of the period by the number of ordinary shares in issue, expressed in Pula per share. Dividends in the periods presented were declared to the Bank's shareholder as aggregate amounts; the per-share amounts shown are derived by division and were not presented as per-share amounts in the audited financial statements.
- iv. In terms of section 2.9(e) of the BSE Equity Listings Requirements, an applicant seeking admission to the Main Board must have reported profits in at least three of the last five financial years, with an aggregate pre-tax profit of not less than BWP 1 000 000 over the most recent three-year period. The Bank satisfies this requirement.
- v. Dividends after the Listing will be declared and paid in accordance with the Bank's dividend policy set out below, subject to cash flows, capital adequacy and the approval of the Bank of Botswana where applicable.

Profit Forecast and Outlook

This profit forecast has been prepared by the Directors of the Bank for inclusion in this Prospectus in connection with the admission of the Bank's shares to the Main Board of the BSE. It has been prepared in accordance with the recognition and measurement principles of IFRS Accounting Standards as adopted in Botswana, applying accounting policies consistent with those used in the Bank's most recent audited annual financial statements as set out in Annexure 2, and in compliance with the Companies Act and the BSE Equity Listings Requirements. The functional and presentation currency is the Botswana Pula.

The forecast has been reviewed by the Reporting Accountants, whose report is set out in Annexure 6. That report addresses whether the forecast has been properly compiled on the basis of the stated assumptions and whether it is presented on a basis consistent with the Bank's accounting policies. It does not constitute an opinion on the achievability of the forecast. The forecast has not been audited.

Profit forecast for the financial periods ending 31 December 2026 to 31 December 2029.

Caption	12 months to 31 December 2026 Forecast BWP '000	12 months to 31 December 2027 Forecast BWP '000	12 months to 31 December 2028 Forecast BWP '000	12 months to 31 December 2029 Forecast BWP '000	CAGR (%)
Net interest income	1 238 965	1 360 342	1 583 069	1 838 678	14.4
Non-interest revenue	900 589	1 042 604	1 138 875	1 268 393	7.7
Total income	2 139 554	2 402 946	2 721 944	3 107 072	11.4
Credit impairment charges	(138 533)	(154 471)	(173 265)	(248 420)	30.9
Net income after impairments	2 001 020	2 248 475	2 548 679	2 858 652	10.3
Total operating expenses	(1 095 313)	(1 188 730)	(1 326 343)	(1 494 458)	11.1
Profit before direct tax	905 707	1 059 745	1 222 336	1 364 193	10.7
Direct tax	(193 762)	(262 246)	(302 482)	(337 586)	14.3
Profit after tax	711 945	797 499	919 854	1 026 607	9.7

NB: Figures in brackets are deductions. CAGR is the compound annual growth rate from FY2025 to forecast FY2029.

Select Balance Sheet items

Caption	As at 31 December 2026 Forecast BWP '000	As at 31 December 2027 Forecast BWP '000	As at 31 December 2028 Forecast BWP '000	As at 31 December 2029 Forecast BWP '000	CAGR (%)
Loans and advances to customers	15 559 156	17 235 978	18 238 334	19 329 179	8.9%
Deposits from customer accounts	23 794 484	26 071 061	28 427 358	31 018 926	11.2%

NB: Figures in brackets are deductions. CAGR is the compound annual growth rate across the forecast period FY2026 to FY2029.

Summary of key ratios

Key Ratios	As at 31 December 2026	As at 31 December 2027	As at 31 December 2028	As at 31 December 2029
Profit after tax growth (%)	0.3	12.0	15.3	11.6
Cost-to-income ratio (%)	51.2	49.5	48.7	48.1
Total income growth (%)	6.1	12.3	13.3	14.1
Operating cost growth (%)	11.8	8.5	11.6	12.7
Credit loss ratio (bps)	58	58	61	83
Loan-to-deposit ratio (%)	65.7	66.1	64.2	62.3
Return on Equity (%)	23.14	25.88	26.20	26.68
Dividend Pay-out Ratio (%)	72	50-70	50-70	50-70

NB: The dividend payout ratio represents the proportion of profit after taxes for a financial period distributed to shareholders as dividends.

Notes and assumptions

The assumptions below are the specific drivers for the numbers prepared above. In accordance with market practice for listing documents, they are separated into assumptions within the Directors’ control and assumptions outside the Directors’ control.

Assumptions outside the Directors’ control

Economic growth and credit demand

Loans and advances compound at 10.6% per annum, from P13.7 billion in FY2025 to P19.3 billion in FY2029 reflecting anticipated growth from the Bank’s customer franchise in a subdued credit extension environment in Botswana. With asset repricing, this produces net interest income growth of 14.4% per annum, from P1.07 billion in FY2025 to P1.84 billion in FY2029 being the largest single contributor to forecast earnings.

Inflation

Inflation is assumed to remain above the Bank of Botswana’s 3% to 6% objective range in the early part of the forecast period and to moderate towards it thereafter but still persistent with an annual passthrough. The forecast assumes that inflation supports nominal income growth across the Bank’s businesses and, together with disciplined cost management, contributes to a positive earnings outcome.

Monetary policy and customer affordability

The forecast assumes the Monetary Policy Rate remains restrictive before easing later in the period. The interest rate environment supports earnings through asset repricing, while the Bank of Botswana policy rate is also incorporated into the impairment model as a key indicator of customer affordability and debt-service capacity. No benefit from policy easing is recognised before it is assumed to occur.

Liquidity and cost of funds

Market liquidity conditions are assumed to improve progressively over the forecast period in line with market normalisation. Funding cost relief is recognised only as it is realised, and no relief is assumed ahead of that recovery. Deposit growth of 11.2% per annum against loan growth of 8.87%, further strengthens the Bank’s funding profile and reduces reliance on wholesale funding.

Sovereign risk environment

The forecast assumes that Botswana’s sovereign credit standing remains stable at the level prevailing at the date of this Prospectus. A downgrade would raise the bank’s funding and impairment costs and is reflected in the sensitivity analysis in the next section.

Political, regulatory and competitive stability

The forecast assumes a stable political, regulatory and operating environment in Botswana. Prudential, capital and conduct requirements applicable to the Bank under the Banking Act and regulations made under it are expected to remain broadly consistent with the current framework, while the competitive environment is assumed to remain stable over the forecast period.

Taxation

Direct tax is calculated at the Botswana corporate income tax rate of 22% for 2026 and 24.5% for the remainder of the forecast period. No further change to the tax regime is assumed over the forecast period.

Assumptions within the Directors’ control

Balance sheet composition and risk appetite

No significant change in the composition of the loans and advances book is assumed. Forecast growth is generated from the existing customer franchise and product set across Personal & Private Banking, Business & Commercial Banking and Corporate & Investment Banking, and not from a change in risk appetite or entry into new asset classes.

Deposit mix and margin management

No significant change in the composition of the deposit and current accounts book is assumed. The Bank’s diversified deposit base and disciplined funding strategy supports net interest margin resilience and efficient capital allocation, leading to the reduction in the loan-to-deposit ratio from 65.7% to 62.3%.

Non-interest revenue

Non-interest revenue is forecasted to grow at 7.7% per annum, supported by continued growth in transaction and fee volumes across the Bank’s customer franchise, while normalising from the exceptional trading conditions experienced in 2025. Its share of total income moderates down however maintaining a diversified revenue mix.

Credit impairment methodology

Impairments are calculated in accordance with the Bank’s credit policy and comply with IFRS 9 provisioning principles, with forward-looking components overlaid as described above. The charge grows at 30.9% per annum, taking the credit loss ratio from 0.58% to 0.83% while remaining within Bank’s credit loss ratio appetite of 50 to 100 bps. General provisioning policies remain unchanged and broadly aligned with the Bank of Botswana policy rate.

Cost discipline and operating leverage

Operating costs are assumed to grow in line with inflation and business activity. Continued cost discipline and operating leverage support an improvement in the cost-to-income ratio to 48.1% within the Bank’s internal target range. Ongoing investment in strategic capabilities is sustained to support the Bank’s platform business strategy.

Management and accounting policy continuity

There will be continuity in existing management and in the Bank’s trading policies, and no change to the present accounting policies.

Sensitivity analysis

The table below illustrates the effect on forecast FY2029 profit after tax of movements due to four key variables to which the forecast is most sensitive, each applied in isolation and taxed at 24.5%. All other assumptions are held constant. Sensitivity is 5% increase/decrease on net interest income, non-interest revenue and operating expenses. Credit impairments sensitivity is 25% increase or decrease.

Variable	Favourable	Adverse	Impact	Principal Driver
Net interest income	1 096 017	957 197	±6.8	Loan growth, asset repricing, cost of funds
Operating expenses	1 083 023	970 191	±5.5	Inflation pass-through on a largely fixed cost base
Non-interest revenue	1 074 489	978 725	±4.7	Transaction volumes, fee income, trading conditions
Credit impairment charge	1 073 496	979 718	±4.6	Policy rate path and customer affordability

Principal risks to the forecast

The Directors regard the following as the principal risks that could cause actual results to differ materially from this forecast: a deeper or more prolonged weakness in domestic activity than assumed, sustained weakness in the diamond sector constraining credit demand and transaction volumes; further deterioration in Botswana’s sovereign credit standing, rising cost of funds. inflation persisting above the objective range against a largely committed cost base; a more adverse policy rate path, compressing affordability and lifting the impairment charge above the level assumed; and its effect on foreign exchange flows, fiscal receipts and credit quality in exposed portfolios; and changes in prudential or regulatory requirements applicable to the Bank.

Directors’ responsibility statement

The Directors of Stanbic Bank (Botswana) Limited, whose names appear in this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this profit forecast. The Directors are responsible for the forecast, including the assumptions set out above on which it is based, and for the financial information from which it has been prepared. Having made all reasonable enquiries, the Directors confirm that to the best of their knowledge and belief the forecast has been compiled with due care and consideration, that the assumptions on which it is based are reasonable, and that there are no facts the omission of which would make any statement in this profit forecast false or misleading. The forecast has been prepared and presented in accordance with the applicable financial reporting standards and policies.

A profit forecast is not a guarantee of future performance

This forecast is based on assumptions about future events that are inherently uncertain and, in a number of material respects, outside the Directors’ control. Actual results will differ from the forecast, and those differences may be material. Nothing in this profit forecast should be construed as a profit guarantee or as a representation that the results forecast will be achieved. This forecast should be read together with the Reporting Accountants’ report in Annexure 6.

4. Dividend Policy

4.1. Current year dividends

No cash dividend was declared during the 2025 calendar year - for financial year ended 31 December 2024. The Board considered it prudent to retain earnings in light of the liquidity pressures experienced across the Botswana banking sector. This decision reflected prudent capital and liquidity management in response to prevailing market conditions rather than factors specific to the Bank. Following an improvement in market factors, the Board declared a dividend of BWP500 million in 2026 in respect of the financial year ended 31 December 2025, representing a dividend payout ratio in excess of 70%. The dividend was approved by the Bank of Botswana and paid in September 2026.

4.2. Future dividends

Dividends are declared at the discretion of the Board, having regard to the Bank’s profitability, capital requirements, liquidity position, growth opportunities and applicable regulatory requirements. The Board seeks to provide shareholders with an appropriate return on their investment while maintaining sufficient capital and liquidity to support the Bank’s long-term growth and resilience. In determining future dividends, the Board is expected to have regard to the Bank’s dividend philosophy, which targets a payout ratio of approximately 50% to 70% of headline earnings. However, all dividend decisions will depend on the Bank’s financial performance, capital position, strategic priorities and regulatory requirements at the relevant time.

- 4.3.** In terms of the Bank’s Constitution, any dividend payable in respect of a Stanbic Bank Share:
- 4.3.1.** shall bear no interest;
 - 4.3.2.** which is unclaimed, may be retained by the Bank and may be invested or used as the Directors may deem fit for the benefit of the Bank until claimed by the relevant Shareholder concerned; and
 - 4.3.3.** which remains unclaimed for a period of three years from the date of declaration, shall be forfeited and retained by the Bank.

5. Listing on the BSE

Application has been made to the BSE for the listing of the Stated Capital of Stanbic Bank on the Main Board. The Listing is subject to the fulfilment of the conditions set out in the BSE Equity Listings Requirements, including the achievement of the minimum public shareholding spread applicable to Main Board issuers. BSE has approved a free float requirement of 20% for the purposes of the Listing.

6. Particulars of the Private Placement and the Public Offer

- 6.1.** The Offer comprises an invitation to purchase up to 319 362 050 Stanbic Bank Shares offered for sale, 255 489 640 by way of Private Placement and 63 872 410 by way of Public Offer at a price of BWP4.30 per Share.
- 6.2.** At least BWP 274 651 363 of the Offer or 63 872 410 Offer Shares are being made available to the Sponsor to be placed with clients of the Sponsor, subject to a reasonable proportion of the Broker Placing being offered to other brokering members at the Sponsor’s discretion.
- 6.3.** As at the date of this Prospectus, the Bookrunner had received Irrevocable Undertakings from institutional investors to purchase up to 767 946 387 Offer Shares. These commitments represent 240% of the Offer, subject to the Broker Placing and the final allocation of the Offer Shares.

- 6.4.

Following the Offer, the allocation of the Offer Shares will be determined by the Bookrunner in consultation with the Bank and the Selling Shareholder. Among the factors which may be considered in determining the allocation is the desire to achieve a spread of shareholders and to establish an orderly after-market in the Shares.
- 6.5.

The Offer Price will be payable in full in Botswana Pula without deduction or set-off.
- 6.6.

The Offer is an offer for sale of existing Shares by the Selling Shareholder. No new Shares will be issued by the Bank pursuant to the Offer. The proceeds from the Offer will accrue entirely to the Selling Shareholder and the Bank will not receive any proceeds from the sale of the Offer Shares. The Bank is well capitalised and, accordingly, does not require additional capital to support its current operations, regulatory capital requirements or anticipated growth plans.
- 6.7.

The Selling Shareholder is Stanbic Africa Holdings Limited, a private company incorporated in England and Wales with registered office at 20 Gresham Street, London, EC2V 7JE. Stanbic Africa Holdings Limited is a wholly-owned subsidiary of Standard Bank Group Limited with registered office at 5 Simmonds Street, Johannesburg, 2001 and currently holds 100% of the pre-Listing Stated Capital of Stanbic Bank.
- 6.8.

The pre- and post-Offer beneficial interests of the Selling Shareholder are set out in the Major Shareholders table in paragraph 39.1.
- 6.9.

Lock-up arrangements

Stanbic Africa Holdings Limited, as the Selling Shareholder, has undertaken that, for so long as the Offer remains open and pending, it shall not sell, transfer, encumber or otherwise dispose of any Offer Shares held by it, other than pursuant to the Offer as described in this Prospectus.
- 6.10.

Stanbic Africa Holdings Limited undertakes that, with effect from the Listing Date:
- 6.10.1.

75% of its retained post-Offer shareholding shall be deposited with and locked up at the CSDB;
- 6.10.2.

50% of the locked-up shareholding referred to in paragraph 6.10.1 above shall be released on the date falling 12 months after the Listing Date; and
- 6.10.3.

the balance of the locked-up shareholding shall be released on the date falling 24 months after the Listing Date.

7. Persons who may apply for Ordinary Shares in terms of this Prospectus

7.1. Private Placement

In terms of the Private Placement, the Placees have agreed to purchase a total of 255 489 640 Stanbic Bank Shares. Stanbic Bank has sought a waiver with regard to the disclosure of the details of the Placees, which has been granted.

- 7.2.

319 362 050 Stanbic Bank Shares are being offered for sale, comprising (i) the Private Placement, being the Shares offered to selected institutional and other investors and (ii) the Public Offer, comprising the Shares not allocated under the Private Placement and offered to members of the public. In allotting shares to members of the public the following applicants are eligible:

- 7.2.1.

Natural persons; and
- 7.2.2.

Legal entities.

8. Times and dates of the opening and closing of the Public Offer

Event	Date/Time
Distribution of the Prospectus	29 October 2026
Opening of the Public Offer	30 October 2026 at 09h00
Closing of the Public Offer	27 November 2026 at 16h30
Results of the Offer submitted to the BSE	2 December 2026
Approval of the BSE for the Listing	3 December 2026
Publication of Results	4 December 2026
Shares uploaded to CSDB accounts	4 December 2026
Latest date for return of refund of funds to unsuccessful applicants	4 December 2026
Latest date for written notification to individual applicants of their respective allocations	4 December 2026
Expected Listing Date	7 December 2026

These dates are subject to change; any substantive change will be notified in the Press and via the BSE news service. All times indicated above are Botswana local time.

9. Application and completion of the Application Form

- 9.1.

Applications for Shares available under the Public Offer will only be accepted on the following conditions:
- 9.1.1.

There are two separate Application Forms, one to be used by individuals and one for legal entities;
- 9.1.2.

Only one application may be made by any applicant (except the Placees in terms of the Private Placement);
- 9.1.3.

Applications may only be made on the Application Forms which accompany this Prospectus and the requirements, terms and conditions contained in the Application Forms and this Prospectus must be complied with;
- 9.1.4.

Applications must be for a minimum of 250 shares and thereafter in multiples of 10 shares;
- 9.1.5.

Applications are irrevocable and may not be withdrawn once received by the Transfer Secretary or a registered stockbroker;
- 9.1.6.

Copies or reproductions of the Application Form will not be accepted;
- 9.1.7.

Each application will be regarded as a single application, except when received from a nominee company. Such applications must state the number of principals covered by the application in the appropriate block on the Application Forms and must be completed in the manner prescribed therein;

- 9.1.8.

Application Forms must be completed in accordance with the instructions contained therein and the provisions of this Prospectus. The Bookrunner, in consultation with the Directors, reserves the right to accept, in whole or in part, any application that is incomplete or incorrectly completed;
- 9.1.9.

Applications will only be regarded as complete when the relevant application monies have been received as cleared funds;
- 9.1.10.

No receipts will be issued for Application Forms, application monies or supporting documentation;
- 9.1.11.

Applicants may be called upon to furnish satisfactory evidence of their authority or capacity to sign the Application Form; and
- 9.1.12.

Shares may not be applied for in the name of an unassisted minor or a deceased estate.

9.2.
 Acceptance or refusal of applications

The Bookrunner, in consultation with the Directors reserves the right to accept or refuse, in whole or in part, any application, and to allocate Shares on a pro rata or other equitable basis to applicants in the circumstances of an oversubscription.

9.3.
 Allocation of Shares in the event of oversubscription and undersubscription

The allocation of Offer Shares will be subject to the discretion of the Board, which has, as its primary objective the achievement of a broad and balanced shareholder base.

- 9.4.

No price stabilisation exercise is planned in connection with the Offer.
- 9.5.

The minimum subscription level for the Offer is 159 681 025 Stanbic Bank Shares (representing 50% of the Offer Shares). If applications for the minimum subscription level are not received by the closing date of the Offer, the Offer will not proceed and all application monies will be refunded in full, without interest, within the timeframes set out in this Prospectus.
- 9.6.

The BSE has granted Stanbic Bank a waiver in respect of the minimum shareholder spread (free float) requirement that would otherwise apply to the Offer, permitting the listing to proceed with a free float of 20% (twenty percent) of the Bank’s issued share capital. Unless a further waiver is granted by the BSE, the Listing will not proceed if Stanbic Bank does not achieve a free float of at least 20% (twenty percent) through the Offer. The Listing will also not proceed if Stanbic Bank does not achieve the minimum number of public shareholders required by the BSE, unless such requirement is separately waived by the BSE. In either event, all applicants will be refunded by electronic funds transfer in Botswana currency within 30 (thirty) days of the relevant condition not being fulfilled, without any accrual of interest.
- 9.7.

The formula for the basis of allotment and allocation will be calculated in such a way that a person will not, in respect of his/her application, receive a lesser number of Offer Shares than any other person that applied for the same number or a lesser number of Offer Shares.

9.8.
 Submission of application forms and payment for shares

Application Forms may be delivered by hand in an envelope marked “Stanbic Bank IPO”, to any one of the following:

Address of the Sponsor: Imara Capital Securities, Office 3A, Third Floor, Masa Centre (Email: gregory.matsake@imara.com) or to any other Sponsor; and any one of the following addresses below:

- 9.8.1.

Stanbic Head Office, Gaborone - Plot 50672,Off Machel Drive, Fairgrounds, Gaborone
- 9.8.2.

Stanbic Bank, Selebi Phikwe - Lot 2537, Phikwe Square the mall, Block A, Selebi Phikwe

- 9.8.3.

Stanbic Bank, Ghanzi - Plot 8624, Taung mall, Unit 19, Ghanzi
- 9.8.4.

Stanbic Bank, Palapye - Plot 27737, Palapye Junction mall, Shop 15, Palapye
- 9.8.5.

Stanbic Bank, Kazungula - Plot 1461, Duncan Fourways Junction mall, shop 16,17 and portion of shop 22, Kazungula
- 9.8.6.

Stanbic Bank, Francistown - Plot 1471/2, Galo shopping centre, shop number 35, Francistown
- 9.8.7.

Stanbic Bank, Maun - Plot 92, Mathiba Road, Maun
- 9.9.

Neither the Bank, its Directors nor its appointed advisors accept responsibility for any Application Forms which are not lodged as aforesaid.
- 9.10.

Each Application Form must be accompanied by payment of the total price of the shares applied for, in favour of “Stanbic Bank IPO”, the payment instructions are detailed in the Application Forms.
- 9.11.

Acceptance conditional upon listing

Acceptance of applications for Offer Shares and the allotment and transfer of Offer Shares pursuant thereto will be conditional upon the Committee of the BSE granting a listing of the Stated Capital of Stanbic Bank.
- 9.12.

All securities transferred pursuant to the Offer will be issued and allotted in electronic form through the CSDB operated in accordance with the rules of the Botswana Stock Exchange and the CSDB.

10.
 Expenses of the Placement, Public Offer and Listing

- 10.1.

The following are the estimated expenses of the Private Placement, Public Offer and Listing, all of which will be borne by the Bank:

Event		Amount (BWP)
Legal fees	Armstrongs Attorneys	700 000
Sponsor	Imara Capital	100 000
Corporate Advisor	Stanbic Financial Services	2 000 000
Valuation Advisor	BDO	849 750
Reporting accountants’ fees	Deloitte & Touche	920 000
Listing and documentation fees	Botswana Stock Exchange	200 000
Transfer secretary fees	CSDB	20 000
Prospectus Registration	CIPA	7 500
Printing, advertising and other costs	Hotwire	986 273
Total		5 783 523

Key Milestones



1994

Hello, Francistown. We opened our first Service Centre on Blue Jacket Street.



We introduced online banking for the first time through the Customer Access Terminal System.

1999



2003

We launched a dedicated Corporate and Investment Banking function for institutional investors as well as Private Banking solutions for high net worth clients. In addition, we extended our footprint to Maun.



2006

We launched an invigorating new brand promise: **Inspired. Motivated. Involved.**

We relocated our Gaborone West Branch to Game City and also opened in Palapye.

2008



2013

Online banking and SMS Alerts became mainstream for our personal clients. Enhancements to our Core Banking System, the largest in our history to date, improved our operational efficiencies and digital capabilities. Our branch in Selebi Phikwe opens.



2014

We became the official sponsors of Botswana's landmark outdoor entertainment venue, the Stanbic Bank Piazza.



2018

We brought cash-depositing ATMs to our customers and embarked on the **Legacy 2021** strategy.

2016

We kicked off our iconic sponsorship agreement with **Township Rollers Football Club.**



2019

Our Accelerate Incubator came to life, bringing hope and invigoration to youth-owned SMEs. The Kazungula branch was opened.



2022

We launched the Shyft app, simplifying international transactions and foreign exchange like never before. We celebrated our 30th Anniversary and confirmed our sponsorship of Gaborone Golf Club.

We received two accolades at the inaugural Visa Bank Awards: The Visa Payments Excellence Award 2024 and the Visa Brand Awareness Award 2024.

2024

1992

Under the name Union Bank of Botswana, we opened our very first branch in Broadhurst Gaborone.



2001

Withdrawals at the tip of your fingers: we set up our very first ATM.

2004

Our Business Banking department was born, answering the call for our Commercial, Enterprise and SME clients. We also consolidated our Francistown operations to Galo Mall.

2002

We opened the Fairgrounds Branch and took up residence there, making it our new country headquarters.



1993

Our brand emerged: we officially took on the name Stanbic Bank Botswana Limited.



2009

Reflecting our new positioning in the market, we adopted the new tagline: **Moving Forward.**

2010

We introduced the first of its kind 'Bank in a Box' in Mogoditshane and Molepolole. We eagerly entered into a financial literacy partnership with the Ministry of Education which began in junior secondary schools and was later rolled out to the public.



2011

We embarked on our sponsorship of Morupule Coal Mine's Annual GM's Cycle Challenge, where proceeds were donated to vulnerable communities in Palapye and the surrounding areas.



2017

We relocated the Broadhurst branch to Airport Junction and extended our footprint to Acacia Mall. Stanbic Bank (Botswana) Limited celebrated 25 years of moving forward.



2015

We launched the Stanbic Bank Smart App and set up our very first Mobile Branch. The **Road to Excellence** corporate strategy is launched.



2012

We completed an epic 600km cycle between Gaborone and Ghanzi to raise funds for a mobile clinic in Shakawe. Our **Batho Pele** corporate strategy was launched.

2020

We launched our groundbreaking Africa-China Trade Solutions, allowing Batswana to import goods seamlessly from China. Our first ever Digital Branch was opened in Letlhakane. We celebrated our new brand promise: **It Can Be.**



2023

Our **Letsema** corporate strategy is embedded into the Bank, solidifying our platform-based vision for the business.

2025

- New Kgolo strategy launched, centred on driving Botswana's growth
- Expanded support for entrepreneurs and local businesses



2026

- Legae Home Loan launched, widening access to home ownership
- Youth golf development programme launched

11. Background and Value Proposition

Standard Bank Group Overview

Who we are

WE ARE PURPOSE DRIVEN

Africa is our home, we drive her growth.

WE ARE FOCUSED

We are Africa focused, client led and digitally enabled	We provide comprehensive and integrated financial and related solutions to our clients	We drive inclusive growth and sustainable development
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Our values are our standard. Put simply, they are the non-negotiable principles that guide how we show up every day as part of the Standard Bank Group.

- WE ARE
- DEEPLY COMMITTED
 - BOLDLY PIONEERING
 - TRUSTED STEWARDS
 - GUIDED BY EMPATHY
 - UNFAILINGLY HONOURABLE

WE ARE A LEADER ON THE AFRICAN CONTINENT

CIB

Corporate & Investment Banking

ZAR1.2 trillion
client deposits in 21 countries

BCB

Business & Commercial Banking

861 000
clients in 18 countries

PPB

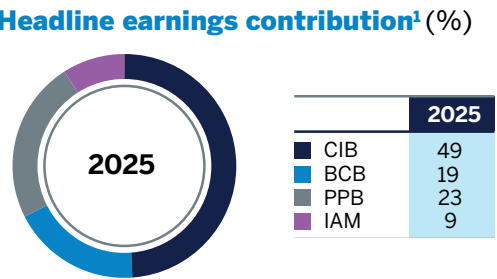
Personal & Private Banking

16.6 million
clients in 15 countries

IAM

Insurance & Asset Management

ZAR1.8 trillion
assets under management and administration



1 By business unit excluding Central and Other and ICBCS.

WE ARE A LEADER ON THE AFRICAN CONTINENT

21 countries in sub-Saharan Africa

4 global centres in Beijing, Dubai, London and New York

2 offshore hubs in Isle of Man and Jersey

MARKET CAPITALISATION

USD28 billion

(R460 billion)



ACCOLADES

TIME
World's Best Companies for the second consecutive year

FORBES WORLD'S BEST EMPLOYERS
One of the World's Best Employers and the best in Africa

NEWSWEEK
World's Most Trustworthy companies for the third consecutive year

Brand Finance
Most valuable banking brand in Africa and South Africa for the fifth consecutive year in 2026

OUR COMPETITIVE ADVANTAGES

- Purpose-driven organisation.
- Unrivalled, African-focused capabilities.
- International presence via global centres and offshore hubs to support our clients.
- Recognised and trusted brand.
- Growing and engaged client franchise.
- Well-diversified and resilient business (client base, service offering, revenue streams and footprint) with scale.
- Robust capital and liquidity position with fortress balance sheet and proven track record of managing risks and opportunities.
- Strong growth prospects and attractive medium-term targets.
- Targeted technology investment delivering improved client experience, stability, security and productivity.
- Strategic partnerships, including with the Industrial and Commercial Bank of China Limited (ICBC).

Standard Bank Group Overview (continued)

Standard Bank Group traces its origins to 1862 with the establishment of The Standard Bank of South Africa. Over more than 160 years, SBG has evolved into one of Africa's leading financial services organisations through organic growth and strategic acquisitions. A significant milestone in the Group's African expansion was the acquisition of the ANZ Grindlays operations in several African jurisdictions in 1992, following which several operations adopted the Stanbic brand. Today, the Group operates across multiple African markets and select international financial centres, providing a broad range of banking and financial services to personal, business, corporate and institutional clients.

Standard Bank Group is now Africa's largest banking group by assets with a market capitalisation of USD32 billion as at 30 June 2026, listed on the Johannesburg Stock Exchange and operating in 21 countries across the African continent, as well as in select global financial centres. The Group offers a range of banking and related financial services across sub-Saharan Africa. SBG's strategy is to be an African-focused, client-centric, digitally-enabled integrated financial services organisation in, for and across Africa. SBG's strategy is designed to realise the opportunities presented by Africa's longer-term structural trends.

Standard Bank Group offers a comprehensive range of banking and financial services through its principal business segments, namely Personal and Private Banking (PPB), Business and Commercial Banking (BCB), Corporate and Investment Banking (CIB), and Insurance and Asset Management (IAM). Through these business segments, Standard Bank Group serves retail, business, corporate, institutional and public sector clients across its markets of operation.

Standard Bank Group's client-centric strategy is focused on building a digitally enabled and integrated financial services organisation in, for and across Africa. This approach is underpinned by a strong local presence, deep market knowledge and a focus on innovation, enabling the Group to respond effectively to the evolving needs of its clients and the changing financial services landscape.

With operations across 21 African countries and selected international financial centres, Standard Bank Group facilitates trade, investment and capital flows within Africa and between Africa and the rest of the world. Standard Bank Group's presence in key global financial centres enhances its ability to provide clients with access to international markets, funding and investment opportunities.

SBG also maintains a strategic partnership with the Industrial and Commercial Bank of China Limited (ICBC), one of the world's largest banking institutions. Standard Bank Group's scale, geographic reach and diversified business model have contributed to the strength and resilience of its franchise across Africa. SBG's financial strength and market position are reflected in the financial highlights set out below as at 30 June 2026.

- i. Total assets of ZAR3.81 trillion (USD229.17 billion)
- ii. Headline earnings of ZAR51.52 billion (USD3.10 billion), last twelve months
- iii. Market capitalisation of ZAR532 billion (USD32 billion)
- iv. Common equity Tier I ratio of 13.6%, including unappropriated profits.

SBG has been listed on the JSE since 1970, with share code SBK, and the NSX since 1992, with share code SNB.

The long-term foreign currency ratings for The Standard Bank of South Africa Limited, the single largest operating entity within SBG are, Fitch Ratings BB+ (negative) and Moody's Baa3 (stable).



Stanbic Bank Botswana Overview

Who we are

Celebrating a year of growth, impact and new possibilities

For 33 years, Stanbic Bank Botswana has been more than a bank. From the opening of the first branch in Broadhurst in 1992 to becoming a leader in Corporate and Investment Banking, we have built a legacy of excellence and a demonstrable track record of growth, ambition and opportunity. Today, we stand as Botswana's third-largest commercial bank by profitability, a bold game plan for expansion across all three of our key client segments.

We serve three key client segments:

The Bank caters to three main client segments:

Personal and Private Banking (PPB): for individuals who demand more from their bank

Business and Commercial Banking (BCB): Giving SMEs and enterprises a route to scalability

Corporate and Investment Banking (CIB): Financing the ambitions of multinationals and industry leaders

These segments are supported by various Corporate Function Units to deliver comprehensive solutions and drive the Bank's growth.

More than Banking: a Catalyst for Change

Our Corporate Social Investment (CSI) initiatives create real impact in Botswana, focusing on three key areas which are close to our heart:

Entrepreneurship and Employability

Empowering youth, fueling citizen growth

Health and Education

Investing in vulnerable communities

Sports and Arts

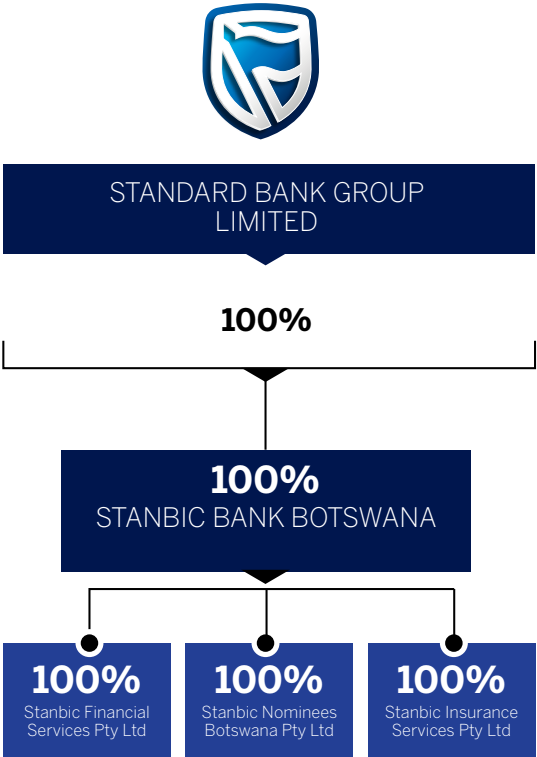
Supporting champions and visionaries

Our Accelerate Incubator and Citizen Economic Empowerment Programme (CEEP) drive job creation, market access and financial inclusion. In this financial year's Integrated Report, we will share this story of shared value creation in full.

Behind every solution we bring to market is a team driven by a higher purpose. We don't just bank. We serve. We innovate. And we grow.



BOTSWANA STRUCTURE, SHAREHOLDING AND OWNERSHIP



Our Physical Footprint



Branches (including in-store)

14

Gaborone: Six branches. Other Locations:

Francistown, Ghanzi, Letlhakane (digital branch), Maun, Mogoditshane, Palapye, Selebi Phikwe, and Kazungula.



ATMs

81

Digital Innovations: The Bank has introduced world-class digital platforms to enhance customer experience.

This includes but is not limited to Shyft, a mobile forex app allowing users to trade in four leading currencies: US Dollar, British Pound Sterling, Euro, and Australian Dollar. This aligns to the overarching desire to grow financial inclusion and accessibility in line with the national Vision 2036.



Workforce

645

PURPOSE DRIVEN

Botswana is our home, we drive her growth

FOCUSED

We are Botswana focused, client led and digitally enabled

We provide comprehensive and integrated financial and related solutions to our clients

We drive inclusive growth and sustainable development



ACCOLADES

Stanbic Bank Botswana received several accolades, including:

- Best Bank for SMEs at EMEA Finance African Banking Awards 2025
- Best Trade Finance Provider in Botswana for 2025 by Global Finance
- Botswana's Best Investment Bank 2025 - Awarded by Euromoney Awards for Excellence
- Best Forex Bank Botswana 2025 - Awarded by Global Banking & Finance Awards
- Bank of the Year 2025 - Awarded by The Banker
- Visa Payments Excellence Award 2025
- Visa Brand Awareness Award 2025 - Awarded by 2025 Visa Botswana Bank Awards
- Best Private Banker 2025 - Awarded by Euromoney Awards
- Best Bank for Cash Management in Botswana - 2026
- Botswana's Best Bank for Large Corporates - 2026
- Best Investment Bank in Botswana - 2026
- Best International Private Bank - 2026
- Banking Brand of the Year - 2026

Stanbic Bank Botswana Overview (continued)

Stanbic Bank, a member of the Standard Bank Group, is one of Botswana’s longest-established commercial banks, with a licensed banking history in the country dating back to 1991. The Bank was originally incorporated as ANZ Grindlays Bank (Botswana) Limited on 19 July 1991, was renamed Union Bank of Botswana Limited with effect from 5 July 1993, and adopted its current name, Stanbic Bank (Botswana) Limited, with effect from 15 November 1993.

Today, Stanbic Bank is one of the leading financial services organisations in Botswana underpinned by compelling competitive advantages which include: fully fledged universal banking group with a diverse and extensive range of financial services with significant on the ground presence across Botswana; spanning physical footprint of 14 branches (six in Gaborone and eight in other locations: Francistown, Ghanzi, Letlhakane (digital branch), Maun, Mogoditshane, Palapye, Selebi Phikwe and Kazungula) and 81 ATMs.

Additionally, the Bank has introduced world-class digital platforms to enhance customer experience. This includes, amongst other offerings, Shyft, a mobile forex app allowing users to trade in four leading currencies: US Dollar, British Pound, Sterling, Euro, and Australian Dollar. This aligns to the overarching desire to grow financial inclusion and accessibility in line with the national Vision 2036.

The Bank delivers its services through a network of branches, automated teller machines, digital and mobile banking platforms, and corporate online banking channels, supported by technology and cybersecurity infrastructure provided in part through the Standard Bank Group under the Franchise Agreement, and supplemented by third-party technology and payment services providers including Oracle, Entersekt, SWIFT, Microsoft and Network International.



Stanbic Bank exhibits the following characteristics:

- strong brand and established long-term history of profitability;
- significant and stable market share, well diversified across economic sectors;
- core staff complement with strong values and diversity and depth in leadership;
- high standards of corporate governance, values and ethical behaviour that enable it to create and maintain long-term stakeholder value;
- as a subsidiary of Standard Bank Group, the largest bank in Africa by assets, with a large footprint, network, strong connectivity to other African markets, and intellectual property base;
- Standard Bank Group provides Stanbic with a significant competitive advantage, further underpinning its growth opportunities;
- an innovative and agile organisation with a modernised core banking platform and investment in key technology in order to provide leading-edge digital capabilities; and
- being recognised and awarded:
 - Best Investment Bank in Botswana 2026, Euromoney
 - Best Cash Management Bank in Botswana 2026, Euromoney
 - Best Bank for Large Local Corporates in Botswana 2026, Euromoney
 - Best Private Bank 2026, Euromoney
 - Best Brand in Botswana 2026, Global Finance

12. Business Segments

We serve three key client segments.

The contribution of each business segment to the Bank’s profit after tax for the years ended 31 December 2023, 2024 and 2025 is set out below:

	2023 BWP '000	2024 BWP '000	2025 BWP '000
Corporate & Investment Banking	263 255	323 126	530 839
Business & Commercial Banking	129 550	123 228	71 897
Personal & Private Banking	101 701	279 693	121 533
Corporate Functions	(10 578)	(18 081)	(14 520)
Total Profit After Tax	483 928	707 966	709 749

These segments are supported by various Corporate Function Units to deliver comprehensive solutions and drive the Bank’s growth.

12.1. Personal and Private Banking

Personal and Private Banking provides transactional banking, savings and investment products, mortgage and vehicle and asset finance, unsecured lending, credit and debit card products, and wealth and private banking services to individual customers, delivered through the Bank’s branch network, digital banking channels, and relationship-managed private banking service.

12.2. Business and Commercial Banking

Business and Commercial Banking provides a comprehensive range of financial solutions to small and medium-sized enterprises, commercial businesses and mid-sized corporates operating across Botswana. BCB’s offering includes transactional banking, working capital facilities, trade finance, asset-based finance, term lending, cash management and foreign exchange solutions tailored to support the growth, operational and funding requirements of its clients.

12.3. Corporate and Investment Banking

Corporate and Investment Banking provides transactional banking, trade finance, working capital solutions, corporate lending, treasury and markets, investment banking and advisory services to corporate, institutional, public sector and multinational clients operating in Botswana, leveraging the Standard Bank Group’s pan-African and international footprint to support cross-border transaction banking and trade flows.

13. Group Structure

- 13.1. Stanbic Bank is a member of the Standard Bank Group. Standard Bank Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange, is the ultimate parent company. Standard Bank holds its interest in Stanbic Bank through, Stanbic Africa Holdings Limited, a wholly owned subsidiary incorporated in the United Kingdom, which in turn holds 100% of the issued shares of Stanbic Bank.
- 13.2. Stanbic Bank holds 100% of the issued share capital of the following Botswana-incorporated subsidiaries:
- 13.2.1. Stanbic Financial Services Proprietary Limited (Unique Identification Number BW000002207780), which provides investment advisory, corporate finance, capital markets and related financial services;
- 13.2.2. Stanbic Insurance Services Proprietary Limited (Unique Identification Number BW00000873743), which provides insurance-related products and services to retail, business and corporate clients; and
- 13.2.3. Stanbic Nominees Botswana Proprietary Limited (Unique Identification Number BW00000829011), which provides nominee, custody and securities administration services.

13.3. An organogram of the SBBL Group structure is set out below.



14. Future Prospects

- 14.1. The Directors are of the opinion that Stanbic Bank is well positioned to continue building on its long-established franchise in the Botswana banking sector. The Bank’s continued access to the Standard Bank Group’s technology, product and risk management capabilities under the Franchise Agreement, combined with its diversified client franchise across Personal and Private Banking, Business and Commercial Banking, Corporate and Investment Banking and Insurance and Advisory Services, and its established presence in the Botswana debt capital markets, are expected to support the Bank’s sustained growth and its ability to compete effectively in the Botswana banking market.

14.2. The Bank continues to invest in its technology infrastructure, including the ongoing migration of its storage infrastructure to updated platforms, continued investment in digital banking channels, and continued enhancement of its compliance, risk and cybersecurity capabilities, in each case consistent with the standards and support provided under the Standard Bank Group franchise arrangements.

14.3. Kgolo Strategy 2026 - 2028 and beyond

In the past strategic period, the Bank has strengthened its foundations, improved execution discipline, and embedded a culture of collaboration, accountability and high performance. The lessons gained during a period of sustained volatility position the Bank well for the 2026–2028 Kgolo strategy, which was approved by the Stanbic Bank Board in December 2025.

14.4. The strategy sets a focused, future-ready agenda centred on three key priorities:

- advancing digital transformation;
- maintaining disciplined risk management and operational excellence; and
- pursuing sustainable growth to drive long-term value creation.

14.5. Our Approach to Sustainability

Our strategy is underpinned by our purpose. Our strategic priorities will enable us to better fulfil our purpose as we deliver our ambition and achieve our financial targets.

To deliver our strategy and achieve our purpose, we ensure that our business activities solve Botswana's challenges and deliver improved prosperity for Botswana. This approach enables us to generate attractive financial outcomes for our shareholders, while generating positive social, economic and environmental impact for the communities in which we operate.

We have made a deliberate commitment to align our strategy to the United Nations Sustainable Development Goals (UN SDGs), the Paris Climate Agreement, the UN Guiding Principles on Business and Human Rights, and sustainable banking frameworks.

This includes identifying opportunities to **maximize positive impact** and **effectively managing risk** and other potentially negative impacts arising from our activities, products and services. Our sustainability approach is underpinned by these two pillars. Follow-up case studies in this report demonstrate how sustainability is part of our business model, product and service offering.

THE TWO PILLARS OF OUR SUSTAINABILITY APPROACH

Maximising Positive Impact

Our business activities are intended to drive positive impact in the following four areas:

- Financial health and inclusion
- Business growth and job-creation
- Climate change mitigation and adaptation
- Infrastructure development.

Effectively Managing Risk

We actively identify and manage potential risks and negative impacts, focusing on areas such as:

- Effective management of environmental and social risk associated with our lending and investment activities
- Fair treatment of customers
- Information security, data privacy and cybersecurity
- Combatting financial crime
- Employee engagement. (ENPS example)

14.6. Capital allocation will continue to support sectors vital to Botswana's economic progress, complemented by tailored financial solutions. Guided by the Botswana National Development Plan 12 (NDP 12) and the Botswana Economic Transformation (BETP), the Bank will remain selective and risk aware, deploying its capital, resources and expertise toward sectors that support sustainable economic growth and diversification.

14.7. Our strategic priorities and value drivers

Our strategy is underpinned by our purpose. Our strategic priorities will enable us to better fulfil our purpose as we deliver our ambition and achieve our financial targets.



PART 5:

Additional Information on Stanbic Bank (Botswana) Limited

Additional Information on Stanbic Bank

The qualifications of the Company Secretary are outlined in paragraph 25.2 of this Prospectus.

15. Corporate Structure / Corporate Information of the Bank

15.1. Incorporation

Stanbic Bank was duly incorporated in accordance with the laws of the Republic of Botswana on 19 July 1991, under Certificate of Incorporation number CO. 91/1343, and was subsequently re-registered under the Companies Reregistration Act on 9 September 2019 with Unique Identification Number BW00000732198. The Bank is registered and in good standing. The annual return filing month is July.

15.2. Name History

The Bank has undergone two name changes since incorporation, both duly registered by CIPA:

Name	Effective Date
ANZ Grindlays Bank (Botswana) Limited (original name)	19 July 1991
Union Bank of Botswana Limited	5 July 1993
Stanbic Bank (Botswana) Limited (current name)	15 November 1993

15.3. Registered Office

The registered office address of Stanbic Bank is Plot 50672, Off Machel Drive, Fairgrounds, Gaborone, Botswana.

15.4. Principal Place of Business

The principal place of business of Stanbic Bank is Plot 50672, Off Machel Drive, Fairgrounds, Gaborone, Botswana.

Postal Address

P O Box 1453, Gaborone, Botswana.

15.5. Governing Legislation

Stanbic Bank is governed by the Companies Act, 2003 [Cap 42:01] and, as a licensed commercial bank, the Banking Act [Cap 46:04], together with other relevant legislation, and is subject to prudential supervision by the Bank of Botswana.

15.6. Shareholders

As at the date of this Prospectus, the total number of shares and shareholding of Stanbic Bank is as follows:

Shareholder	Number of Shares	%
Stanbic Africa Holdings Limited	1 596 810 250	100%
Total number of shares	1 596 810 250	100%

15.7. The Bank is presently wholly owned (100%) by Stanbic Africa Holdings Limited, a United Kingdom-incorporated entity. There are no minority shareholders on record.

Group Ownership Structure	
Ultimate Parent	Standard Bank Group Limited (South Africa: JSE-listed)
Intermediate Holding Company	Stanbic Africa Holdings Limited (United Kingdom)
Subject Entity	Stanbic Bank (Botswana) Limited
Ownership Interest	100% at each level

- 15.8.

The Bank's Constitution acknowledges that ultimate effective control is exercised through the Board, each Director, each Shareholder and ultimately the beneficial owners, consistent with the requirements of the Financial Intelligence Act of Botswana.
- 15.9.

Secretary

The Company Secretary of Stanbic Bank is Ms. Siamisang Thokie Morolong, whose postal address is Private Bag 00168, Gaborone, Botswana. Ms Morolong was appointed on 18 August 2010 and satisfies the qualifications and experience requirements prescribed under the Companies Act. The Company Secretary is accountable to the Board and is responsible for corporate governance support, statutory compliance and maintenance of the Bank's statutory records. The qualifications of the Company Secretary are outlined below.
- 15.10.

Auditors

The Bank's auditors are Deloitte & Touche. The audit engagement partner responsible for the audit of the Bank is Cecilia Veeta Ramatlapeng, who was appointed on 1 January 2024. The auditors are appointed at each AGM and hold office until the conclusion of the next AGM. In accordance with the Constitution, no director, employee, officer or partner of an employee of the Bank may be appointed as auditor.
- 15.11.

Transfer Office

CSDB, whose registered office is situated at 4th Floor, Fairscape Precinct, Plot 70667, Fairgrounds, Gaborone, Private Bag 00417, Gaborone, acts as the Transfer Secretary and transfer office of the Company.
- 15.12.

Constitutional Documentation

Stanbic Bank's Constitution was adopted by Shareholders on 8 September 2026 and registered with CIPA. The Constitution superseded and replaced all previous versions as well as the Memorandum and Articles of Association first registered on 19 July 1991.
- 15.13.

The Constitution establishes a public company governance framework, with the Board responsible for the management of the Bank and shareholders exercising control through ordinary and special resolutions. The Board has broad powers in relation to the conduct of the Bank's affairs, including the ability to appoint directors (subject to specified requirements and limitations), designate a managing director and determine operational matters, subject to the Act.
- 15.14.

The Constitution is available to the public as it has been lodged with CIPA.
- 15.15.

No trustee has been appointed in relation to the Offer and the Offer is not underwritten.
16.

Subsidiary Companies

16.1.

The Group Structure is set out in the organogram in paragraph 13.3 (Group Structure) above, and includes the following subsidiaries:

Corporate Information of the Subsidiary Companies

Company	Incorporation Date (Re-Registration Date)	Shares	Directors
Stanbic Financial Services Proprietary Limited (BW0000002207780)	7 August 2020	1 000 000	Mphoeng Mphoeng Moabi Letsididi Morufhi Masikara Yvette Mogatusi
Stanbic Insurance Services Proprietary Limited (BW000000873743)	18 February 2003 (4 October 2019)	918 609	Chedza Balopi Portia Motshegare Keamogetse Mpudi
Stanbic Nominees Botswana Proprietary Limited (BW000000829011)	20 March 2011 (25 September 2019)	3 000	Morufhi Masikara Realeboga Phoi Lebea Sephuma

The subsidiaries have carried on business since their respective dates of incorporation.

17. Employees

- 17.1.

The Bank employs a workforce supported by a formal governance structure, with dedicated leadership across key business, risk, compliance, legal, technology, operations and finance functions. Further, the Bank's executive and senior management structure comprises the following key positions: Chief Executive; Chief Finance and Value Management Officer; Chief Information Officer; Head of Legal and Company Secretary; Head of Risk; Head of Compliance; Head of Credit; Head of Internal Audit; Head of Operations; Head of Corporate and Investment Banking; Head Business and Commercial Banking, Head of Personal and Private Banking; Head of People and Culture; Head of Brand and Marketing; and Head of Strategy Enablement.
- 17.2.

The Bank maintains written employment agreements governing the terms and conditions of employment of its employees. Employees are entitled to remuneration and employee benefits comprising salary and benefits, including pension contributions, medical aid, funeral cover, group life assurance, personal accident insurance, housing and motor vehicle allowances (where applicable), annual performance bonuses, together with annual leave of 27 working days and sick leave of 30 days per annum.
- 17.3.

The Bank has implemented comprehensive pre-employment screening procedures, including criminal, credit, reference and qualification verification checks, and employment agreements contain confidentiality, conduct and conflict-of-interest obligations appropriate for a regulated financial institution. Employment may ordinarily be terminated by either party on one month's written notice or payment in lieu thereof.
- 17.4.

The Bank is not aware of any material employment disputes, labour litigation, union-related disputes or regulatory findings relating to employment matters. It is noted, however, that the Bank's standard form employment agreement does not contain post-termination restraint of trade or non-solicitation provisions, which may reduce the Bank's ability to protect client relationships, and key personnel from competitive activity following termination of employment. The Bank's employment framework is formalised and aligned with accepted practices within the banking sector.

18. Immovable Properties

- 18.1.** The Bank occupies a portfolio of immovable properties located within the Gaborone Administrative District comprising freehold, fixed-period state grant, and long-term leasehold interests, together with a number of leased premises occupied for operational purposes.
- 18.2. Lot 50672, Gaborone** - approximately 6 740 m², acquired in 2007 from Legato (Pty) Ltd for BWP31 million plus VAT, and constituting the Bank’s principal place of business. The property is held under a 50-year Fixed Period State Grant commencing 4 February 1994, designated for commercial office and high-tech industrial civic use, subject to standard state grant conditions including maintenance obligations and a reversionary provision under which ownership of the land and improvements reverts to the State upon expiry without compensation. A Certificate of Compliance issued by the Director of Lands confirms compliance with applicable development conditions.
- 18.3. Lot 14437, Gaborone** - approximately 4,519 m², transferred in 1995 from Old Union Limited, a predecessor Group entity, for BWP3 102 890. Held under a 50-year Fixed Period State Grant commencing 8 August 1986, restricted to industrial use absent written State consent to an alternative use, and subject to a reversionary interest in favour of the State upon expiry.
- 18.4. Lot 2502, Gaborone (Extension 9)** - approximately 2,323 m², acquired in 1993 from Ben Iponeng Gasennelwe for BWP325 000, held under a Certificate of Registered State Title dating from 1968. This title does not contain the reversionary provisions typical of fixed-period state grants and appears to enjoy a stronger tenure position akin to freehold ownership.
- 18.5. Lease Area 235-KO, Lot 42759, Gaborone** - approximately 466 m², held under a 99-year notarial lease granted to ANZ Grindlays Bank (Botswana) Limited and registered in 1993, commencing 15 April 1992, for a total rental of BWP500 000 over the lease term, subject to a land-use restriction limiting the property to multi-unit residential purposes.
- 18.6.** The properties are further subject to standard government reservations and servitudes applicable under Botswana land tenure arrangements, including reservation of mineral rights in favour of the State and rights of public authorities to install and maintain utility infrastructure. Particular attention should be given to Lots 50672 and 14437, which are subject to reversionary provisions that may affect the long-term value of those assets. Subject to these tenure restrictions and standard statutory reservations, no material title defects, ownership disputes or adverse endorsements pertain to the properties.
- 18.7.** Details of the Bank’s leased operational premises are set out in Annexure 7.
- 18.8.** Overall, the fixed property portfolio of Stanbic Bank constitutes a core strategic asset base underpinning its operations, and the properties are well-located and aligned with the Bank’s business model.

19. Financing Arrangements

- 19.1.** Neither Stanbic Bank nor its subsidiaries are party to any material commercial loan agreements, overdraft facilities, revolving credit facilities or other borrowing arrangements outside of the ordinary course of its banking operations.
- 19.2.** The Bank has access to liquidity facilities made available by the Bank of Botswana in accordance with the regulatory framework governing licensed banks, comprising the Standing Credit Facility, the Secured Lending Facility and Repurchase Agreement (Repo) facilities, each utilised as a liquidity management tool in the ordinary course of banking business. As at 30 June 2026, no amounts were outstanding under these facilities. The Bank also maintains funding and capital market arrangements, including its Domestic Medium Term Note Programme, as part of its ordinary funding and capital management activities.

- 19.3.** The Bank’s financing arrangements are not subject to any material legal concerns that are expected to materially adversely affect the Bank or the proposed Listing.

20. BSE Issuances

- 20.1.** Stanbic Bank has established a BWP 2 000 000 000 Domestic Medium Term Note Programme, under which it has issued Senior Unsecured Notes and Subordinated Tier II Notes, which are listed on the BSE.
- 20.2.** The Senior Unsecured Notes constitute unsecured obligations of the Bank ranking equally with the Bank’s other unsecured and unsubordinated obligations. The Subordinated Tier II Notes qualify as regulatory capital for banking purposes and rank behind the claims of depositors and other unsecured creditors in liquidation, in accordance with their terms and applicable banking laws.
- 20.3.** The terms of the debt issuances include customary provisions relating to interest payments, redemption, issuer call options (in respect of the Tier II Notes, exercise of which is subject to Bank of Botswana approval and compliance with applicable regulatory capital requirements), events of default and transferability. Proceeds of the note issuances are applied for general corporate purposes. Administration of the issuances is supported by appointed calculation agents, transfer secretaries and the CSDB.
- 20.4.** The outstanding debt instruments are not subject to any material legal concerns that are expected to materially adversely affect the proposed Listing. Details of the notes in issue are contained in the historical financial information set out in Annexure 2.

21. Capital Commitments and Contingent Liabilities

The capital commitments, lease commitments and contingent liabilities of Group as at 31 December 2023, 2024 and 2025 are set out below:

Caption	Group		
	2025	2024	2023
	BWP '000	BWP '000	BWP '000
Letters of credit	19 385	32 727	15 775
Guarantees	2 602 195	1 697 407	970 861
Irrevocable unutilised facilities	1 715 757	1 410 942	1 221 246
Revocable unutilised facilities	425 902	274 975	372 160
Total commitments and contingencies	4 763 239	3 416 051	2 580 041

Contingent liabilities include guarantees, letters of credit and undrawn commitments extended to clients in the ordinary course of banking business.

Commitments

	2025	2024	2023
	BWP '000	BWP '000	BWP '000
Capital expenditure authorised	5 381	13 858	18 413

22. Property and Subsidiaries acquired or disposed of within the last three years

No properties or subsidiaries have been acquired or disposed of within the last three years, save in the ordinary course of the Bank’s banking business (including the acquisition or realisation of properties in possession in the ordinary course of credit recovery). There are no intentions to acquire or dispose of material properties or subsidiaries in the short term.

23. Directors

23.1. Board of Directors



Dr Tebogo TK Matome
Board Chairperson



Chose Modise
Executive Director



Michaela Alves Da Silva
Independent
Non-Executive Director



Mthabisi Bokete
Independent
Non-Executive Director



Lungisa Fuzile
Non-Executive Director



Batsho Pamela Groth
Independent
Non-Executive Director



Mark Haskins
Independent
Non-Executive Director



Richard Christopher Irvine
Independent
Non-Executive Director



Michael Kgengwenyane
Independent
Non-Executive Director



Oduetse Andrew Motshidisi
Independent
Non-Executive Director



Butler Phirie
Independent
Non-Executive Director



Realeboga Phoi
Executive Director



Larona L. B. Somolekae
Independent
Non-Executive Director

24. Directors' Profiles

<p>Dr Tebogo TK Matome ⁽⁵⁹⁾ Chairman</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 4 October 2017</p> <p>CHAIRMAN APPOINTMENT DATE: 11 May 2023</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Lecturer</p> <p>POSTAL ADDRESS: P O Box 70490, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Doctor of Philosophy (University of Birmingham)• Master of Social Sciences (University of Birmingham)• Bachelor of Commerce (University of Botswana) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Leadership• Business Development• Investments and Financial Markets Analysis <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Information Technology Committee• Board Nomination and Remuneration Committee		<p>Chose Modise ⁽⁵²⁾ Chief Executive (CE)</p> <p>DESIGNATION: Executive Director</p> <p>APPOINTMENT DATE: 1 January 2022</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Chief Executive</p> <p>POSTAL ADDRESS: P O Box 47479, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Fellow Chartered Accountant, Botswana Institute of Chartered Accountants (BICA) (FCA Botswana)• Fellow member of the Association of Chartered Certified Accountants (ACCA) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Business Strategy and Leadership• Finance, Accounting, Audit and Risk Management• Banking and Credit <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• None	
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<p>Michaela Alves Da Silva ⁽⁴⁰⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 28 July 2023</p> <p>NATIONALITY: British</p> <p>OCCUPATION: Corporate Finance & Management Consultant</p> <p>POSTAL ADDRESS: P O Box 1387 AAD Poso House, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Chartered Global Management Accountant (UK)• Fellow Chartered Accountant, Botswana Institute of Chartered Accountants (BICA) (FCA Botswana)• Member of the Institute of Chartered Global Management Accountants <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Finance, Accounting and Audit• Corporate Finance• Business Strategy <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Audit Committee		<p>Mthabisi Bokete ⁽³³⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 29 October 2020</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Technology Entrepreneur</p> <p>POSTAL ADDRESS: P O Box 401844, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Business Development Programme (Gordon Institute of Business Science)• 4th Industrial Revolution Diploma (Hendrick Von Scheel)• Business Development Programme: Go-To Market (Stanford University School of Graduates) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Technology and Cybersecurity• Digital Marketing and Advertising• Entrepreneurship <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Information Technology Committee (Chair)• Board Risk Management Committee	
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<p>Lungisa Fuzile ⁽⁶⁰⁾</p> <p>DESIGNATION: Non-Executive Director</p> <p>APPOINTMENT DATE: 27 June 2022</p> <p>NATIONALITY: South African</p> <p>OCCUPATION: Banking and Financial Services Executive</p> <p>POSTAL ADDRESS: P O Box 9478, Centurion 0046, South Africa</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Bachelor of Commerce Economics (Honours) (University of KwaZulu-Natal)• Master of Commerce in Economics (University of Kwazulu-Natal)• Advanced Management Programme from Harvard Business School <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Banking Financial Regulation• Financial Assets and Liability Management• Regulatory and Fiscal Policy Implementation and Management <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Risk Management Committee• Board Nomination and Remuneration Committee		<p>Batsho Pamela Groth ⁽⁶¹⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 2 December 2022</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: HR Consultant & Entrepreneur</p> <p>POSTAL ADDRESS: P O Box 486, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Master of Business Administration (University of Suffolk)• Bachelor of Science Occupational Psychology (University of Wales Institute of Science and Technology)• Certified Global Remuneration Professional (GPA) (WorldatWork, USA) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Human Resources and Remuneration Management• Stakeholder Engagement• Strategic Leadership <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Nomination and Remuneration Committee (Chair)• Board Credit Committee	
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<p>Mark Haskins ⁽⁴⁵⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 11 March 2022</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Entrepreneur</p> <p>POSTAL ADDRESS: P O Box 2315 AAD Poso House, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Certificate in Management Principles (Varsity College Cape Town)• Certificate in MBA Essentials (London School of Economics) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Entrepreneurship• Credit Management• Technology <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Credit Committee (Chair)• Board Information Technology Committee		<p>Richard Christopher Irvine ⁽⁶⁵⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 15 May 2024</p> <p>NATIONALITY: South African</p> <p>OCCUPATION: Retired</p> <p>POSTAL ADDRESS: P O Box 355, Northlands, 2116, South Africa</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Bachelor of Commerce (University of the Witwatersrand)• Honours Bachelor of Accounting Science (University of South Africa)• Chartered Accountant (South Africa) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Credit Management• Finance and Accounting• Risk Management <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Risk Management Committee• Board Credit Committee	
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<p>Michael Kgengwenyane⁽⁵⁷⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 19 April 2024</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Business & Management Consultant</p> <p>POSTAL ADDRESS: P O Box 80321, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Master of Engineering (Mechanical) (University of Southampton)• Senior Management Programme (University of Stellenbosch) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Business Strategy• Entrepreneurship• Project and Asset Management <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Risk Management Committee• Board Information Technology Committee	
<p>Oduetse Andrew Motshidisi⁽⁶⁸⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 23 September 2026</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Retired</p> <p>POSTAL ADDRESS: P O Box 3086, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Master of Arts Public Policy and Administration (University of Wisconsin - Madison)• Bachelor of Arts (University of Botswana) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Financial Services Regulation• Banking and Investment Banking• Risk and Compliance Management <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• None	

<p>Butler Phirie⁽⁶⁵⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 11 March 2022</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Business Consultant</p> <p>POSTAL ADDRESS: P O Box 1453, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Bachelor of Commerce (University of Botswana)• Fellow Chartered Certified Accountants (FCCA)• Fellow Chartered Accountant, Botswana Institute of Chartered Accountants (BICA) (FCA Botswana) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Finance and Accounting• Audit and Assurance• Taxation <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Audit Committee (Chair)	
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<p>Realeboga Phoi⁽⁴³⁾</p> <p>Chief Finance and Value Management Officer (CFVMO)</p> <p>DESIGNATION: Executive Director</p> <p>APPOINTMENT DATE: 14 August 2024</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Chief Finance and Value Management Officer</p> <p>POSTAL ADDRESS: P O Box 104, ABG, Broadhurst, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Association of Accounting Technicians• Association of Chartered Certified Accountants (ACCA)• Fellow Member of Association of Chartered Certified Accountants (ACCA) (FCCA)• Fellow Member of Botswana Institute of Chartered Accountants (BICA) (FCPA) <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Banking and Insurance• Strategic Financial Management• Audit and Assurance <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• None	
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<p>Larona L. B. Somolekae⁽⁴⁰⁾</p> <p>DESIGNATION: Independent Non-Executive Director</p> <p>APPOINTMENT DATE: 11 March 2022</p> <p>NATIONALITY: Motswana</p> <p>OCCUPATION: Admitted Attorney/Lawyer</p> <p>POSTAL ADDRESS: P O Box 45453, Gaborone, Botswana</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none">• Master of Science in Law and Finance (University of Oxford)• Master of Laws (Harvard Law School)• Bachelor of Laws (with distinction) (University of the Witwatersrand)• Admitted Attorney of the Courts of Botswana <p>KEY EXPERIENCE AND SKILLS:</p> <ul style="list-style-type: none">• Corporate Finance and Transactions• Commercial and Banking Law• Risk Management <p>COMMITTEE MEMBERSHIP:</p> <ul style="list-style-type: none">• Board Risk Management Committee (Chair)• Board Nomination and Remuneration Committee	
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24.1. Directors’ declarations and additional information

Each of the Directors confirms and declares that, as at the date of this Prospectus:

- 24.1.1.** he or she has not been the subject of any bankruptcies, insolvencies or individual voluntary compromise arrangements;
- 24.1.2.** no company of which he or she has been a director with an executive function has been placed under business rescue, receivership, compulsory liquidation or administration;
- 24.1.3.** he or she has not been publicly criticised by any statutory or regulatory authority and has not been disqualified by a court from acting as a director;
- 24.1.4.** he or she has not been convicted of any offence involving dishonesty;
- 24.1.5.** he or she has not been removed from an office of trust on the grounds of misconduct involving dishonesty; and
- 24.1.6.** no court has declared him or her delinquent or placed him or her under probation.

25. Executive Management

- 25.1.** The Bank’s executive and senior management (Country Leadership Council structure comprises 15 members, namely: the Chief Executive Officer, Chief Finance and Value Management Officer, Chief Information Officer, Head of Legal and Company Secretary, Head of Risk, Head of Compliance, Head of Credit, Head of Internal Audit, Head of Operations, Head of Corporate and Investment Banking, Head Business and Commercial Banking, Head of Personal and Private Banking, Head of People and Culture, Head of Brand and Marketing, and Head of Strategy Enablement. Collectively, members of senior management hold qualifications in accounting and finance, law, strategic management, human resources and organisational psychology, compliance and anti-money laundering, risk management, marketing, development finance, engineering and information technology, and corporate governance. A number of senior executives hold internationally recognised professional qualifications, including ACCA and Certified Anti-Money Laundering Specialist (CAMS) designations, and postgraduate qualifications including master’s degrees in law, business administration, strategic management and development finance.

25.2. Country Leadership Council



Chose Modise
Chief Executive



Boitumelo Bannalotihe
Head, Internal Audit



Masa Binns
Head, Strategy



Pinkie Douglas
Head, People and Culture



Mosetsana Kapeko
Head, Personal and Private Banking



Mmoloki Letshwao
Head, Risk



Kabo Molimi
Acting Head, Corporate and Investment Banking



Kabo Molomo
Head, Credit



Siamisang Morolong
Head, Legal and Governance



Titose Musa
Head, Compliance



Thomas Mpedi
Head, Operations



Mokgethi Nyatseng
Chief Information Officer



Realeboga Phoi
Chief Finance and Value Management Officer



Stephanie Sandridge
Head, Brand and Marketing



Lebea Sephuma
Head, Business and Commercial Banking

Full Name	Title	Nationality	Qualifications
Chose Modise	Chief Executive	Botswana	<ul style="list-style-type: none">Management Development programme (MDP), Harvard Business SchoolFellow Member of Association of Chartered Certified Accountants (ACCA) (FCCA)Fellow Member of Botswana Institute of Chartered Accountants (BICA) (FCPA) Joined the group: 2018
Realeboga Phoi	Chief Financial and Value Management officer	Botswana	<ul style="list-style-type: none">Association of Accounting Technicians (AAT)Association of Chartered Certified Accountants (ACCA)Fellow Member of Association of Chartered Certified Accountants (ACCA) (FCCA)Fellow Member of Botswana Institute of Chartered Accountants (BICA) (FCPA) Joined the group: 2017
Masa Binns	Head, Strategy	Botswana	<ul style="list-style-type: none">Master of Science Degree in Strategic ManagementMarketing Management Institute of Marketing Management (IMM)Financial Advisory Chartered Institute of Insurance. Joined the group: 2024
Kabo Molimi	Acting Head Corporate and Investment Banking	Botswana	<ul style="list-style-type: none">Bachelor of Accountancy (University of Botswana)BANKSETA Future Fit Senior Banker Development Programme (Wits Business School)Management Development Programme (University of Stellenbosch)Investment in Excellence (IIE) (Pacific Institute) Joined the group: 2021
Lebea Sephuma	Head Business and Commercial Banking	Botswana	<ul style="list-style-type: none">Bachelor of Arts (Economics and Statistics) (University of Botswana) Joined the group: 2007
Mosetsana Kapeko	Head Personal and Private Banking	Botswana	<ul style="list-style-type: none">Bachelor of Arts (University of Botswana)Masters in Strategic Management (University of Derby) Joined the group: 2024
Pinkie Douglas	Head People and Culture	Botswana	<ul style="list-style-type: none">Bachelor of Commerce (Honours) Organisational Psychology (UCT)Bachelor Of Social Science Labour, HR and Organisational Psychology (UCT) Joined the group: 2008
Siamisang Morolong	Head Legal and Governance	Botswana	<ul style="list-style-type: none">Master of Laws (LLM) (University of London: London School of Economics and Political Science)Master of Laws (LLM) Specialisation in Intellectual Property Law (UNISA)Bachelor of Laws (LLB) (UB) Joined the group: 2010
Mmoloki Letshwao	Head Risk	Botswana	<ul style="list-style-type: none">Bachelor of Accountancy (University of Botswana)Certified Anti Money Laundering Specialist. Joined the group: 2015

Full Name	Title	Nationality	Qualifications
Boitumelo Bannalotlhe	Head Internal Audit	Botswana	<ul style="list-style-type: none">Bachelor of Accountancy (University of Botswana)Management Development Programme (MDP) MemberExecutive Leadership Programme (University of Stellenbosch Business School)Fellow Member Association of Chartered Certified Accountants (FCCA) Joined the group: 2024
Kabo Molomo	Head Credit	Botswana	<ul style="list-style-type: none">Fellow Member of Association of Chartered Certified Accountants (FCCA)Botswana Institute of Chartered Accountants (FCCA)Master of Business Administration (University of Botswana)Bachelor of Accountancy (University of Botswana) Joined the group: 2020
Mokgethi Nyatseng	Chief Information Officer	Botswana	<ul style="list-style-type: none">Executive Leadership Programme (University of Stellenbosch Business School)Bachelor of Science in Electrical Engineering (Drexel University)Bachelor of Biomedical Systems (Drexel University) Joined the group: 2024
Thomas Mpedi	Head Operations	Botswana	<ul style="list-style-type: none">Bachelor of Business Administration (University of Botswana) Joined the group: 2024
Stephanie Sandridge	Head Brand and Marketing	Botswana	<ul style="list-style-type: none">Bachelor of Business Administration (Marketing)Digital Marketing - Red and Yellow Digital Marketing School. Joined the group: 2016
Titose Musa	Head Compliance	Botswana	<ul style="list-style-type: none">Bachelor of Arts (University of Botswana)Masters in Strategic Management (University of Derby) Joined the group: 2023

26. Directors’ Interests

No Directors of the Bank held any Shares of the Bank prior to the Offer.

27. Directors’ Service Contracts and Arrangements

27.1. There are no service contracts, other than contracts entered into in the ordinary course of business, between the Bank and any of its Directors. The executive directors of the Bank are employed under executive employment contracts on terms appropriate to their respective roles and responsibilities. No royalties, technical fees or secretarial fees are payable by the Bank or any of its subsidiaries to any director, proposed director or member of management, or to any entity in which any such person has an interest, beyond the remuneration and fees disclosed in this Prospectus.

27.2. Particulars of each Director’s other directorships and the nature of the businesses of those companies, held during the past five years, are set out in the Directors’ List of Other Directorships, a copy of which has been submitted to the BSE and is annexed to this Prospectus.

27.3. No Director of the Bank has waived or agreed to waive any future emoluments, and no Director has waived any emoluments during the past financial year.

28. Loans to Directors

Director	Issuer	Loan (BWP)
T Matome	SBBL	53 408
M Haskins	SBBL	2 179 380
M Kgengwenyane	SBBL	1 147 941
C Modise	SBBL	11 566 141
R Phoi	SBBL	4 629 508

The loans to directors were not given to the directors in their capacity as directors, but in the ordinary course of the Bank’s business, and without any preferential rates except for executive directors.

Interest rates charged on balances outstanding from executive directors are at the prevailing prime rate minus two for mortgage loans, vehicle and asset finance and other loans. The loans are repayable monthly over a maximum of 20 years, 72 months and 72 months for mortgage loans, vehicle and asset finance and other loans. The mortgage loans and vehicle and asset finance loans are secured over property of the respective borrowers. Other loans are not secured.

29. Employee Share Schemes

Certain senior executives participate in incentive schemes linked to the performance of the Standard Bank Group share price, in line with the remuneration practices of the Standard Bank Group, disclosures relating to which are made below. There are no employee share schemes over the Shares of the Bank.

Share-based payment reserve

Standard Bank Group has two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the Standard Bank Group share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and represents appreciation rights allocated to employees. The eventual value of the right is settled by the issue of shares equivalent, in value, to the value of rights.

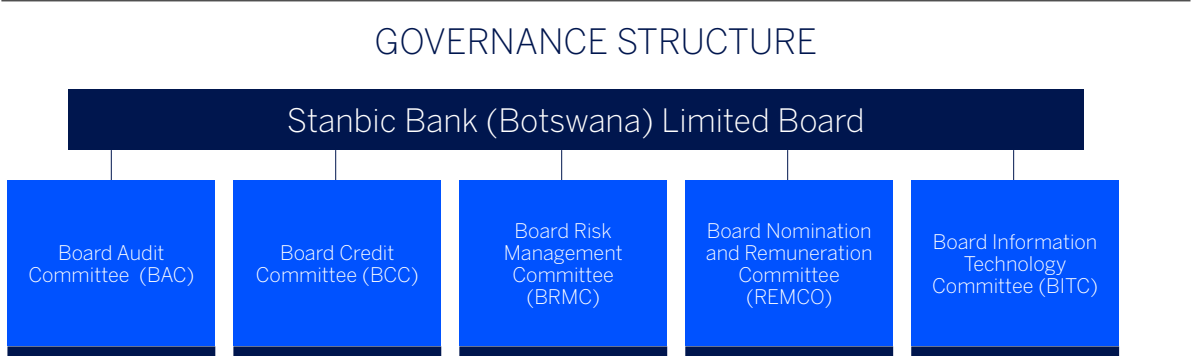
The two schemes have five different sub-types of vesting categories as illustrated by the following table:

Vesting category	Year	0% vesting	Expiry
Type A	3, 4, 5	50, 75, 100	10 years
Type B	5, 6, 7	50, 75, 100	10 years
Type C	2, 3, 4	50, 75, 100	10 years
Type D	2, 3, 4	33, 67, 100	10 years
Type E	3, 4, 5	33, 67, 100	10 years

A reconciliation of the movement of share options and appreciation rights is detailed below. Since the share-based schemes are managed and administrated in the Republic of South Africa the amounts are shown in Rands:

Group Share Incentive Scheme	Number of options		
	2025	2024	2023
Options outstanding at the beginning of the year	3 591	7 855	18 094
Net Transfers	-	-	1 066
Exercised	(2 877)	(4 264)	(11 305)
Options outstanding at the end of the year	714	3 591	7 855

Corporate Governance



29.1. Board of Directors

The Board comprises thirteen (13) Directors with a range of complementary skills and experience and is chaired by Dr Tebogo Trevor K Matome. The Board meets at least quarterly and retains overall responsibility for the strategic direction, corporate governance, risk oversight, financial stewardship and long-term sustainability of the Bank.

- 29.2. The Board is constituted in accordance with the Companies Act, the Banking Act, the Bank of Botswana’s corporate governance requirements, and King IV principles as adopted within the Standard Bank Group framework. It comprises a balanced mix of executive, non-executive, and independent directors, supported by specialised Board committees.

Board Committees

Committee	Role
Board Audit Committee	Oversight of financial reporting, internal audit and external audit
Board Nomination & Remuneration Committee	Director appointments, succession planning, remuneration
Board Risk Management Committee	Risk governance and appetite oversight
Board Credit Committee	Credit policy and large exposure approval
Board Information Technology Committee	Technology strategy and cybersecurity oversight

The **Board Audit Committee** assists the Board in overseeing financial reporting, internal controls, audit, compliance, ethics and financial crime matters, comprising independent non-executive directors with relevant expertise.

The **Board Nomination & Remuneration Committee** oversees director and senior management appointments, succession planning and remuneration, aligned with the Standard Bank Group’s remuneration philosophy.

The **Board Risk Management Committee**, comprising predominantly independent non-executive directors, provides independent oversight of the identification, assessment, monitoring, management and reporting of credit, operational, liquidity, market, legal, compliance, information technology, reputational, strategic and capital management risks across the Bank.

The **Board Credit Committee** ensures that the Bank maintains a sound and effective credit governance framework. It provides oversight of credit strategy, lending policies, credit risk management practices and asset quality across all portfolio.

The **Board Information Technology Committee** oversees technology strategy, IT governance, data governance, cybersecurity and business resilience.

- 29.3. The Board, with the concurrence of the Board Audit Committee, is of the opinion that the Bank’s internal controls addressing financial, operational and compliance risks are adequate and effective

29.4. Governance Policies

The Board operates under a comprehensive suite of governance documents, including a Code of Conduct and Ethics Policy for Directors, a Dispute Resolution Guide, a Policy for Obtaining Independent Professional Advice by Directors, a Subsidiary Governance Framework, and a Board Nomination and Appointment Policy, each approved by the Board, with an effective date of May 2024 and a next review date of early 2027. These are to be read together with the Bank’s Delegation of Authority Framework, Values and Conflict of Interest Policy, Fit and Proper Process for Key Persons, Risk Governance Framework, and the Basel Committee on Banking Supervision’s Corporate Governance Guidelines.

- 29.5. The Bank’s Integrated Annual Report 2025 demonstrates adherence to recognised corporate governance principles, including compliance with King IV as adopted in accordance with the Standard Bank Group framework, annual benchmarking of Board remuneration against competitor banks, a Board skills matrix and diversity reporting (nationality, gender, age, tenure, independence), an induction programme for new directors, and one-on-one engagement sessions between directors and senior management.

- 29.6. A King IV Report on Corporate Governance compliance checklist, setting out the Bank’s application of each King IV principle on an “apply and explain” basis, is annexed to this Prospectus.

29.7. Internal Control

The Board is responsible for the oversight of the Bank’s internal financial and operational control systems. The control systems include clearly defined lines of accountability and delegation of authority and provide for full reporting and analysis against approved budgets. Senior management is responsible for determining the adequacy, extent and operation of these systems, supported by dedicated Internal Audit, Risk, Compliance and Financial Control functions.

29.8. Remuneration Philosophy

The Bank's remuneration philosophy is designed to attract, retain and motivate high-performing employees while promoting prudent risk-taking, sound governance and sustainable long-term value creation. The remuneration framework aligns remuneration outcomes with individual performance, business performance and shareholder interests, and incorporates both financial and non-financial measures. Remuneration comprises fixed and variable components, with a significant portion of remuneration for senior executives linked to performance. Further details of the Bank's remuneration philosophy and executive remuneration disclosures are set out in Annexure 10.

30. Payments to Directors for Promotion and Formation

No amount has been paid, or is intended to be paid, to any Director for services rendered by him or her, or by a firm of which he or she is a partner, in connection with the promotion or formation of the Bank.

The Bank has no promoters. Accordingly, no amount has been paid within the two years preceding the date of this Prospectus, or is proposed to be paid, to any promoter or to any partnership, syndicate or other association of which a promoter is or was a member, and no other benefit has been given or is proposed to be given to any promoter. All amounts paid or payable in connection with the Offer and the Listing are set out under paragraph 10.1 of Part 4 of the Prospectus.

31. Appointment, Qualifications, Remuneration, Borrowing and Voting Powers, and Retirement Information Of Directors

Details of the appointment, qualification, remuneration, borrowing and voting powers, and retirement of Directors are set out in Annexure 1.

32. Directors' and Key Management Personnel Remuneration

32.1. Non-Executive Directors' Remuneration

The total aggregate benefits paid to the Directors of Stanbic Bank for the years ended 31 December 2024 and 2025 were as follows:

Director	Remuneration (BWP) ³	
	2025	2024
Dr TTK Matome	1 379 154	917 751
M Bokete	891 713	704 353
M Haskins	966 931	745 266
BD Phirie	1 009 931	704 353
LLB Somolekae	941 332	704 353
L Fuzile ¹	790 919	561 649
BP Groth	1 016 287	704 353
MA Alves Da Silva	909 659	655 911
RC Irvine	926 029	541 028
M Kgengwenyane	808 331	541 028
Dr AT Khunwana ²	909 659	213 073

¹ The remuneration for the director is paid to Stanbic Africa Holdings Limited.

² Dr A.T. Khunwana resigned as a director and is not a current member of the Board.

³ No director receives any remuneration from subsidiaries, nor are there any proposed post-listing fees.

32.2. Executive Directors' Remuneration

Pula	Chief Executive - C Modise		Chief Finance and Value Management Officer - R Phoi	
	2025	2024	2025	2024
Salaries and Allowances	4 825 994	4 141 255	2 456 175	2 371 277
Performance Bonus	2 840 000	1 900 000	1 410 000	1 270 000
Share linked Payments	1 773 139	1 266 001	113 964	50 881
Total Package	9 439 073	7 307 256	3 980 139	3 692 157

¹ Consistent with Standard Bank Group policies, the share-linked payment arrangements are linked to and settled in Standard Bank Group shares.

32.3. Directors' remuneration is determined and benchmarked annually against competitor banks in accordance with the Board Nomination & Remuneration Committee's mandate and the Standard Bank Group's remuneration philosophy.

32.4. Neither the business of the Bank nor the business of any of its subsidiaries is managed or proposed to be managed by any third party under a management contract or similar arrangement, other than the Franchise Agreement referred to under "Material Contracts" below.

32.5. Key Management Personnel Remuneration

Pula	Country Leadership Council (including Executive Directors)	
	2025	2024
Headcount	15	15
Salaries and Allowances	37 720 444	32 252 241
Performance Bonus	15 013 823	10 001 676
Share linked Payments	2 898 160	2 364 203
Total package	55 632 427	44 618 120

33. Borrowing Powers of the Directors

In accordance with the Constitution of Stanbic Bank, the Directors may raise or borrow for the purposes of the Bank's business such sums of money from time to time on behalf of the Bank, and at all times subject to the capital and liquidity requirements imposed on the Bank under the Banking Act and by the Bank of Botswana. The Directors have not exceeded any of their borrowing powers during the past three years.

34. Capital Structure

34.1. Stated Capital prior to the Private Placement and Public Offer

Shareholder	Number of Shares	%
Stanbic Africa Holdings Limited	1 596 810 250	100%
Total	1 596 810 250	100%

34.2. Expected Stated Capital after completion of the Private Placement and Public Offer

Shareholder	Number of Shares	%
Stanbic Africa Holdings Limited	1 277 448 200	80%
Placees (Private Placement)	255 489 640	16%
Public (Public Offer)	63 872 410	4%
Total	1 596 810 250	100%

35. Adequacy of Capital

The Directors are of the opinion that, having regard to the Bank’s regulatory capital position, generation of sustainable profits, its access to Bank of Botswana liquidity facilities, and its established Domestic Medium Term Note Programme, the working capital and regulatory capital available to the Bank are adequate for its present requirements, being at least the next twelve months from the date of this Prospectus, subject at all times to compliance with the Bank of Botswana’s prudential and capital adequacy requirements. This assessment covers both Tier I and Tier II capital requirements, ensuring resilience for at least the next twelve months from the date of this Prospectus.

36. Outstanding Convertible Debt Securities

Save for the Subordinated Tier II Notes described under “BSE Issuances” above (which are not convertible into equity), the Bank has no outstanding convertible debt securities.

37. Rights and Entitlements Attaching to the Shares

- 37.1.** Dividend Entitlement: Shareholders are entitled to receive dividends in proportion to their shareholdings. Unclaimed dividends shall be forfeited after three years.
- 37.2.** Capital Distributions: On winding-up, Shareholders share in surplus assets in proportion to their respective shareholdings, subject at all times to the powers of the Bank of Botswana under the Banking Act in respect of any insolvency or resolution process applicable to the Bank.
- 37.3.** Pre-emption Rights: Following Listing, any issue of new equity securities by the Bank shall be offered to existing shareholders pro rata, subject to the BSE Listings Requirements and shareholder authority.
- 37.4.** Redemption: The Shares are not redeemable.
- 37.5.** Variation of Rights: Any variation requires shareholder approval by special resolution of Shareholders at a General Meeting in accordance with the Constitution, the BSE Listings Requirements and the Companies Act.
- 37.6.** Free Transferability: Following Listing, the Shares are freely transferable, subject to the Companies Act, the Constitution and the BSE Listings Requirements.

38. Alterations to Share Capital

- 38.1.** On 8 September 2026, the Bank implemented a 50-for-1 share subdivision in preparation for the Listing. Historical per share information and share numbers presented in this Prospectus have been adjusted, where applicable, to reflect the share split and provide comparability across all periods presented.
- 38.2.** Other than the share subdivision noted above, during the 24 months preceding the date of this Prospectus, there has been no alteration of the Stated Capital of Stanbic Bank, and no offers of shares in Stanbic Bank have been made to the public in the three years preceding this Public Offer.
- 38.3.** There have been no interruptions in the business of the Bank which have had a significant effect on the Bank’s financial performance or financial position in the 12 months preceding the date of this Prospectus.
- 38.4.** No change in the nature of the Bank’s business is in contemplation.
- 38.5.** The Directors are not aware of any significant adverse change in the financial or trading position of the Bank since the last audited financial statements for the year ended 31 December 2025, or since the reviewed interim financial statements for the six months ended 30 June 2026.
- 38.6.** Since the date of the Bank’s last audited financial statements, the general trend of the Bank’s business has been one of continued growth in line with the trends described in the “Historical Financial Information” and “Prospects” sections of this Prospectus, and the Directors are not aware of any change that would materially affect this trend.
- 38.7.** As at the date of this Prospectus, the Bank does not operate an Employee Share Scheme over the Shares of the Bank.

39. Major Shareholders

- 39.1.** An analysis of the Bank’s shareholding before and after the Offer is set out below. The share numbers reflect the 50-for-1 share subdivision implemented prior to the Offer.

Shareholder	Pre-Offer		Post-Offer	
	Shares	%	Shares	%
Stanbic Africa Holdings Limited	1 596 810 250	100%	1 277 448 200	80%
Public shareholders	-	-	319 362 050	20%
Total	1 596 810 250	100%	1 596 810 250	100%

- 39.2.** Prior to the Offer, Stanbic Africa Holdings Limited, as the sole Shareholder, holds 100% of the issued Shares of the Bank, as set out in the table above.
- 39.3.** Save as disclosed in the table above, no person, other than a director or chief executive of Stanbic Bank, is, so far as the Directors are aware, directly or indirectly interested in 5 per cent or more of the number of Shares of any class of the Bank’s share capital.
- 39.4.** The percentages set above are based on a total of 1 596 810 250 Stanbic Bank Shares.

PART 6: Licences, Authorisations & Registration

Part 6: Licences, Authorisations & Registration

40. Licences, Authorisations & Registration

40.1. The Group operates within a regulated environment and has obtained the requisite licences necessary to conduct its core business activities.

40.2. Banking Licence

The Bank operates as a licensed bank under the Banking Act [Cap 46:04] of Botswana. The Constitution (clause 3(g)) defines the Bank's business as the provision of banking services in Botswana, as permitted from time to time under its existing banking licence issued under the Banking Act. The due diligence exercise undertaken in the preparation of this Prospectus has not identified any adverse regulatory action in respect of the banking licence.

40.3. Other Licenses

The Bank also holds licences from the NBFIRA for the provision of Trustee and Custodial Services, separate and distinct from its Banking licence issued under the Banking Act. In addition, the Bank (together with Stanbic Financial Services and Stanbic Insurance Services) is registered as a Public Interest Entity (PIE) with the Botswana Accountancy Oversight Authority (BAOA). Stanbic Insurance Services is also licensed by NBFIRA as an Insurance Agency. Stanbic Financial Services is also licensed by NBFIRA as an Investment Advisor and Market Maker.

40.4. CIPA Compliance

The Bank is in good standing with the Companies & Intellectual Property Authority (CIPA) with its latest annual return filed in July 2026.

40.5. Financial Intelligence Act

The Constitution (clauses 3(e), 3(dd) and 69) incorporates references to Beneficial Ownership and Ultimate Effective Control as defined under the Financial Intelligence Act of Botswana, reflecting the Bank's compliance framework for anti-money laundering and know-your-customer requirements applicable to Botswana banking institutions.

40.6. Licence Status

The licences held by the Group are valid, current, and issued by the appropriate regulatory authorities. The Group is not aware of any material breaches of licence conditions, suspensions, or pending regulatory actions against the Group other than the administrative penalties described under "Regulatory Compliance" below. The licensing framework applicable to the Group's operations is standard for a regulated commercial bank in Botswana, and no material regulatory or licensing concerns have been identified that are expected to give rise to any impediment to the proposed Listing, subject to ongoing compliance with applicable laws and licence conditions. Further detail on the Group's licensing position is set out in Annexure 9.

41. Intellectual Property

41.1. The Bank maintains a comprehensive trademark portfolio protecting its principal brands, products and services in Botswana. The portfolio comprises 57 registered trademarks and 11 pending applications (4 filed, 6 published for opposition and 1 accepted for registration), protecting the Bank's principal brands, including Stanbic, Stanbic Bank, Standard Bank, the Standard Bank device marks, SBG, together with a range of product names, digital banking services and marketing campaigns. The registrations extend across the principal classes relevant to the Bank's business, including financial services, software and technology, advertising, printed materials and related services.

- 41.2.** The portfolio demonstrates that the Bank has secured protection for its core brands and continues to actively manage and expand its intellectual property through the filing of new trademark applications relating to emerging products and services. A number of legacy marks have been designated for non-renewal, reflecting routine portfolio management rather than any apparent loss of material intellectual property rights.
- 41.3.** The trademark register indicates that a number of registrations, including certain core Stanbic and Standard Bank marks, will require renewal during the period 2026 to 2027. A number of trademark applications also remain pending or published for opposition. Continued monitoring and timely renewal of registrations, and continued prosecution of pending applications, will be undertaken to maintain uninterrupted protection.
- 41.4.** Under the Franchise Agreement described below, ownership of the Standard Bank and Stanbic trademarks, know-how, copyright and other intellectual property remains vested in the Franchisor (The Standard Bank of South Africa Limited), with the Bank holding an exclusive licence to use such intellectual property in Botswana for so long as the Franchise Agreement remains in force.
- 41.5.** Subject to the timely renewal of registrations falling due and the successful prosecution of pending applications, no material intellectual property concerns have been identified that are expected to adversely affect the proposed Listing.

42. Material Contracts

42.1. Franchise Agreement

The Bank is party to the Botswana Franchise Agreement dated 1 January 2011 between The Standard Bank of South Africa Limited with registered office at 5 Simmonds Street, Johannesburg, 2001, as the “Franchisor” and Stanbic Bank as the “Franchisee”, together with the First Addendum and related Change Control Notes (“CCNs”) governing technology and operational support services.

- 42.2.** The Franchise Agreement grants the Bank an exclusive licence to operate the Standard Bank business system and to use the Standard Bank and Stanbic trademarks within Botswana. Ownership of all intellectual property, including trademarks, know-how, copyright and other proprietary rights, remains vested in the Franchisor. The Bank is required to comply with the Standard Bank Group’s branding standards and operational requirements throughout the term of the agreement.
- 42.3.** In consideration for the rights granted, the Bank pays an annual royalty equal to 3% of its Net Interest Income and Non-Interest Revenue, payable quarterly in arrears, pursuant to the Franchise Agreement. The parties have also entered into various Change Control Notes regulating the provision of technology, operational, cybersecurity, compliance and digital banking services, with fees adjusted periodically to reflect changes in service scope and inflation.
- 42.4.** The agreement contains customary provisions relating to confidentiality, intellectual property protection, payment obligations, compliance with Standard Bank Group standards, and operational governance. The Franchisor may terminate the agreement upon specified events, including material breach, insolvency, loss of the Bank’s banking licence, persistent payment default, or a change in ownership or control of the Bank. Upon termination, the Bank must immediately cease using the Standard Bank intellectual property, branding and business system. The proposed Listing will not impact the rights and services rendered under the Franchise Agreement.
- 42.5.** The agreement is governed by the laws of the Republic of South Africa, with disputes resolved through negotiation, failing which by arbitration in Johannesburg.

- 42.6.** The Franchise Agreement is material to the Bank’s business, as it governs the Bank’s continued right to operate under the Standard Bank and Stanbic brands and to access key technology platforms, operational systems and Group support services. Subject to continued compliance with its contractual obligations, no material issues have been identified that are expected to adversely affect the proposed Listing.

42.7. Third Party Agreements

The Bank is party to a number of material commercial agreements supporting its technology infrastructure, operational services and software platforms, including the following:

Supplier	Type	Effective	Expiry	Value	Scope
Ekwantu Consulting (Pty) Ltd	Direct - Supply of Services Agreement	1 Nov 2023	31 Oct 2026	Per Service Schedule	Consulting services; fees fixed 12 months then CPI escalation; 60-day termination for convenience; Botswana law
Ekwantu / Huawei (Pty) Ltd	Change Control Note - Storage Support (CCN 001)	1 Mar 2024	28 Feb 2031	R14,680,694.18	Migration from NetApp AFF-A300 to Huawei OceanStor Dorado 5000 v6; 60-month support services
Entersekt (Pty) Ltd	Affiliate - under SBGCON1349-2021-MSA / SR84380	22 Dec 2021	Per master*	ZAR 73,120 + ZAR 57,000 p.a. + variable	EMV 3DS and GSM authentication services; SBSA Group Pricing Tier C
Noscotek (Pty) Ltd	Affiliate - under SBGCON276_2019_MA67807	2 Oct 2025	Per master*	Per service requests	Laserfiche platform and related services; Botswana governing law
Noscotek (Pty) Ltd	Service Order - Laserfiche Licences 2026	1 Jan 2026	31 Dec 2026	R128,805.82 excl. VAT	7x Subscription Professional Users + 11x Subscription Participant Users
Oracle Africa Ops (Pty) Ltd	Direct - Technical Support Renewal	5 May 2026	4 May 2027	USD 140,407.34 excl. tax	Database Enterprise Edition, RAC, Diagnostics Pack, Partitioning, Tuning Pack, Audit Vault & DB Firewall; 14 processors
Finteq Africa (Pty) Ltd	Affiliate - under SBG-GVMP/ CON00153/2013	4 Dec 2020	Per master*	Per service requests	Software licence, supply of products and services; Botswana law; Gaborone arbitration / High Court

*Per Standard Bank Group Master Agreement

- 42.8.** The Bank maintains a three-year consulting services agreement with Ekwantu Consulting (Pty) Ltd, with fees fixed for the first twelve months and thereafter subject to annual CPI-based adjustments, containing a 60-day termination for convenience clause and governed by Botswana law. The Bank has also entered into a long-term change control arrangement with Ekwantu Consulting and Huawei for the migration of its storage infrastructure, comprising sixty months of support services at a contract value of approximately ZAR 14.68 million.
- 42.9.** Authentication and payment security services are provided by Entersekt (Pty) Ltd under a Standard Bank Group master agreement, comprising a once-off implementation fee together with recurring annual licence and service fees. The Bank utilises the Laserfiche document management platform through Noscotek (Pty) Ltd under an affiliate framework agreement, supplemented by an annual service order for user subscriptions. Oracle Africa Operations provides technical support for the Bank's Oracle database environment. The Bank maintains a framework agreement with Finteq Africa (Pty) Ltd for software licences and related technology services, governed by Botswana law.
- 42.10.** The Bank further participates, through the Standard Bank Group, in a Master Framework Agreement with Network International LLC for the procurement of information technology hardware, software and related support services, containing customary provisions relating to acceptance testing, service levels, payment procedures, warranties, confidentiality, taxation, intellectual property protection and maintenance obligations, together with mechanisms for service credits, fee reductions and termination for underperformance.
- 42.11.** The Bank is also party to material commercial agreements with LSC Risk & Security (Pty) Ltd (manned guarding services across branches, ATMs and other operational locations), Oberthur Technologies (Idemia) (card production and personalisation services), Bloomberg Finance L.P. (financial market information services), SWIFT (financial messaging infrastructure and support services), and Microsoft (enterprise software licensing).
- 42.12.** The Bank's material agreements generally include customary provisions governing confidentiality, data protection, audit rights, anti-bribery and anti-money laundering compliance, service level commitments, termination rights and limitations of liability. These agreements constitute standard commercial arrangements entered into in the ordinary course of the Bank's business. The agreements do not give rise to any unusual contractual provisions, material breaches, or legal concerns that are expected to adversely affect the proposed Listing.

43. Financial Position

- 43.1.** The Bank has included in this Prospectus, in Annexure 2 its audited financial statements for the years ended 31 December 2023, 2024 and 2025, together with the reviewed condensed consolidated interim financial statements for the six months ended 30 June 2026 and the independent review report thereon, as set out in Annexures 3 and 5, respectively.
- The reviewed interim financial statements for the six months ended 30 June 2026 are annexed to this Prospectus at Annexure 4.
- The Offer comprises the sale of existing ordinary shares by the Selling Shareholder. No proceeds from the Offer will accrue to the Bank. As the Offer does not involve the issue of new shares by the Bank, it does not have any impact on the Historical Financial Information of the Bank for the years ended 31 December 2025, 2024, and 2023. The Offer relates solely to the disposal of shares by the Selling Shareholder and does not result in any change to the assets, liabilities, equity, earnings, cash flows or operations of the Bank. Accordingly, no pro forma adjustments have been made to the Historical Financial Information in respect of the Offer.

Pro Forma Financial Information Relating to the 50-For-1 Share Split

As set out in Section 3.3 of this Prospectus, the Board approved a 50-for-1 share subdivision prior to the proposed listing of Stanbic Bank (Botswana) Limited on the BSE. In terms of the share subdivision, each existing ordinary share was subdivided into fifty ordinary shares, resulting in the total number of shares in issue increasing from 31 936 205 ordinary shares to 1 596 810 250 ordinary shares.

The share subdivision does not affect the Bank's reported earnings, headline earnings, dividend declarations, net asset value, assets, liabilities, equity balances, stated capital or cash flows. Its sole effect is to increase the number of shares in issue and consequently to dilute adjusted per share measures by a factor of 50.

The pro forma financial information set out below has been prepared for illustrative purposes only to show the effect of the share subdivision on historical per-share measures as if the share subdivision had been implemented at the beginning of the earliest period presented.

Effects of the Share Subdivision on Per Share Measures

Before the 50-for-1 Share Subdivision

31 936 205 ordinary shares of no par value

Per-share measure	12 months to 31 December 2023	12 months to 31 December 2024	12 months to 31 December 2025	6 months to 30 June 2026
Earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45
Dividend per share (thebe)	971.00	1 484.00	-	-
Headline earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45
Diluted headline earnings per share (thebe)	1 515.30	2 216.81	2 222.40	1 108.45

After the 50-for-1 Share Subdivision

1 596 810 250 ordinary shares of no par value

Per-share measure	12 months to 31 December 2023	12 months to 31 December 2024	12 months to 31 December 2025	6 months to 30 June 2026
Earnings per share (thebe)	30.31	44.34	44.45	22.17
Dividend per share (thebe)	19.42	29.68	-	-
Headline earnings per share (thebe)	30.31	44.34	44.45	22.17
Diluted headline earnings per share (thebe)	30.31	44.34	44.45	22.17

Pro Forma Adjustment

Description	Number of shares
Ordinary shares before share split	31 936 205
Additional shares arising from share split	1 564 874 045
Ordinary shares after share split	1 596 810 250

Notes and Assumptions

- 1. The pro-forma adjustment reflects the subdivision of each existing ordinary share into 50 ordinary shares.
- 2. The total number of shares in issue increased from 31 936 205 to 1 596 810 250.
- 3. Total profit attributable to shareholders, headline earnings and dividends declared remain unchanged.
- 4. The pro-forma adjustment affects only the denominator used in the calculation of earnings per share, headline earnings per share, diluted headline earnings per share and dividend per share.
- 5. The pro-forma financial information has been prepared solely to illustrate the effect of the share subdivision and, because of its nature, may not fairly present the Bank's financial position, results of operations or cash flows had the share split been implemented on a different date.
- 6. The pro-forma information has been prepared on a basis consistent with IAS 33 Earnings per Share, which requires retrospective adjustment of per-share information for share subdivisions.
- 7. The pro-forma financial information has been reviewed by the Reporting Accountant's.

43.2. In terms of section 2.9(e) of the BSE Equity Listings Requirements, an applicant seeking admission to the Main Board is required to demonstrate an adequate profit history, having reported profits in at least three of the last five financial years, with an aggregate pre-tax profit of not less than BWP 1 000 000 over the most recent three-year period. Stanbic Bank satisfies this requirement.

44. Tax

44.1. The Bank and its subsidiaries have active Tax Clearance Certificates (TCC) that are due for renewal in December 2026. The certificate confirms that the Bank and its subsidiaries have duly filed for income tax, PAYE, and VAT returns, and as at the date of the application, no outstanding tax, interest, or penalties were recorded.

44.2. The clearance further reflects that the Bank has made the requisite provisional tax payments and continues to maintain ongoing compliance with its tax filing obligations. No material tax compliance issues, disputes, or outstanding liabilities have been identified that could adversely affect the proposed Listing, thereby affirming the Bank's sound tax governance and regulatory compliance.

45. Regulatory Compliance

45.1. Stanbic Bank remains subject to ongoing regulatory oversight by the Bank of Botswana and other applicable regulators, including NBFIRA, BAOA and the BSE. During the three-year review period, the Bank was not subject to any material regulatory investigations, sanctions or enforcement actions. Certain administrative penalties were imposed following routine supervisory reviews and examinations, including an administrative penalty of P800 000 arising from a 2025 AML/CFT/CPF thematic examination conducted by the Bank of Botswana. None of these matters resulted in any restriction on the Bank's operations and none was considered material to the Bank's financial position or regulatory standing. Administrative penalties imposed during the review period are summarised in the table below:

Year	Regulator	Penalty/Fine	Nature and Amount	Entity
2023	Bank of Botswana	Thematic and Follow up AML Examination Report Issued: 7 August 2023	No fine/penalty levied	Stanbic Bank (Botswana) Limited
2024	Bank of Botswana	Consumer Compliance Examination Report Issued: 15 March 2024	Administrative Penalty P 153 000	Stanbic Bank (Botswana) Limited
2024	Botswana Stock Exchange Limited	Late submission of SBBL Annual Financial Statements	Administrative Penalty P40 000	Stanbic Bank (Botswana) Limited
2025	Bank of Botswana	Thematic and Follow up AML Examination 2025	Administrative Penalty P 800 000	Stanbic Bank (Botswana) Limited
2025	Bank of Botswana	Abandoned Funds submission	Administrative Penalty P 10 000	Stanbic Bank (Botswana) Limited
2025	Botswana Accountancy Oversight Authority	Late Registration Renewal	P 11 045.99	Stanbic Bank (Botswana) Limited
2025	Botswana Accountancy Oversight Authority	Late Registration Renewal	P 1 000	Stanbic Financial Services
2025	Botswana Accountancy Oversight Authority	Late Registration Renewal	P1 000	Stanbic Insurance Services

As part of its AML/CFT/CPF compliance framework, the Bank continues to monitor and report suspicious transactions and activities to the relevant authorities, consistent with routine compliance monitoring activity expected of a regulated financial institution.

45.2. The Bank's regulatory compliance is satisfactory. While the matters described above highlight areas requiring ongoing compliance oversight, no material regulatory concerns have been identified that are expected to adversely affect the proposed Listing.

46. Litigation Statement

- 46.1.** Stanbic Bank has been party to several litigation matters, which in the opinion of the Bank are immaterial to the proposed Listing, arising in the ordinary course of business, and comprising primarily employment-related disputes, customer disputes relating to lending, loan administration and credit bureau listings, claims alleging wrongful account administration or negligent banking conduct, commercial disputes arising from lending and recovery proceedings, and challenges to anti-money laundering and know-your-customer compliance measures. These include a significant counterclaim by Steel Services (Pty) Ltd (“Steel Services”) in the amount of approximately BWP 161.8 million, and a related third-party claim by Tati Company against Steel Services concerning land sold for development of the Toro Junction Mall, in which the Bank has joined proceedings to protect its interests as mortgagee.
- 46.2.** The majority of active matters are assessed by management and external legal counsel as presenting either a remote likelihood of loss (less than 10%) or developing circumstances where liability cannot yet be reliably quantified. Only one matter has been assessed as presenting a possible chance of loss (less than 50%), for which a legal provision has been recognised as at 31 July 2026. There has been no material movement as at the time of the issuing of the Prospectus.

Item	Amount (BWP)
Aggregate value of claims against the Bank	174 392 840.64
External legal fees provided for	1 257 380.00
Legal provisions recognised	46 754.82
Total provisions and legal costs	1 304 134.82

Significant Litigation Matters

- 46.3. Steel Services Counterclaim** - the most significant matter, concerning a counterclaim by Steel Services of approximately BWP 161.8 million arising from recovery proceedings instituted by the Bank in respect of defaulted facilities. The borrower alleges losses arising from the Bank’s conduct; the Bank maintains that any losses were caused by the borrower’s own breaches of the loan agreements. Notwithstanding the size of the claim, the matter has been assessed as presenting a remote chance of loss.
- 46.4. McDonalds (Pty) Ltd** - a claim of approximately BWP 6.9 million following termination of a banking relationship and transfer of customer funds, alleging the Bank acted contrary to court-related directives. The Bank’s position is that the relevant court order had been stayed and was unenforceable at the material time. The matter is assessed as having a remote chance of loss.
- 46.5. Themba M. Mhotsha and Another** - the plaintiffs seek damages of approximately BWP 4.2 million, alleging negligence in permitting an unauthorised person to transact on company accounts. The Bank contends the individual concerned was duly authorised under the account mandates and that the plaintiffs failed to mitigate their alleged losses. The matter is assessed as having a remote chance of loss.
- 46.6. Employment-Related Exposure** - the Bank is defending a wrongful dismissal claim by a former teller seeking reinstatement or compensation, a related dignity and reputational damages claim of BWP 800,000 by the same former employee, and a dispute regarding employee loan benefits following resignation. Of these, only the wrongful dismissal claim has been assessed as carrying a possible chance of loss, resulting in the legal provision of BWP 46 754.82 referred to above.

- 46.7. Customer and Operational Claims** - the Bank is also involved in a number of lower-value disputes relating to alleged wrongful credit bureau listings, loan repayment and deduction errors, debt cession and account reconciliation disputes, recovery and repossession processes, and the freezing of funds pending anti-money laundering verification procedures. These matters generally involve modest quantum exposure and have largely been classified as remote risk matters or matters in early stages of litigation.
- 46.8.** In the opinion of the Board, there are no litigation matters presently identified that appear likely to have a material adverse effect on the financial position or operations of the Bank. The Bank has recognised provisions where considered necessary and is actively defending all material claims.

47. Insurance

- 47.1.** Stanbic Bank maintains a comprehensive insurance programme for the period 31 December 2025 to 30 December 2026, comprising Crime and Civil Liability, Directors’ and Officers’ (D&O) Liability, and Cyber Protection cover, issued through Botswana Insurance Company Limited (BIC) and brokered by Marsh Proprietary Limited.
- 47.2.** The Bank maintains Crime and Civil Liability insurance cover structured in two layers; a primary layer providing aggregate cover of approximately USD 22.9 million, and an additional excess layer providing further cover of approximately USD 172.4 million. The Cyber Protection programme provides primary and excess cover with aggregate limits of approximately USD 123.6 million.
- 47.3.** A notable feature of the programme is that BIC retains no underwriting risk, with 100% of the exposure reinsured by Stanbic International Insurance Limited (for Crime and Cyber risks) and Beazley (for D&O risks), such that BIC acts primarily as a fronting insurer for the relevant policies. The policies contain a Multiple Policies Interlocking Clause under which aggregate limits are shared across the Standard Bank Group, meaning claims by other Group entities may reduce the limits available to the Bank. Premiums must be paid within 90 days of policy inception, failing which the insurer may be entitled to exercise cancellation rights.
- 47.4.** The Directors consider the Bank’s insurance arrangements to be appropriate having regard to the nature, scale and risk profile of its operations.

PART 7: Risk Factors

Part 7: Risk Factors

48. Prospective investors should carefully consider the risks described below, together with all other information contained in this Prospectus, before deciding to invest in Stanbic Bank Shares. The risks described below are not exhaustive; additional risks not presently known to the Bank, or which the Bank currently believes are immaterial, may also adversely affect its business, financial condition or results of operations.

49. Change In Law and Regulation

The Bank operates in a highly regulated sector and any future changes in banking, prudential, tax or financial services law and regulation may have an impact on the Bank's financial condition or results of operations. Potential changes in the requirements imposed by the Bank of Botswana, including capital adequacy, liquidity, large exposure and provisioning requirements, can occur depending on the macro-economic conditions. Prior to the introduction of the same the industry is afforded the opportunity to provide their comments for the Central Bank's consideration, these changes can also be lobbied through the Bankers' Association of Botswana.

50. Credit Risk

- 50.1.** Credit risk is the risk that a counterparty will be unable to pay the principal amount and interest in full when such amount falls due contractually. It is composed of obligor risk, risks associated with climate-related risk, concentration risk and country risk and represents the largest source of risk to which banking entities in the group are exposed. The Bank has set in place comprehensive resources, expertise and controls to ensure efficient and effective management of credit risk, specifically in the Banking activities, as described.
- 50.2.** Lending transactions: credit risk arises through non-performance by a counterparty for credit facilities utilised. Such facilities are typically loans and advances, including the advancement of securities and contracts to support customer obligations (such as letters of credit and performance guarantees).
- 50.3.** Trading Activities: credit risk arises due to non-performance by a counterparty for payments linked to trading related financial obligations.
- 50.4.** Credit risk is managed by means of a governance structure with clearly defined mandates and delegated authorities and the use of relevant credit assessment tools in the evaluation of new and outstanding facilities for customers under the respective business units discussed below.

51. Liquidity and Funding Risk

- 51.1.** Liquidity risk arises if the Bank cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due or can only do so at materially disadvantageous terms. Liquidity risk can arise from both internal and external risk factors. A sound and robust liquidity management process is required to measure, monitor and manage liquidity exposures. The Bank's liquidity management framework is principles-based and is designed to measure and manage the liquidity position at various levels to ensure that all payment obligations can be met under both normal and stressed conditions without incurring additional costs.

51.2. The nature of the Group's banking and trading activities gives rise to continuous exposure to liquidity risk. Liquidity risk may arise where counterparties, who provide the Group with short-term funding, withdraw or do not roll over that funding, or normally liquid assets become illiquid as a result of a generalised disruption in asset markets. The Bank manages liquidity in accordance with applicable regulations and within the Bank's risk appetite framework. The Bank's liquidity risk management governance framework supports the measurement and management of liquidity across both the corporate and retail sectors to ensure that payment obligations can be met, under both normal and stressed conditions. Liquidity risk management ensures that the Bank has the appropriate amount, diversification and tenor of funding and liquidity to always support its asset base. The Bank manages liquidity risk as three inter-related pillars, which are aligned to the Basel III and regulatory liquidity requirements.

51.3. The following elements are incorporated as part of a cohesive liquidity management process:



51.4. The cumulative impact of the above elements is monitored by the Bank's Asset and Liability Committee (ALCO) and the process is underpinned by a system of extensive internal and external controls. The latter includes the application of purpose-built technology, documented processes and procedures, independent oversight by risk management and regular independent reviews and evaluations of the effectiveness of the system by both internal and external audit. Active liquidity and funding management is an integrated effort across a number of functional areas. Short term cash flow projections are used to plan for and meet the day-to-day requirements of the business, including adherence to prudential and ALCO requirements.

51.5. Long-term funding needs are derived from the projected balance sheet structures and positions are regularly updated to ensure the Bank's adherence to all funding governance. Liquidity contingency plans are designed to, as far as possible, protect stakeholder interests and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The plans incorporate an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy. These plans are reviewed periodically for relevance and reliability.

51.6. The Bank maintains a prudent approach to liquidity management in accordance with the applicable laws and regulations. These include maintaining both the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) in excess of the set minimum risk appetites and where necessary appropriate remedial actions taken in line with set guidelines.

51.7. These ratios are the main drivers of liquidity risk management, as such appropriate liquidity buffers were held in line with the assessment of liquidity risk in a stressed market within which the Bank operates. Proactive liquidity management in line with the Bank's liquidity standards ensured that, despite volatile and constrained market liquidity, adequate liquidity was maintained to fully support balance sheet strategies. This is achieved through continuous engagements between Treasury and Capital Management, Risk and Business units in which the liquidity risk with respect to on and off-balance sheet positions, are carefully monitored. At the same time, consideration has been provided to the adequacy of contingent funding, ensuring sufficiency to accommodate unexpected liquidity demands. The Bank continues to leverage the deposit franchises across the portfolio to ensure that it has the appropriate amount, tenor, and diversification of funding to support its current and forecast asset base while containing cost of funding at sustainable levels.

52. Market Risk

The Bank is exposed to market risk arising from movements in interest rates, foreign exchange rates and other market variables affecting the value of its trading and banking book positions. Adverse market movements could have a material adverse effect on the Bank's results of operations.

53. Operational and Technology Risk

The Bank's business depends on the continued and uninterrupted operation of its technology systems, many of which are provided or supported under the Franchise Agreement with the Standard Bank Group and by third-party service providers. Any material failure, cyber-attack, data breach or disruption affecting the Bank's core banking, payments or digital banking platforms could result in financial loss, regulatory sanction and reputational harm.

54. Dependence on the franchise agreement and Standard Bank Group Relationship

The Bank's operations are materially dependent on the Franchise Agreement with The Standard Bank of South Africa Limited, under which the Bank operates under the Standard Bank and Stanbic brands and accesses the Group's technology, product and risk management infrastructure. Termination of the Franchise Agreement, whether as a result of breach, a change in control of the Bank, or otherwise, could require the Bank to cease using the Standard Bank intellectual property and business systems, which would have a material adverse effect on the Bank's business. In addition, the Bank pays an annual royalty of 3% of its Net Interest Income and Non-Interest Revenue under the Franchise Agreement, which represents an ongoing cost of the franchise relationship.

55. Regulatory Compliance and AML/CFT Risk

The Bank is subject to comprehensive anti-money laundering and counter financing of terrorism obligations under the Financial Intelligence Act and Bank of Botswana directives. The Bank incurred an administrative penalty of P800,000 in 2025 following an AML/CFT thematic examination by the Bank of Botswana.

56. Litigation Risk

The Bank is currently subject to a number of litigation matters arising in the ordinary course of business, including the Steel Services counterclaim of approximately BWP 161.8 million, all of which are being defended by the Bank. While the Bank's external and internal legal advisors have assessed the majority of these matters as presenting a remote or unquantifiable risk of loss, it is only upon the conclusion of these matters, or any other future proceedings that their impact on the Bank's financial position can be ascertained.

57. Dependence on Key Management Personnel

The continued success of the Bank depends in part on its ability to attract, retain and appropriately incentivise experienced management and key personnel across its banking, risk, compliance and technology functions, in a competitive market for skilled financial services professionals in Botswana and the wider region.

58. Competition

The Bank operates in a competitive banking sector in Botswana and faces competition from other licensed commercial banks, as well as from non-bank financial institutions and emerging fintech and mobile money providers. Increased competition could affect the Bank's market share, net interest margins and non-interest revenue.

59. Concentration and Economic Risk in Botswana

The Bank's operations are concentrated in Botswana, and its performance is closely linked to the general economic conditions prevailing in Botswana, including GDP growth, inflation, interest rates, foreign currency, and the performance of the diamond, mining and broader commodity-driven sectors of the Botswana economy. Adverse economic, political, geopolitical or social developments in Botswana or the wider SADC region could have a material adverse effect on the Bank's results of operations.

60. Property Tenure Risk

Certain of the Bank's owned properties, including its principal place of business, are held under fixed-period state grants subject to reversionary provisions in favour of the State upon expiry of the applicable grant period. While no material title defects have been identified, the long-term value of these properties may be affected by the terms of the applicable state grants.

61. Constitutional and Governance Transition Risk

The Bank's Constitution required a number of targeted amendments to align with the BSE Listings Requirements and governance standards applicable to listed banking institutions, as described under "Corporate Structure" above. These amendments were effected in the Constitution, through a resolution by the Shareholders on 8 September 2026, in advance of the listing.

62. Share Price Volatility

The market price of Stanbic Bank Shares following the Listing may be volatile and may fluctuate significantly in response to a range of factors, including the Bank's actual or anticipated operating results, changes in banking regulation, general market and economic conditions, and investor sentiment towards the banking sector and Botswana more generally. There can be no assurance that an active and liquid trading market for the Shares will develop or be maintained following the Listing. Limited market liquidity may contribute to volatility in the market price of the Shares and may affect a Shareholder's ability to buy or sell Shares at desired prices.

63. Dividends

The payment of future dividends will be at the discretion of the Directors, subject to the Bank's profitability, capital adequacy requirements and any applicable directives of the Bank of Botswana. The Board aims to deliver sustainable shareholder returns over time and may have to refer to the Bank's dividend philosophy when considering future distributions. However, there can be no assurance that dividends will be paid in any particular amount, or at all, in respect of any given financial period.

64. Dilution

Future issues of Shares by the Bank, including in connection with capital raising to meet regulatory capital requirements, may dilute the percentage ownership of Shareholders who do not participate in such issues.

65. Controlling Shareholder

Following completion of the Offer, Stanbic Africa Holdings Limited is expected to continue to hold a controlling interest in the Stated Capital of the Bank. Stanbic Africa Holdings Limited will accordingly retain significant influence over matters requiring shareholder approval, and the interests of Stanbic Africa Holdings Limited (and, indirectly, the Standard Bank Group) may not always align with the interests of other Shareholders.

PART 8:

Statements, Declarations and Recommendations of Directors

Part 8: Statements, Declarations and Recommendations of Directors

66. Directors' Opinion on the Prospects of Stanbic Bank

The Directors are of the opinion that Stanbic Bank is well positioned to benefit from opportunities in the Botswana banking sector detailed in this Prospectus. The Bank has an established franchise, a diversified banking business and a track record of profitable operations. The Directors believe that the Bank's future prospects are supported by its membership of the Standard Bank Group, its strong capital position and the opportunities described in this Prospectus.

Directors' Report as to Material Changes

The Directors report that there has been no material change in the assets or liabilities, outside of the ordinary course of business, of the Bank or any of its subsidiaries between 31 December 2025, being the last date to which the annual financial statements of the Bank were made out, and the date of this Prospectus.

67. Responsibility Statement

The Directors, whose names appear under "Directors" above, collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Prospectus false or misleading, and that they have made all reasonable enquiries to ascertain such facts, and that this Prospectus contains all information required by the Act and the BSE Equity Listings Requirements.

68. Consents

Each of Armstrongs Attorneys, Stanbic Financial Services Proprietary Limited, Imara Capital Securities, Deloitte & Touche, BDO, the CSDB and Hotwire has consented in writing to act in the capacity stated and to its names appearing in this Prospectus and has not withdrawn such consent.

69. Registration of Prospectus

69.1. This Prospectus, together with the documents referred to under this heading, was registered by CIPA in terms of sections 300(1) and 308(2) of the Companies Act (CAP. 42:01). The following documents have been annexed to, and are registered together with, this Prospectus:

69.1.1. the written consents of the advisors named in this Prospectus;

69.1.2. the material contracts referred to in this Prospectus;

69.1.3. the Independent Reporting Accountants' Assurance Report on the Compilation of Pro-Forma Financial Information Included in a Prospectus (Annexure 3);

69.1.4. the Reporting Accountants' Report on the Profit Forecast (Annexure 6);

69.1.5. the Reporting Accountants' Report on Reviewed Condensed Interim Financial Information (Annexure 5); and

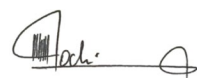
69.1.6. copies of the Bank's Constitution and the constitutions of its subsidiaries.

70. Documents Available for Inspection

- 70.1.** Copies of the following documents will be available for inspection at the registered office of the Bank and at the offices of the Sponsor during normal business hours for a period of 14 days from the date of this Prospectus:
- 70.1.1.** the Constitution of Stanbic Bank and the constitutions of its subsidiaries;
 - 70.1.2.** the audited annual financial statements of the Bank for the years ended 31 December 2023, 2024 and 2025 and the reviewed interim financial statements for the six months ended 30 June 2026;
 - 70.1.3.** the Reporting Accountants' reports referred to in Annexure 3, 5 and 6;
 - 70.1.4.** the material contracts referred to in this Prospectus, including the Franchise Agreement;
 - 70.1.5.** the written consents referred to above; and
 - 70.1.6.** this Prospectus.



Dr TTK Matome
Chairman



C. Modise
Chief Executive

ANNEXURE 1:

Extracts of the Constitution Relating to the Appointment, Remuneration, Borrowing Powers and Disqualification of Directors

ANNEXURE 1:

Extracts of the Constitution Relating to the Appointment, Remuneration, Borrowing Powers and Disqualification Of Directors

Appointment of Directors (Clause 21.1)

- 21.1.1.** Subject to the Act, the Banking Act, the Listing Rules, this Constitution and any applicable regulatory requirements, the Board may appoint a person as a Director to fill a casual vacancy or as an additional Director.
- 21.1.2.** A Director appointed by the Board shall hold office until the next annual general meeting and shall be eligible for election or re-election by Shareholders.
- 21.1.3.** No person shall be appointed or continue to serve as a Director unless such person satisfies any applicable fit and proper requirements prescribed by law or regulatory requirement.
- 21.1.4.** The appointment, re-appointment and continued service of Directors shall be subject to a formal and transparent process approved by the Board and consistent with applicable legal and regulatory requirements.

Tenure of Non-Executive Directors (Clause 21.3)

- 21.3.1.** Subject to applicable law and regulatory requirements a non-executive Director shall not serve on the Board for a cumulative period exceeding nine (9) years unless the Board determines that continued service for a limited period of an additional one year is required in the interests of continuity or orderly succession.
- 21.3.2.** A non-executive Director who has served on the Board for a period exceeding nine (9) years shall not be classified as independent, unless otherwise permitted under applicable law, regulatory requirements and the Company's governance frameworks.

Disqualification and Vacation of Office of Directors (Clause 21.7)

- 21.7.1.** The office of a Director shall be vacated if the Director:
 - a) becomes disqualified from acting as a Director under applicable law;
 - b) ceases to satisfy applicable fit and proper requirements;
 - c) is required by a competent regulator to cease acting as a Director;
 - d) resigns;
 - e) dies;
 - f) becomes of unsound mind or otherwise incapable of managing their own affairs;
 - g) is provisionally or finally sequestered, or is otherwise declared insolvent or bankrupt, under the laws of any competent jurisdiction;
 - h) is removed in accordance with the Act and this Constitution; or
 - i) otherwise vacates office in accordance with this Constitution or applicable law."

Remuneration of Directors (Clause 22)

Non-Executive Directors' Fees (Clause 22.1)

- 22.1.1.** The remuneration of non-executive Directors for service on the Board and Board committees shall be determined by the Shareholders in general meeting upon recommendation by the Board.

- 22.1.2.** Non-executive Directors' remuneration shall be reviewed periodically in accordance with the Company's remuneration governance framework and applicable legal and regulatory requirements.
- 22.1.3.** Non-executive Directors shall not participate in any Share option scheme or receive performance-based incentives in respect of their service as Directors."

Executive Directors (Clause 22.2)

- 22.2.1.** An executive Director shall not receive non-executive Director's fees for serving on the Board.
- 22.2.2.** The remuneration and other terms of employment of executive Directors shall be determined in accordance with the Company's remuneration governance frameworks and any applicable legal and regulatory requirements.
- 22.2.3.** The Board shall oversee the remuneration framework of the Company and shall ensure that remuneration practices support sound and effective risk management and are aligned with the long-term interests of the Company.

Expenses (Clause 22.3)

- 22.3.1.** Directors shall be entitled to be reimbursed for reasonable expenses properly incurred in the performance of their duties as Directors.
- 22.3.2.** A Director who performs services outside the ordinary scope of that Director's duties may receive additional remuneration, subject to applicable law, this Constitution and any required approvals.

Conflicts and Recusal (Clause 22.4)

- 22.4.1.** No executive Director shall participate in any discussion or decision concerning that Director's own remuneration.
- 22.4.2.** Any conflict of interest relating to remuneration shall be managed in accordance with this Constitution and applicable legal or regulatory requirements.

Remuneration Governance (Clause 22.5)

- 22.5.1.** The Board shall oversee the Company's remuneration framework and shall ensure that remuneration practices comply with applicable legal, regulatory and governance requirements.
- 22.5.2.** The Company shall make such remuneration disclosures as may be required under applicable law, the Banking Act, the Listing Rules or any applicable regulatory requirement.

Borrowing Powers (Clause 17)

- 17.1.** Unless the Act, this Constitution or in accordance with any agreement in writing between the Shareholders relating to funding of the Company as may otherwise provide, the Board may borrow or raise money from time to time, on behalf of the Company.
- 17.2.** The Board may:
 - (a) borrow money on credit of the Company;
 - (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Company; and
 - (c) give a guarantee on behalf of the Company to secure performance of an obligation of the Company.

- 17.3.** The Board may, subject to any laws governing the registration of mortgage bonds, notarial bonds, deeds of hypothecations, pledges and cessions, mortgage, hypothecate, pledge, cede or otherwise create a security interest in all or any property of the Company, owned or subsequently acquired, to secure any obligation of the Company.
- 17.4.** The Board may, subject to the provisions of the Act, create and issue secured or unsecured debentures, which may be effected by means of a pledge, cession, mortgage bond, collateral mortgage bond, notarial bond, notarial surety bond, collateral notarial bond or any form of collateral security over incorporeal rights, movable and immovable property, issued in favour of one or more debenture-holders or to a trustee for debenture-holders, in respect of which:
- (a) any mortgage or notarial bond in pursuance of this article shall be subject to the laws governing the registration of mortgage and notarial bonds, and be registered in the Deeds Registry;
 - (b) debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued; and
 - (c) any debentures, debenture stock, bonds or other securities may be issued at par or at a discount or at a premium, and with any special privileges as to redemption, surrender and drawings, provided that no special privileges as to allotment of Shares or stock, attending and voting at general meetings, appointment of Board or otherwise shall be given save with the sanction of the Shareholders by special resolution.
- 17.5.** The Board shall cause the Company to keep a proper register at the Office in accordance with the provisions of the Act of all charges affecting the property of the Company, giving in each case a short description of the property mortgaged or charged, and the names and addresses of the persons in whose favour any charge or pledge has been delivered, and the amount of charge so created.

ANNEXURE 2:

Financial Statements for the Years Ended 31 December 2025, 2024, and 2023

ANNEXURE 2:

Financial Statements for the Years Ended 31 December 2025, 2024, and 2023

Statement of profit or loss and other comprehensive income

For the years ended 31 December 2025, 2024, and 2023

	Notes	Group		
		2025 P000's	2024 P000's	2023 P000's
Interest income	22.1	2 031 731	1 885 860	1 757 799
Interest expense	22.2	(957 190)	(514 394)	(646 405)
Net interest income		1 074 541	1 371 466	1 111 394
Fee and commission income	22.3	507 639	467 370	411 021
Fee and commission expense	22.4	(138 452)	(148 999)	(135 677)
Net fee and commission income		369 187	318 371	275 344
Net trading income	22.5	541 166	241 388	224 685
Other income	22.6	31 236	19 774	20 159
Net non-interest income		941 589	579 533	520 188
Total net income		2 016 130	1 950 999	1 631 582
Credit impairment charges	22.7	(84 600)	(42 839)	(109 303)
Net income before operating expenses		1 931 530	1 908 160	1 522 279
Staff costs	22.8	(460 010)	(444 454)	(427 911)
Other operating expenses	22.9	(519 795)	(513 969)	(433 270)
Total operating expenses		(979 805)	(958 423)	(861 181)
Profit before indirect tax		951 725	949 737	661 098
Indirect tax	22.11	(44 400)	(36 397)	(32 628)
Profit before direct tax		907 325	913 340	628 470
Direct tax	22.11	(197 576)	(205 374)	(144 542)
Profit and total comprehensive income for the year		709 749	707 966	483 928

Dr TTK Matome
Chairman

C. Modise
Chief Executive

Statement of financial position

For the years ended 31 December 2025, 2024, and 2023

	Notes	Group		
		2025 P000's	2024 P000's	2023 P000's
Assets				
Cash and balances with Central Bank	23	996 522	281 809	1 466 490
Derivative assets	24.3	47 881	20 509	1 377
Trading portfolio assets	25	147 566	185 709	3 212
Financial investments	26.1	4 271 709	3 198 417	3 805 364
Loans and advances	27.1	21 346 214	23 451 310	19 323 952
Loans and advances to banks	27.1	7 585 011	8 497 257	5 990 721
Loans and advances to customers	27.1	13 761 203	14 954 053	13 333 231
Other assets	28	468 490	224 820	133 977
Current tax asset	32	82 315	41 285	54 934
Intangible assets	30	52 334	77 628	102 921
Property, equipment and right of use assets	31.1	178 174	145 437	142 752
Deferred tax asset	32	-	18 451	12 621
Total assets		27 591 205	27 645 375	25 047 600
Liabilities				
Derivative liabilities	24.3	29 538	34 892	-
Deposits	34	22 728 800	23 218 095	21 200 521
Deposits from banks	34	2 454 712	2 342 148	1 060 094
Deposits from customer accounts	34	20 274 088	20 875 947	20 140 427
Accruals, deferred income and other liabilities	35	373 050	521 501	500 609
Trading portfolio liabilities	33	-	293 863	3 412
Debt securities in issue	36	1 179 120	1 016 440	1 016 440
Deferred tax liabilities	32	10 364	-	-
Total liabilities		24 320 872	25 084 791	22 720 982
Equity				
Stated capital	37.1	390 177	390 177	390 177
Reserves	37.3	2 880 156	2 170 407	1 936 441
Equity - attributable to ordinary shareholders		3 270 333	2 560 584	2 326 618
Total liabilities and equity		27 591 205	27 645 375	25 047 600

Dr TTK Matome
Chairman

C. Modise
Chief Executive

Statement of changes in equity

For the years ended 31 December 2025, 2024, and 2023

Group: year ended 31 December 2025

Group	Notes	Stated capital	Statutory credit reserve	Retained earnings	Total equity
		P000's	P000's	P000's	P000's
Balance at 1 January 2025		390 177	154 474	2 015 933	2 560 584
Profit for the year		-	-	709 749	709 749
Total comprehensive income for the year		-	-	709 749	709 749
Dividends paid		-	-	-	-
Balance at 31 December 2025		390 177	154 474	2 725 682	3 270 333

Group: year ended 31 December 2024

Group	Notes	Stated capital	Statutory credit reserve	Retained earnings	Total equity
		P000's	P000's	P000's	P000's
Balance at 1 January 2024		390 177	154 474	1 781 967	2 326 618
Profit for the year		-	-	707 966	707 966
Total comprehensive income for the year		-	-	707 966	707 966
Dividends paid		-	-	(474 000)	(474 000)
Balance at 31 December 2024		390 177	154 474	2 015 933	2 560 584

Group: year ended 31 December 2023

Group	Notes	Stated capital	Statutory credit reserve	Retained earnings	Total equity
		P000's	P000's	P000's	P000's
Balance at 1 January 2023		390 177	154 474	1 608 039	2 152 690
Profit for the year		-	-	483 928	483 928
Total comprehensive income for the year		-	-	483 928	483 928
Dividends paid		-	-	(310 000)	(310 000)
Balance at 31 December 2023		390 177	154 474	1 781 967	2 326 618

Statement of cash flows

For the years ended 31 December 2025, 2024, and 2023

	Notes	Group		
		2025	2024	2023
		P000's	P000's	Restated P000's
Profit before indirect tax		951 725	949 737	661 098
Adjusted for:				
Amortisation and impairment of intangible assets	30	25 294	25 293	24 666
Credit impairment charges	22.7	119 668	85 435	142 975
Depreciation - property and equipment	31.2	35 911	32 972	30 719
Depreciation - right of use assets	31.2	12 709	14 053	13 880
Interest expense on lease liabilities	22.2	948	1 289	1 258
Profit on sale of property and equipment	22.9	(3 033)	-	112
Increase in income-earning and other assets	40.1	1 046 218	(3 598 936)	(1 605 941)
Increase in deposits and other liabilities	40.2	(1 148 725)	2 365 725	822 048
Preference dividend income-Liberty Holdings	42.5	(11 913)	(9 521)	(10 190)
Interest income	22.1	(2 031 731)	(1 885 860)	(1 757 799)
Interest expense	22.2	957 190	514 394	646 405
Cash flows used in operations activities		(45 739)	(1 505 419)	1 030 769
Interest received		2 029 731	1 883 657	1 734 828
Interest paid		(785 560)	(588 500)	(585 286)
Indirect tax paid	22.11	(44 400)	(36 397)	(32 628)
Direct tax paid	40.3	(205 556)	(191 811)	(158 649)
Net cash flows used in operating activities		948 476	(438 470)	(72 505)
Net cash flows used in investing activities		(44 560)	(41 141)	(29 892)
Purchased expenditure on:				
- property (freehold and leasehold)		(12 233)	(11 636)	(4 104)
- equipment		(41 072)	(36 691)	(29 105)
- intangible asset		-	-	(4 228)
- motor vehicle and furniture		(8 515)	(1 383)	(2 674)
Proceeds from disposal of equipment		5 347	-	29
Preference dividend received-Liberty Holdings *		11 913	8 569	10 190
Net cash flows used in financing activities		146 702	(491 094)	(300 508)
Unsubordinated debt redeemed	40.4	(250 720)	(300 000)	(124 000)
Subordinated debt issued	40.4	413 400	300 000	150 000
Principal lease payments	35	(15 978)	(17 094)	(16 508)
Dividends paid to shareholder*		-	(474 000)	(310 000)
Net movement in cash and cash equivalents		1 050 618	(970 705)	(402 905)
Cash and cash equivalents at beginning of the year		1 428 536	2 399 241	2 802 146
Cash and cash equivalents at end of the year	40.5	2 479 154	1 428 536	2 399 241

*Dividend payment is net of withholding tax therefore this represents the actual cash received.

Material Accounting Policies

For the years ended 31 December 2025, 2024, 2023

Stanbic Bank (Botswana) Limited is a company incorporated in the Republic of Botswana. The bank's registration number is BW0000732198. The consolidated financial statements of the bank for all the three years comprise the bank and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in investment, corporate and retail banking, and in providing asset management services.

The principal accounting policies applied in the presentation of the Group financial statements across all the three years are set out below.

1. Basis of Preparation

Statement of compliance

The Group's consolidated financial statements are prepared in accordance with IFRS® Accounting Standards (IFRS) as issued by the International Accounting Standards Board, its interpretations adopted by the International Financial Reporting Interpretations Committee of the IASB®. The financial statements have been prepared on the historical cost basis except for the material items in the statement of financial position shown under basis of measurement below.

Basis of measurement

The following principles and accounting policy elections in terms of IFRS Accounting Standards have been made, with reference to the detailed accounting policies indicated in brackets:

- Purchases and sales of financial assets under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned are recognised and derecognised using trade date accounting (accounting policy 5).
- Intangible assets, property, equipment and right of use assets are accounted for at cost less accumulated depreciation/amortisation and impairment (accounting policy 7).
- The portfolio exception to measure the fair value of certain groups of financial assets and financial liabilities on a net basis (accounting policy 5).
- Investments in subsidiaries are accounted for at cost less accumulated impairment losses, where applicable, in the separate financial statements (accounting policy 1).
- Derivatives are initially recognised at fair value (accounting policy 5).
- Trading portfolio assets and liabilities are measured at fair value (accounting policy 5).

Functional and presentation currency

The Group and Company financial statements are presented in Botswana Pula, which is the functional currency of the Stanbic Bank (Botswana) Limited Group. All amounts are stated in thousands of Pula (P000's), unless indicated otherwise.

Use of estimates and judgments

The preparation of the financial statements in conformity with the IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 21.

Material Accounting Policies (continued)

1. Basis of Preparation (Continued)

Changes in material accounting policies

Adoption of new standards and interpretations effective for the across the financial years
The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following:

- **IAS 21 Lack of exchangeability (amendments))** - The amendment clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments will be applied retrospectively.

This amendment is not expected to have any material impact on Group financial statements as there are no such transactions.

- **Amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability.** The amendments remove and replace jurisdiction-specific references and definitions, without substantially altering industries, topics or metrics. The amendments are intended to help reporting entities apply the SASB Standards regardless of the jurisdiction they are in or the generally accepted accounting principles they report under.

The amendments have been drafted using a combination of the following revision approaches, in order of priority:

- replacing jurisdiction-specific terms with globally applicable references
- providing general descriptions to replace jurisdiction-specific terms
- permitting the application of local jurisdiction laws or regulations that comply with the preparer's legal and regulatory environment to replace jurisdiction-specific terms that are not appropriate
- removing certain jurisdiction-specific metrics that were unsuitable for international application, and
- replacing certain jurisdiction-specific metrics if a relevant replacement could be found that preserved the intention of the original metric.

The amendment is not expected to have a significant impact on the Group financial statements.

Consolidated financial statements

The accounting policies of subsidiaries that are consolidated by the Group conform to the Group's accounting policies. Intragroup transactions, balances and unrealised gains/(losses) are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries are consolidated from the date on which the Group acquires control up to the date that control is lost. Control is assessed on a continuous basis.

Material Accounting Policies (continued)

Acquisitions	The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting period in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts. Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of non-controlling interest recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in non-trading and capital related items). When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date, and any resulting gain or loss is recognised in non-trading and capital-related items. Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.
Initial measurement of non-controlling interest	The Group elects on each acquisition to initially measure non-controlling interest on the acquisition date at either fair value or at the non-controlling interest's proportionate share of the investees' identifiable net assets.

Common control transactions

Common control transactions, in which the company is the ultimate parent entity both before and after the transaction, are accounted for at book value.

Material Accounting Policies (continued)

2. Foreign Currency Translations

Transactions and balances

Foreign currency transactions are translated into the respective group entities' functional currencies at exchange rates prevailing at the date of the transactions (in certain instances a rate that approximates the actual rate at the date of the transactions is utilised, for example, an average rate for a month). Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss (except when recognised in OCI as part of qualifying cash flow hedges and net investment hedges to the extent that the hedge is effective).

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

3. Funds Management

The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors. The Group assesses control on a case-by-case basis, considering factors such as the percentage of ownership, rights held by other parties, and whether the Group acts as a principal or an agent. The financial statements of these entities are not included in these consolidated financial statements as these are held in a fiduciary capacity except when the Group controls the entity.

4. Cash and Cash Equivalents

Cash and cash equivalents disclosed in the statement of financial position and statement of cash flows, consist of cash (coins and bank notes), balances with the central bank and on demand gross loans and advances to banks which are readily convertible to a known amount of cash and available for use by the group within less than three months since initial deposit. These on-demand gross loans and advances to banks are held to meet short term cash commitments, rather than for investment or other purposes. Coins and bank notes and the balances held with the Central Bank are carried at amortised cost. This is the default as the contractual terms do not give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

5. Financial Instruments

Initial measurement - financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Group and Company commits to purchase (or sell) the instruments (trade date accounting).

Material Accounting Policies (continued)

5. Financial Instruments (Continued)

Financial assets

Initial recognition

Financial assets are classified in their respective categories and measured at cost or fair value as follows:

Amortised cost	<p>A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):</p> <ul style="list-style-type: none">Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; andThe contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default
Fair value through OCI	<p>Includes:</p> <ul style="list-style-type: none">A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):Held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; andThe contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Held for trading	<p>Those financial assets acquired principally for the purpose of selling in the near term (including all derivative financial assets) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.</p>

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch that would otherwise arise.
Fair value through profit or loss - default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	<p>Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.</p> <p>Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.</p>
Fair value through OCI	<p>Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Expected credit impairments losses are recognised as part of credit impairment charges. However, for these FVOCI debt instruments the expected credit loss is recognised in OCI and does not reduce the carrying amount of the financial asset in the statement of financial position. Interest income on a debt financial asset is recognised in interest income in terms of the effective interest rate method.</p> <p>Dividends received are recognised in interest income within profit or loss.</p> <p>Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income.</p>
Held for trading	<p>Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.</p>
Designated at fair value through profit or loss	<p>Fair value gains and losses (including interest and dividends) on the financial asset recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.</p>

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Fair value through profit or loss - default	Debt instruments - Fair value gains and losses (including interest and dividends) on the financial asset recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
	Equity instruments - Fair value gains and losses on the financial asset recognised in the income statement as part of other gains and losses on financial instruments. Dividends received on equity instruments are recognised in other revenue within non-interest revenue.

Impairment

Expected credit loss (ECL) is recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a Significant Increase in Credit Risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3 (credit impaired assets)	<div>A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired:<ul style="list-style-type: none">• default• significant financial difficulty of borrower and/ or modification of expected cashflows or loan performance.• probability of bankruptcy or financial reorganisation</div>

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Impairment(continued)

The key components of the impairment methodology are described as follows:

Significant increase in credit risk (SICR)	<div>At each reporting date the Group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset.</div> <div>Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.</div>
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.
Default	<div>The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:</div> <ul style="list-style-type: none">• significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)• a breach of contract, such as default or delinquency in interest and/ or principal payments• disappearance of active market due to financial difficulties• it becomes probable that the borrower will enter bankruptcy or other financial reorganisation• where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider• Exposures which are overdue for more than 90 days are also considered to be in default
Forward-looking information	Forward-looking information is incorporated into the Group's impairment methodology calculations and in the Group's assessment of SICR. The Group includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to legal enforcement and loan recovery activities.

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Impairment(continued)

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a loss allowance within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within other liabilities.
Financial assets measured at fair value	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Reclassification

Reclassifications of debt financial assets are permitted when, and only when, the Group changes its business model or management of financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments.

Financial liabilities

Initial recognition

Financial liabilities are classified in their respective categories and measured at cost or fair value as follows:

Nature

Held-for-trading	Those financial liabilities incurred principally for the purpose of repurchasing in the near term (including all derivative financial liabilities) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: <ul style="list-style-type: none">to eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed, and their performance evaluated and reported on a fair value basis.where the financial liability contains one or more embedded derivatives that significantly modify the financial liability’s cash flows.
Amortised cost	All other financial liabilities not included in the above categories.

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Impairment(continued)

Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held-for-trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method recognised in interest expense.

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Derecognition and modification of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

	Derecognition	Modification
Financial assets	<p>Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.</p> <p>The Group enters into transactions whereby it transfers assets, recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.</p> <p>When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate.</p> <p>In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.</p>	<p>In determining whether a modification is substantial, for a financial asset, qualitative factors are considered and for a financial liability, both qualitative and quantitative factors are considered.</p> <p>Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.</p> <p>If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).</p>

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

	Derecognition	Modification
Financial liabilities		Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A loan commitment is a firm commitment to provide credit under specified terms and conditions. It is a binding promise from a lender that a specified amount of loan or line of credit will be made available to the named borrower at a certain interest rate, during a certain period and, usually, for a certain purpose.

Financial guarantee contracts are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts (that are not designated at fair value through profit or loss) are subsequently measured at the higher of the:

- ECL calculated for the financial guarantee; or
- unamortised premium.

Derivatives

In the normal course of business, the Group enters into a variety of derivative transactions for trading purposes. Derivative financial instruments are entered into for trading purposes, interest rate, inflation, credit, commodity and equity exposures. Derivative instruments used by the Group in trading activities include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

Derivatives are initially recognised at fair value. Derivatives that are not designated in a qualifying hedge accounting relationship are classified as held-for-trading with all changes in fair value being recognised within trading revenue. This includes forward contracts to purchase or sell commodities, where net settlement occurs or where physical delivery occurs, and the commodities are held to settle another derivative contract. All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Material Accounting Policies (continued)

6. Financial Instruments (Continued)

Foreign currency risk

The Group and Company operate internationally and are exposed to foreign exchange risk and translation risk. Foreign exchange risk arises from recognised assets and liabilities and future highly probable forecast commercial transactions denominated in a currency that is not the functional currency of the Group and company. The risk is evaluated by measuring and monitoring the net foreign monetary asset value and the forecast highly probable foreign currency income and expenditures of the relevant Group entity for each respective currency. Foreign currency risk is hedged with the objective of minimising the earnings volatility associated with assets, liabilities, income and expenditure denominated in a foreign currency.

Translation risk arises on consolidation from recognised assets and liabilities denominated in a currency that is not the reporting currency of the Group and Company. The risk is evaluated by measuring and monitoring the net foreign non-monetary asset value of the relevant Group entity for each respective currency.

The Group and Company use a combination of currency forwards, swaps and foreign denominated cash balances to mitigate against the risk of changes in the future cash flows and functional currency value on its foreign-denominated exposures. Under the Group's policy, the critical terms of these instruments must align with the foreign currency risk of the hedged item and is hedged on a 1:1 hedge ratio or where currency is managed on a portfolio basis the weighted expected foreign cash flows are aligned.

The Group and Company elect for each foreign currency hedging relationship, using either foreign currency forwards and swaps, to either include or exclude the currency forward points (basis) contained in the derivative instrument from the hedging relationship. This election is based on the currency pair involved, the shape of the yield-curve and the direction of the foreign currency hedged risk. The basis is determined using the differential between the contracted forward rate and the spot market exchange rate and is discounted, where material. Where the basis is excluded from the hedging relationship this is deferred in other comprehensive income and recognised in profit or loss as appropriate during the hedging relationship.

Material Accounting Policies (continued)

7. Non-Financial Assets

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Tangible assets (property, equipment, land and right-of-use assets)	Equipment Computer Office Furniture & Fittings 4 to 5 years 3 to 10 years 5 to 13 years Motor vehicles 4 to 5 years Leasehold buildings Shorter of useful life of the improvement or Lease period Freehold buildings 40-50 years Land Not depreciated	<p>These assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.</p> <p>An impairment loss is recognised in non-trading and capital related items for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use.</p> <p>Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are Grouped at the lowest cash generating units (CGUs).</p>
Property and equipment items are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulated impairment losses.	Property and equipment are depreciated on the straightline basis over estimated useful lives (see below) of the assets to their residual values. Land is not depreciated.	
Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in operating expenses as incurred.	The residual values, useful lives and the depreciation method applied are reviewed, an adjusted if appropriate, at each financial year end.	
Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.		

Material Accounting Policies (continued)

7. Non-Financial Assets (Continued)

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
		Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. The carrying amount of these other assets may, however, not be reduced below the higher of the CGU's fair value less costs to sell and its value in use.
		Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through non-trading and capital related items only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Material Accounting Policies (continued)

7. Non-Financial Assets (Continued)

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Computer software Costs associated with developing or maintaining computer software programmes and the acquisition of software licenses are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Group and have a probable future economic benefit beyond one year, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred 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 operating expenses on a straight-line basis at rates appropriate to the expected lives of the assets (five to twelve years) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.	Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists. The accounting treatment for computer software and other intangible assets is otherwise the same as for tangible assets.

Derecognition

Non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.

Material Accounting Policies (continued)

8. Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Group's provisions typically (when applicable) include the following:

Provisions for legal claims

Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received.

Provision for onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Group's control.

Contingent liabilities

Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless the probabilities of materialising are considered remote.

Material Accounting Policies (continued)

9. Employee Benefits

Type and description	Statement of financial position	Statement of other comprehensive income	Statement of profit or loss
Defined contribution plans The Group operates a single defined contribution plan, this being a post-employment benefit.	Accruals are recognised for unpaid contributions until the employee leaves employment of the Group.	No direct impact.	Group contributions are recognised as an operating expense in the periods during which services are rendered by the employees.
Short-term benefits Short-term benefits consist of salaries, accumulated leave obligations, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in operating expenses as the related service is provided.

Material Accounting Policies (continued)

10. Tax

Type	Description, Recognition and Measurement	Offsetting
Direct taxation: current tax	<p>Current tax is recognised in the direct taxation line in profit or loss except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in OCI.</p> <p>Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.</p>	<ul style="list-style-type: none">Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Direct taxation: deferred tax	<p>Deferred tax is recognised in direct taxation except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in OCI.</p> <p>Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:</p>	

Material Accounting Policies (continued)

10. Tax (continued)

Type	Description, Recognition and Measurement	Offsetting
Direct taxation: deferred tax	<ul style="list-style-type: none">the initial recognition of goodwill;the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; andinvestments in subsidiaries and associates (excluding mutual funds) where the Group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. <p>The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.</p> <p>Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.</p>	

Material Accounting Policies (continued)

10. Tax (continued)

Type	Description, Recognition and Measurement	Offsetting
Direct taxation: deferred tax	<p>Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates unless there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference.</p> <p>Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.</p>	
Indirect taxation	Indirect taxes, including non-recoverable value added tax (VAT), skills development levies and other duties for banking activities, are recognised in the indirect taxation line in the income statement.	Not applicable
Dividend tax	Taxes on dividends declared by the Group are recognised as part of the dividends paid within equity, as dividend tax represents a tax on the shareholder and not the Group. Dividend tax withheld by the Group on dividends paid to its shareholders and payable at the reporting date to the Botswana Unified Revenue Service (where applicable) is included in 'Other liabilities' in the statement of financial position.	Not applicable

Material Accounting Policies (continued)

11. Fair Value

In terms of IFRS, the Group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Fair value hierarchy

The Group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1

Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3

Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Material Accounting Policies (continued)

11. Fair Value (continued)

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the reporting date for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The fair value of the following items included in cash and cash equivalents is the same as the amortised cost value, as amortised cost items are initially measured at fair value: cash and balances with the central bank and on demand gross loans and advances to banks which are readily convertible to a known amount of cash that has not been adjusted for expected credit losses. The fair value of these items of cash and cash equivalents as well as deposits and debt funding that are mostly redeemable on demand does not change, as there are no adjustments made to these items subsequent to initial recognition. These items are included in level 1 of the fair value hierarchy.

The Group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Material Accounting Policies (continued)

11. Fair Value (continued)

Item and Description	Valuation Technique	Main Inputs and Assumptions
Derivative financial instruments Derivative financial instruments comprise foreign exchange and interest rate that are either held-for-trading or designated as hedging instruments in hedge relationships.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: <ul style="list-style-type: none">Discounted cash flow modelcombination technique models.	For level 2 and 3 fair value hierarchy items: <ul style="list-style-type: none">discount rate*spot prices of the underlyingcorrelation factors
Trading assets and trading liabilities Trading assets and liabilities comprise instruments which are part of the Group's underlying trading activities. These instruments primarily include sovereign and corporate debt, collateral, collateralised lending agreements.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility, and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	For level 2 and 3 fair value hierarchy items: <ul style="list-style-type: none">discount rate*
Financial investments Financial investments are trading financial assets and primarily comprise of sovereign and corporate debt, listed and unlisted equity instruments.		

Material Accounting Policies (continued)

11. Fair Value (continued)

Item and Description	Valuation Technique	Main Inputs and Assumptions
Loans and advances to banks and customers	For certain loans fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using credit statistical data, where available and appropriate, as well as the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	For level 2 and 3 fair value hierarchy items: <ul style="list-style-type: none">discount rate*
Loans and advances comprise: Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks.		
Loans and advances to customers comprise: mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations and other secured and unsecured loans (card debtors, overdrafts, other demand lending, term lending and loans granted under resale agreements).		

Material Accounting Policies (continued)

11. Fair Value (continued)

Item and Description	Valuation Technique	Main Inputs and Assumptions
Deposits and debt funding	For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors, including a measure of the Group's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. The credit risk of the reference asset in the embedded CDS in credit-linked deposits is incorporated into the fair value of all credit-linked deposits that are designated to be measured at fair value through profit or loss. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.	For level 2 and 3 fair value hierarchy items <ul style="list-style-type: none">discount rate*
Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.		

Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Material Accounting Policies (continued)

11. Fair Value (continued)

Portfolio valuations

The Group has elected to adopt the portfolio exception to measure the fair value of certain Group’s of financial assets and financial liabilities. This exception permits the Group of financial assets and financial liabilities to be measured at fair value on a net basis, with the net fair value being allocated to the financial assets and financial liabilities.

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument or is determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. 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.

12. Equity

Ordinary shares are classified as equity. Stated capital is recognised at the fair value of consideration received. Incremental costs directly attributable to the issue of new shares or options are deducted from the initial measurement of the equity instrument.

Dividends on ordinary shares

Dividend distribution to ordinary shareholders is recognised within equity upon approval by the Company’s directors. Dividends on ordinary shares are charged gross of withholding tax to equity in the period in which they are declared. Dividends declared after the statement of financial position date are disclosed in the notes to the financial statements.

13. Equity-Linked Transactions

Equity-settled share-based payments

The ultimate holding company, Standard Bank Group Limited (SBG), operates two equity settled share-based compensation plans through which certain key management staff of the bank are compensated.

The fair value of equity settled share options is determined on the grant date and accounted for as an employee service expense over the vesting period of the share options, with a corresponding increase in the share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against income over the remaining vesting period. The reserve and its accounting thereof are maintained from SBG and provisions held within Stanbic Bank (Botswana) Limited books.

Material Accounting Policies (continued)

13. Equity-Linked Transactions (continued)

Cash-settled share-based payments

Share-based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses (staff costs). The awards vest over the specified period of service and/or once the performance conditions are met.

14. Leases

Lessee accounting policies

Type	Statement of financial position	Income Statement
IFRS 16 - lessee accounting policies		
Single lessee accounting model	Lease liabilities:	Interest expense on lease liabilities:
All leases are accounted for by recognising a right-of use asset and a lease liability except for: <ul style="list-style-type: none">leases of low value assets; andleases with a duration of twelve months or less.	Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group’s incremental borrowing rate on commencement of the lease is used. The Group’s internal funding rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:	A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group’s incremental borrowing rate, is recognised within interest expense over the lease period.

Material Accounting Policies (continued)

14. Leases (continued)

Type	Statement of financial position	Income Statement
IFRS 16 - lessee accounting policies (continued)		
	<ul style="list-style-type: none">Amounts expected to be payable under any residual value guarantee;The exercise price of any purchase option granted in favour of the Group, should it be reasonably certain that this option will be exercised;Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. <p>Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.</p>	
	<p>Right of use assets:</p> <p>Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:</p> <ul style="list-style-type: none">lease payments made at or before commencement of the lease;initial direct costs incurred; andthe amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. <p>The Group applies the cost model subsequent to the initial measurement of the right of use assets.</p>	<p>Depreciation on right of use assets:</p> <p>Subsequent to initial measurement, the right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right of use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses.</p>

Material Accounting Policies (continued)

14. Leases (continued)

Type	Statement of financial position	Income Statement
IFRS 16 - lessee accounting policies (continued)		
Single lessee accounting model (continued)	<p>Termination of leases:</p> <p>When the Group or lessor terminates or cancels a lease, the right of use asset and lease liability are derecognised.</p>	<p>Termination of leases:</p> <p>On derecognition of the right of use asset and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.</p>
All leases that meet the criteria as either a lease of a low value asset or a short-term lease are accounted for on a straight-line basis over the lease term.	<p>Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.</p>	<p>Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.</p>

Material Accounting Policies (continued)

14. Leases (continued)

Type	Statement of financial position	Income Statement
IFRS 16 - lessee accounting policies (continued)		
Reassessment and modification of leases	Reassessment of lease terms and lease modifications that are not accounted for as a separate lease: When the Group reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right of use asset is reduced to zero any further reduction in the measurement of the lease liability is recognised in profit or loss. For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease. Lease modifications that are accounted for as a separate lease: When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases which the Group elected the short-term lease exemption and the lease term is subsequently modified.	

Material Accounting Policies (continued)

Operating leases – lessor

All leases that do not meet the criteria of a financial lease are classified as operating leases. The asset underlying the lease continues to be recognised and accounted for in terms of the relevant Group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised. Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis or a more representative basis where applicable over the lease term and is recognised in operating expenses.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.

15. Revenue and Expenditure

Banking activities

Revenue is derived substantially from the business of banking and related activities and comprises interest income, fee and commission revenue, trading revenue and other non-interest revenue.

Net interest income

Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value) is recognised in net interest income using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred, and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate.

Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income.

When a financial asset is classified as stage 3 impaired, interest income is calculated on the impaired value (gross carrying amount less specific impairment) based on the original effective interest rate. The contractual interest income on the gross exposure is suspended and is only recognised in credit impairments when the financial asset is reclassified out of stage 3.

Material Accounting Policies (continued)

15. Revenue and Expenditure (continued)

Net fee and commission income

Net Fee and commission revenue, including accounting transaction fees, card-based commission, documentation and administration fees, electronic banking fees, foreign currency service fees, insurance-based fees and commissions, and placement fees and syndication fees are recognised as the related services are performed.

Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period. Loan syndication fees, where the Group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income.

The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract.

Fee and commission expenses included in net fee and commission revenue are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expense where the expenditure is linked to the production of fee and commission revenue.

Trading revenue

Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.

Dividend income

Dividends are recognised in interest income (other revenue) for debt (equity instruments) when the right to receipt is established.

Other gains/losses on financial instruments

Includes:

- Fair value gains and losses on debt financial assets that are at fair value through profit or loss;
- Gains and losses arising from the derecognition of financial assets and financial liabilities classified as at amortised cost;
- Gains and losses arising from the reclassification of a financial asset from amortised cost to fair value; and
- Gains and losses arising from the modification of a financial asset (which is not distressed) and financial liability as at amortised cost.

Other revenue

Other revenue comprises of revenue that is not included in any of the categories mentioned above.

This could include dividends on equity financial assets, underwriting profit from the group's short-term insurance operations and related insurance activities and re-measurement gains and losses from contingent consideration on disposals and purchases.

Offsetting

Income and expenses are presented on a net basis only when permitted by IFRS, or for gains and losses arising from a Group of similar transactions.

Material Accounting Policies (continued)

16. Segment Reporting

An operating segment is a component of the Group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The Group's identification of segments and the measurement of segment results are based on the Group's internal reporting to the chief operating decision makers, comprising of the chief executive and members of the finance executive members of the CLC.

17. Fiduciary Activities

The Group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these financial statements as they are not assets of the Group. However, fee income earned, and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.

18. Non-Trading and Capital Related Items

Non-trading and capital related items primarily include the following:

- gains and losses on disposal of subsidiaries, joint ventures and associates (including foreign exchange translation gains and losses);
- gains and losses on the disposal of property and equipment and intangible assets;
- Impairment and reversals of impairments of joint ventures and associates;
- impairment of investments in subsidiaries, property and equipment, and intangible assets; and
- other items of a capital related nature.

19. Statutory Credit Risk Reserve

The statutory credit risk reserve represents the amount by which local regulatory authorities require in addition to the IFRS impairment provision. Changes in this reserve are accounted for as transfers to and from retained earnings as appropriate.

Material Accounting Policies (continued)

20. New Standards and Interpretations not yet adopted

The following new or revised standards and amendments that are applicable to the Group and its subsidiaries are not yet effective for the year three years consolidated and have not been applied in preparing these financial statements.

Pronouncement	Title	Effective date
Amendments to IFRS 9 and IFRS 7	<p>Amendments to the Classification and Measurement of Financial Instruments</p> <p>These amendments address diversity in accounting practice by making the requirements more understandable and consistent. The amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:</p> <p>Derecognition of a financial liability settled through electronic transfer: The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.</p> <p>Classification of financial assets: Contractual terms that are consistent with a basic lending arrangement. The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Assets with non-recourse features. The amendments enhance the description of the term 'non-recourse'. A financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.</p> <p>Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.</p>	1 January 2026

Material Accounting Policies (continued)

20. New Standards and Interpretations not yet adopted (continued)

The following new or revised standards and amendments that are applicable to the Group and its subsidiaries are not yet effective for the year ended 31 December 2025 and have not been applied in preparing these financial statements.

Pronouncement	Title	Effective date
Amendments to IFRS 9 and IFRS 7	<p>Disclosures:</p> <p>Investments in equity instruments designated at fair value through other comprehensive income. The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.</p> <p>Contractual terms that could change the timing or amount of contractual cash flows. The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.</p> <p>At the date of initial application of the amendments an entity shall disclose for each class of financial assets that changed measurement category as a result of applying the amendments:</p> <p>a) the measurement category and carrying amount determined immediately before the amendments were applied; and</p> <p>(b) the measurement category and carrying amount determined immediately after the amendments were applied.</p> <p>An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight. The amendments will be applied prospectively.</p> <p>The amendment is not expected have a significant impact on the Group and Company's financial statements as the bank's electronic transactions already meet the criteria set by the amendments.</p>	1 January 2026

Material Accounting Policies (continued)

20. New Standards and Interpretations not yet adopted (continued)

Pronouncement	Title	Effective date
Annual Improvements to IFRS Accounting Standards Volume 11	Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
	<p>The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the Group and Company’s financial statements.</p> <p>The pronouncement comprises the following amendments which are not applicable to the Group as its not a first time adopter or engaged in transactions affecting the below.</p> <p>IFRS 1 First-time Adoption of International Financial Reporting Standards:</p> <ul style="list-style-type: none">• Hedge accounting by a first-time adopter• IFRS 7 Financial Instruments: Disclosures:• Gain or loss on derecognition• Disclosure of deferred difference between fair value and transaction price• Introduction and credit risk disclosures• IFRS 9 Financial Instruments• Lessee derecognition of lease liabilities• Transaction price• IAS 7 Statement of Cash Flows• Cost method	
IFRS 18	Presentation and Disclosures in Financial Statements (IFRS 18)	1 January 2027
	<p>In April 2024, the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information and 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. IFRS 18 is effective from 1 January 2027 with earlier application permitted. IFRS 18 will be retrospectively applied. The Standard Bank Group is in the planning phase of determining the impact on the group and company annual financial statements.</p>	

Material Accounting Policies (continued)

20. New Standards and Interpretations not yet adopted (continued)

The following new or revised standards and amendments that are applicable to the Group and its subsidiaries are not yet effective for the year ended 31 December 2025 and have not been applied in preparing these financial statements.

Pronouncement	Title	Effective date
IFRS 19	Subsidiaries without Public Accountability: Disclosure (IFRS 19)	1 January 2026
	<p>In May 2024, the IASB issued IFRS 19 that permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements. When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders.</p> <p>The group is in the planning phase of determining the impact on the annual financial statements of its qualifying subsidiaries. IFRS 19 will however, not be applicable to the Group and company annual financial statements.</p>	

Notes To The Financial Statements

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions

In preparing the group and company financial statements all years presented unless otherwise stated, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements, collectively referred to as key management assumptions, are continually evaluated and are based on factors such as historical experience and current best estimates of future events. The estimates and judgements below have remained unchanged unless otherwise stated. The following represents the most material key management assumptions applied in preparing these financial statements.

21.1. Credit impairment losses on loans and advances

Expected credit loss (ECL) on financial assets

During the current reporting period models have been enhanced but no material changes to assumptions have occurred. As such, the below significant increase in credit risk (SICR) and default assumptions, thresholds and/or triggers were not amended.

ECL on financial assets - drivers

For the purpose of determining the ECL:

- The Personal and Private Banking (PPB) and Business and Commercial Banking (BCB) portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The impairment provision calculation excludes post-write-off recoveries (PWOR) from the loss given default (LGD) in calculating the ECL. These LGD parameters are aligned to market practice.
- Corporate and Investment Banking (CIB) exposures are calculated separately based on rating models for each of the asset classes.

ECL measurement period

The ECL measurement period for stage 1 exposures is 12 months (or the remaining tenor of the financial asset for CIB exposures if the remaining lifetime is less than 12 months).

- A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2).
- A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
- Lifetimes include consideration for multiple default events, i.e. where defaulted exposures cure and then subsequently re-default. This consideration increases the lifetime periods and the potential ECL.
- The measurement periods for unutilised loan commitments utilise the same approach as on-balance-sheet exposures.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

Significant increase in credit risk (SICR) and low credit risk PPB and BCB

In accordance with IFRS9, all exposures are assessed to determine whether there has been SICR at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised. SICR thresholds, which are behaviour score based, are derived for each portfolio vintage of exposures with similar credit risk and are calibrated over time to determine which exposures reflect deterioration relative to the originated population and consequently reflect an increase in credit risk. Behaviour scorecards are based on a combination of factors which include the information relating to customers, transactions and delinquency behaviour (including the backstop when contractual payments are more than 30 days past due) to provide a quantitative assessment (score), and more specifically, a ranking of customer creditworthiness. The creditworthiness of a customer is summarised by a score, with high scores corresponding to low-risk customers, and conversely, low scores corresponding to high-risk customers. These scores are often taken into account in determining the probability of default (PD) including relative changes in PD. Credit risk has increased since initial recognition when these criteria are met.

The Group and Company determines the SICR threshold by utilising an appropriate transfer rate of exposures that are less than 30 days past due (DPD) to stage 2. This transfer rate is such that the proportion of the 0-29 DPD book transferred into stage 2 is no less than the observed 12-month roll rate of 0-29 days accounts into 30 or more days in arrears.

The SICR thresholds are reviewed regularly to ensure that they are appropriately calibrated to identify SICR by portfolio vintage and to consequently facilitate appropriate impairment coverage. Where behaviour scores are not available, historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, the rebuttable presumption of 30 days past due as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

In accordance with the Bank of Botswana (BoB) Circular No 1 (refer Bank of Botswana website), a bank shall comply with the accounting treatment of the modified financial instrument as required by the IFRS 9 method. In applying the IFRS 9 a bank should correctly attribute loan quality ranking using its best judgement and understanding of the customer's risk profile and the general economy. All loans meeting the qualifying criteria for the three-month moratorium shall not be recognised as non-performing. Therefore, for regulatory reporting requirement purposes, a bank shall not raise specific provisions against such loans, except if, for accounting and tax purposes, such a provision is required.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

CIB (including certain BCB exposures)

The Group uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the Group’s 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

CIB exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings’ migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9’s rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings’ migration thresholds have been determined based on historic default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the Group’s master rating scale as investment grade (within credit risk grade 1 - 12 of the Group’s 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of a low credit risk customer. To determine whether a client’s credit risk has increased significantly since origination, the Group and Company would need to determine the extent of the change in credit risk using the table below.

Standard Bank (SB) master rating scale band	SICR trigger (from origination)
SB 1 - 12	Low credit risk
SB 13 - 20	3 rating or more
SB 21 - 25	1 rating or more

The SICR methodology remains unchanged (comparing the credit risk grading) to determine whether these exposures are classified within Stage 1 or Stage 2. The credit risk grade is assessed at the time of the relief, and subsequently monthly reviews of the status of the request and client’s performance are conducted.

Incorporation of forward-looking information in ECL measurement

For PPB and BCB products the forward-looking economic expectations are included in the ECL where adjustments are made based on the Group’s macroeconomic outlook, using models that correlate these parameters with macroeconomic variables. Where modelled correlations are not viable or predictive, adjustments are based on expert judgement to predict the outcomes based on the group’s macroeconomic outlook expectations. In addition to forward-looking macroeconomic information, other types of FLI, such as specific event risks and industry data, have been taken into account in ECL estimates when required, through the application of out-of-model adjustments. These out-of-model adjustments are subject to Credit Committee oversight and approval for statutory reporting.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Significant increase in credit risk (SICR) and low credit risk (continued)
Incorporation of forward-looking information in ECL measurement (continued)

The Group’s macroeconomic outlooks are incorporated in CIB’s client rating and include specific forward-looking economic considerations for the individual client. The client rating thus reflects the expected client risk for the Group’s expectation of future economic and business conditions. Further adjustments, based on point-in-time market data, are made to the PDs assigned to each risk grade to produce PDs and ECL representative of existing market conditions.

Default

The definition of default, which triggers the credit impaired classification (stage 3), is based on the Group’s internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is compliant to the Basel definition of default, and generally determined as occurring at the earlier of:

- where, in the Group’s view, the counterparty is unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Group has not rebutted IFRS 9’s 90 days past due rebuttable presumption.

Write off policy

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- the financial asset has been in default for the period defined for the specific product (i.e. VAF, homes loans, etc.) which is deemed sufficient to determine whether the entity is able to receive any further economic benefit from the impaired loan; and
- at the point of write-off, the financial asset is fully impaired (i.e. 100% ECL allowance) with no reasonable expectations of recovery of the asset, or a portion thereof.

As an exception to the above requirements, where the exposure is secured (or for collateralised structures), the impaired loan can only be written off once the collateral has been realised. Post realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above. The shortfall amount does not need to meet the first requirement to be written off.

For unsecured exposures, post write-off collection and enforcement activities include outsourcing to external debt collection agents as well as, collection/settlement arrangements to assist clients to settle their outstanding debt. The Group continuously monitors and reviews when exposures are written off, the levels of post write-off recoveries as well as the key factors causing post write-off recoveries, which ensure that the Group’s point of write-off remains appropriate and that post write-off recoveries are within expectable levels after time.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Repossessions

When certain conditions come into effect the bank may repossess the underlying collateral. Repossessions are initiated by a formal letter of demand. Once the assets have been taken into custody they are valued by approved valuers. All costs charged, for example legal fees and repair costs are booked against the account. A repossessed asset is released on condition that the arrears together with repossession expenses are fully paid. Alternatively, the repossessed assets may be sold within 120 days, through a public auction or offer sale. When the bank takes possession of collateral which is not cash or not readily convertible into cash the bank determines a minimum sale amount and auctions the asset for the pre-set sale amount.

Events leading to repossession include:

- Voluntary or Custody surrender pending payment of arrears
- Handed in by the administrator/trustee of a deceased or insolvent estate; and
- Where goods have been found abandoned and / or the customer has absconded

Curing

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e., stage 3) still exist. Distressed restructured financial assets that no longer qualify as credit impaired remain within stage 3 for a minimum period of six months (i.e., six full consecutive monthly payments per the terms and conditions). In the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the Group's CIB or PPB and BCB Credit Risk Management Committee, such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and compliance with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for significant increase in credit risk, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

Forward-looking economic expectations which were applied in the determination of the ECL at the reporting date:

A range of base, bullish and bearish forward-looking economic expectations were determined, as at 31 December 2025, for inclusion in the Group's forward-looking process and ECL calculation.

Economic expectation

- Botswana's economic growth is expected to contract by 0.9% in 2025, primarily because of a diamond market contraction. The continued decline is mainly due to a fall in diamond production, partly offset by construction projects financed by the fiscal expansion. In the medium term, growth is expected to converge towards 2.9%, as diamond mining recovers.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Economic expectation (continued)

- Headline inflation was 3.9% in December 2025, increasing by 0.1 percentage points from November 2025, remaining within the medium-term objective range of 3 - 6%, and was higher than the 1.7% recorded in December 2024. Inflation between November and December 2025 increased slightly, reflecting upward price movements in transport, miscellaneous goods and services, and food categories, while housing and utilities prices moved in the opposite direction due to electricity tariff adjustments which is expected to lead to a reduction in disposable income.
- Monetary Policy Committee (MPC) of the Bank of Botswana maintained the Monetary Policy Rate (MoPR) at 3.5%, following a significant 160 basis points increase from 1.9% in October 2025. Botswana Current Account Balance: In the second quarter of 2025, Botswana recorded a current account surplus of P6,723.02 million, compared to a deficit of P670.35 million in the first quarter of 2025. Data is updated quarterly and averaged 490.76 BWP Million from 2004 to 2025. Economic recovery is anticipated from 2026 with GDP growth projected between 2.1% and 3.1%, supported by expected modest improvement in natural diamonds demand.

Main macroeconomic factors

The following table shows the main macroeconomic factors used to estimate the allowances for credit losses on loans. For each scenario, namely, the base case, bullish and bearish scenario, the average values of the factors over the next 12 months and over the remaining forecast period are presented below:

2025	Base scenario ³		Bearish scenario ³		Bullish scenario ³	
	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²
	(%)	(%)	(%)	(%)	(%)	(%)
Inflation	4.00	4.00	4.00	4.51	4.00	2.55
Real GDP	(1.30)	3.09	(1.30)	3.51	(1.30)	5.61
6 months T-bill	9.00	7.27	9.00	8.42	9.00	6.20
Policy rate	3.50	3.00	3.50	2.40	3.50	2.50
Exchange rate (USD/BWP)	14.14	14.75	14.14	15.57	14.10	14.11

1. Revised as at 31 December 2025. Next 12 months following 31 December 2025 is 1 January 2026 to 31 December 2026.
2. The remaining forecast period is 2027 to 2028.
3. The scenario weighting is: Base at 60.0%, Bull at 10.0% and Bear at 30.0%. There has been a weighting change driven by the volatile economic position noticed over the past year.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Main macroeconomic factors (continued)

Base scenario ³			Bearish scenario ³		Bullish scenario ³	
2024	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²
	(%)	(%)	(%)	(%)	(%)	(%)
Inflation	3.29	2.99	4.81	4.51	1.78	1.48
Real GDP	4.66	4.13	3.06	3.51	6.53	4.75
6 months T-bill	3.41	3.47	5.19	8.42	1.85	1.81
Policy rate	1.65	1.90	2.15	2.40	1.15	1.40
Exchange rate (USD/BWP)	12.97	13.66	14.85	15.57	11.70	12.77

1. Revised as at 31 December 2024. Next 12 months following 31 December 2024 is 1 January 2025 to 31 December 2025.
2. The remaining forecast period is 2026 to 2027.
3. The scenario weighting is: Base at 60.0%, Bull at 25.0% and Bear at 15.0%. There has been a weighting change driven by the optimistic position by the bank and the evident signs of GDP growth and reduced risk of default or credit losses.

Base scenario ³			Bearish scenario ³		Bullish scenario ³	
2023	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²	Next 12 months ¹	Remaining forecast period ²
	(%)	(%)	(%)	(%)	(%)	(%)
Inflation	3.80	3.94	4.61	2.23	2.70	4.81
Real GDP	4.20	5.67	5.70	3.21	2.70	4.59
6 months T-bill	5.31	6.50	6.52	1.11	3.81	1.82
Policy rate	2.40	2.65	2.40	3.69	2.20	6.25
Exchange rate (USD/BWP)	13.61	12.89	14.60	9.40	12.60	11.98

1. Revised as at 31 December 2023. Next 12 months following 31 December 2023 is 1 January 2024 to 31 December 2024
2. The remaining forecast period is 2024 to 2025.
3. The scenario weighting is: Base at 60.0%, Bull at 25.0% and Bear at 15.0%. There has been a weighting change driven by the optimistic position by the bank and the evident signs of GDP growth and reduced risk of default or credit losses.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Sensitivity analysis of CIB forward looking impact on IFRS 9 provision

Management assessed and considered the sensitivity of the IFRS 9 provision against the forward-looking economic conditions at a client level. The reviews and ratings of each client are performed at least annually. This process entails credit analysts completing a credit scorecard and incorporating forward looking information. The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting IFRS 9 provision for the individual client. Therefore, the impact of forward-looking economic conditions is embedded into the total IFRS 9 provision for each CIB client and cannot be stressed or separated out of the overall CIB IFRS 9 provision.

Sensitivity analysis of PPB and BCB forward looking impact on IFRS 9 provision

The following table shows a comparison of the forward-looking impact on the IFRS 9 provision as across the three years based on the probability weightings of the above three scenarios resulting from recalculating each of the scenarios using a 100% (2024: 100%) weighting of the above factors.

Allowances for credit losses (P000's)			
Forward looking impact on IFRS 9 provision	2025	2024	2023
Scenarios			
100% Bear	251 409	433 631	551 352
100% Base	213 505	108 329	81 738
100% Bull	192 477	89 676	166 165

Forward looking expectations

- The Standard Bank Group Economics Research team assists the Group to determine the macroeconomic outlook for commodities over a planning horizon of at least three years. The outlook is provided to the Chief Finance and Value Management Officer for review and the Asset and Liability Committee (ALCO) for approval.
- Macroeconomic outlooks take into account various variables such as gross domestic product, central bank policy interest rates, inflation, exchange rates and treasury bill rates.
- Narratives of economic outlooks, being bear, base and bull cases, are compiled and typically include consideration of the economic background, sovereign risk, foreign exchange risk, financial sector and monetary policy stance.
- Probabilities are assigned to each of the bear, base and bull cases based on primary macroeconomic drivers that are reviewed monthly.
- The forward-looking economic expectations are updated on a bi-annual basis or more regularly when deemed appropriate.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.1. Credit impairment losses on loans and advances (continued)

Management judgmental adjustments

As mentioned in the sections above in determining the forward-looking impact, from an IFRS 9 perspective the Group has forecasted three possible future macroeconomic scenarios, being the base, bear and bull scenarios, and attributed weightings to these three scenarios. Determining these scenarios and the assumptions underlying them are complex.

Management judgmental adjustments are required in terms of IFRS 9 to take into account factors that do not form part of the normal modelling process and/or the above-mentioned macroeconomic scenarios. These factors are incorporated as part of management judgmental adjustments. These factors may result from model or data limitations, recent events or expert credit judgement and are applied at a segment, industry or client level. These management judgmental adjustments are reviewed as part of the governance process surrounding credit risk and ECL.

Management judgmental adjustments incorporated in the calculation of ECL are set out below:

	2025	2024	2023
PPB and BCB industry and macroeconomic adjustments 1	18 505	12 511	-
CIB sovereign adjustment 2	-	-	-
Total	18 505	12 511	-

1. Additional impairments held to incorporate industry and macroeconomic factors which were not included in the underlying modelling. During 2025, industries experiencing continued and increased risk, influencing the assumptions applied in determining ECL as discussed above, including the agriculture industry.
2. Additional impairments held to incorporate the credit risk relating to sovereign exposures.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.2. Fair value of financial instruments

In terms of IFRS, the Group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value, being the price that would, respectively, be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. Information obtained from the valuation of financial instruments is used to assess the performance of the Group and, in particular, provides assurance that the risk and return measures that the Group has taken are accurate and complete.

The Group’s valuation control framework governs internal control standards, methodologies and procedures over its valuation processes.

21.3. Valuation process

Prices quoted in an active market: The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of financial assets and financial liabilities.

Valuation techniques: Where quoted market prices are unavailable, the Group establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Parameter inputs are obtained directly from the market, consensus pricing services or recent transactions in active markets, whenever possible. Where such inputs are not available, the Group makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources of information and incorporate assumptions that include prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Changes in these assumptions would affect the reported fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models such as, discounted cash flow analysis and standard option pricing models. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters such as correlations, prepayment spreads, default rates and loss severity.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.3. Valuation process (continued)

Valuation adjustments: Valuation adjustments are an integral part of the valuation process. Adjustments include, but are not limited to:

- credit spreads on illiquid issuers
- implied volatilities on thinly traded instruments
- correlation between risk factors
- prepayment rates
- other illiquid risk drivers.

In making appropriate valuation adjustments, the Group applies methodologies that consider factors such as bid-offer spreads, liquidity, counterparty and own credit risk. Exposure to such illiquid risk drivers is typically managed by using bid-offer spreads that are reflective of the relatively low liquidity of the underlying risk driver; raising day one profit provisions in accordance with IFRS:

- quantifying and reporting the sensitivity to each risk driver; and
- limiting exposure to such risk drivers and analysing the exposure on a regular basis.

Validation and control: All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are fair valued using models that conform to international best practice and established financial theory. These models are validated independently by the Group's model validation unit and formally reviewed and approved by the Group market risk methodologies committee. This control applies to both off-the-shelf models, as well as those developed internally by the Group. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the Group's market risk unit. Such price validation is performed on at least a monthly basis, but daily where possible given the availability of the underlying price inputs. Independent valuation comparisons are also performed, and any significant variances noted are appropriately investigated. Less liquid risk drivers, which are typically used to mark level 3 assets and liabilities to model, are carefully validated and tabled at the monthly price validation forum to ensure that these are reasonable and used consistently across all entities in the Group. Sensitivities arising from exposures to such drivers are similarly scrutinised, together with movements in level 3 fair values. They are also disclosed on a monthly basis at the market risk and asset and liability committees.

Portfolio exception: The Group has, on meeting certain qualifying criteria, elected the portfolio exception which allows an entity to measure the fair value of certain Groups of financial assets and financial liabilities on a net basis similar to how market participants would price the net risk exposure at the measurement date. Other financial instruments, not at level 3, are utilised to mitigate the risk of these changes in fair value.

The fair value of financial instruments, such as Treasury Bills, Corporate and Government Bonds which are not actively traded on open markets but are purchased via an auction process are determined by using valuation techniques. Wherever possible, models use only observable market data such as bid prices and market yields. Changes in assumptions could affect the reported fair values of financial instruments.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.4 Current and deferred tax

The Group is subject to direct and indirect taxation. There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The Group and Company recognise provisions for tax based on objective estimates of the amount of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, disclosed in note 22.11 and note 32, respectively, in the period in which such determination is made.

Uncertain tax positions, which do not meet the probability criteria defined within IFRS, are not provided for but are rather disclosed as contingent liabilities or assets as appropriate. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets are only recognised to the extent that sufficient taxable profits will be generated in order to realise the tax benefit. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in order to utilise the deferred tax assets.

The Group and Company are subject to direct and indirect taxation requirements which are determined with reference to transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The Group recognises provisions for tax based on objective estimates of the amount of taxes that may be due.

21.5 Computer software intangible asset

The Group reviews its assets under construction and assets brought into use for impairment at each reporting date and tests the carrying value for impairment whenever events or changes in circumstances indicate that the carrying amount (or components of the carrying amount) may not be recoverable. These circumstances include, but are not limited to, new technological developments, obsolescence, changes in the manner in which the software is used or is expected to be used, changes in discount rates, significant changes in macroeconomic circumstances or changes in estimates of related future cash benefits. The impairment tests are performed by comparing an asset's recoverable amount to its carrying amount. The recoverable amount is determined as the higher of an asset's fair value less the cost of disposal and its value in use. The value in use is calculated by estimating future cash benefits that will result from each asset and discounting those cash benefits at an appropriate discount rate.

Across the three years, the Group's computer software intangible assets' recoverable amounts were determined to be higher than their carrying amounts and no impairment losses were recognised.

The review and testing of assets for impairment inherently requires significant management judgement as it requires management to derive the estimates of the identified assets' future cash flows in order to derive the asset's recoverable amount. No indication of impairment was observed.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

21. Key Management Assumptions (continued)

21.6 Provisions

The principal assumptions taken into account in determining the value at which provisions are recorded, include determining whether there is an obligation, as well as assumptions about the probability of the outflow of resources and the estimate of the amount and timing for the settlement of the obligation. For legal provisions, management assesses the probability of the outflow of resources by taking into account historical data and the status of the claim in consultation with the Group's legal counsel. In determining the amount and timing of the obligation once it has been assessed to exist, management exercises its judgement by taking into account all available information, including that arising after the reporting date up to the date of the approval of the financial results. Refer to note 35 for provisions and other liabilities disclosures.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information

22.1 Interest income

	Group		
	2025 P000's	2024 P000's	2023 P000's
Interest on loans and advances	1 848 035	1 752 137	1 607 839
Interest on financial investments	183 696	133 723	149 960
	2 031 731	1 885 860	1 757 799

22.2 Interest expense

	Group		
	2025 P000's	2024 P000's	2023 P000's
Interest on deposits - current and savings accounts	11 097	10 430	8 919
Interest on deposits - call and term	835 905	415 453	548 551
Interest on deposits - debt securities in issue	87 635	78 868	78 297
Interest on lease liabilities	948	1 289	1 258
Interest on deposits with banks	21 605	8 354	9 379
	957 190	514 394	646 405

22.3 Fee and commission income

	Group		
	2025 P000's	2024 P000's	2023 P000's
Documentation and admin fees	117 682	110 952	94 042
Electronic banking transaction fees	34 930	26 884	27 162
Point of presentation transaction fees	14 737	15 323	13 873
Guarantee fees	17 347	13 681	9 755
Insurance commissions	14 084	14 514	15 149
Card based commission	215 526	215 370	185 663
Foreign currency service fees	27 793	17 347	21 380
Service and penalty fees on current accounts	24 401	20 262	17 600
ATM fees	11 175	12 090	11 754
Script and security fees	12 891	13 418	10 334
Other fees ¹	17 073	7 529	4 309
	507 639	467 370	411 021

¹ Other fees primarily comprises of fee and commission revenue earned on sundry services such as arrangement, agency and asset management fees as well as guarantee and commitment commissions.

Fee and commission income reported above relates to the financial assets or liabilities not carried at FVTPL.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.3 Fee and commission income (continued)

Performance obligations and revenue recognition policies

The principal assumptions taken into account for fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Documentation and admin fees.	This relates to fee and commission income related to the loans and advances to customers.	Revenue from documentation and admin fees are recognised on a straight-line basis over the commitment period. The amounts to be recognised in future months are recognised as other liabilities.
Transaction-based fees - electronic banking transactions fees, point of presentation transaction fees, ATM fees and script and security fees and other fees including guarantees.	Transaction-based fees such as electronic banking fees, point of presentation fees, ATM fees, script and security fees, are charged to the customer's account when the transaction takes place.	Revenue related to transaction - based fees is recognised at the point in time when the transaction takes place.
Account servicing fees - foreign currency service fees, service and penalty fees on current accounts	Account servicing fees are charged on a monthly basis.	The fees are recognised as the services are performed and received. Penalty fees are also recognised when the customer has defaulted on their obligation.
Insurance and card - based commissions.	Commission income relating to insurance (new business or renewals) and card-based activities.	The fees are recognised as the services are performed and received.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.4 Fee and commission expense

	Group		
	2025 P000's	2024 P000's	2023 P000's
Card based expenses	138 452	148 951	135 374
Other fees	-	48	303
	138 452	148 999	135 677

Fee and commission expense reported above relates to the financial assets or liabilities not carried at FVTPL.

22.5 Net trading income

	Group		
	2025 P000's	2024 P000's	2023 P000's
Gain on foreign exchange dealings	525 945	247 200	228 843
Net profit/(loss) on financial instruments held for trading	15 221	(5 812)	(4 158)
	541 166	241 388	224 685

22.6 Other income

	Group		
	2025 P000's	2024 P000's	2023 P000's
Preference dividend	11 913	9 521	10 190
Sundry Income	19 323	10 253	8 245
Other Gains	-	-	1 724
	31 236	19 774	20 159

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.7 Credit impairment charges

	Group		
	2025 P000's	2024 P000's	2023 P000's
Net expected credit loss raised and (released)	119 668	85 435	142 975
Financial investments	35	(9)	24
Loans and advances*	119 652	87 630	141 048
Letters of credit, guarantees and commitments	(19)	(2 186)	1 903
Recoveries on loans and advances previously written off	(35 068)	(42 596)	(33 672)
	84 600	42 839	109 303

* The increase in impairments in the years 2025 and 2023 was driven by materialized credit risk, predominantly affecting the retail portfolio whereas 2024 represented a normalized position. This deterioration stems from pockets of retrenchments and challenging economic conditions that have impaired borrowers' repayment capacity. The impact was further accelerated by the recalibration of our risk model drivers, which more accurately captured the elevated credit risk environment.

22.8 Staff costs

	Group		
	2025 P000's	2024 P000's	2023 P000's
Salaries and allowances	419 652	407 764	395 344
Retirement benefit costs	40 358	36 690	32 567
	460 010	444 454	427 911

*There is a share-based expense of P6.6 million in 2025, 2024: P5.3 million and 2023: P11 million.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.9 Other operating expenses

	Group		
	2025 P000's	2024 P000's	2023 P000's
Amortisation - intangible assets (note 30)	25 294	25 293	24 666
Auditor's remuneration	5 891	6 218	5 271
- Audit fees (current year)	4 650	5 022	4 300
- Audit fees (prior year under provision)	1 241	1 196	971
Depreciation property plant and equipment (note 31.2)	48 320	47 025	44 599
- Property - Freehold	1 376	1 333	1 301
- Property - Leasehold	2 190	813	927
- Equipment - Computers and office equipment	27 496	26 054	23 767
- Equipment - Motor vehicles	806	1 172	1 063
- Equipment - Furniture and fittings	3 743	3 600	3 661
- Right of use of assets	12 709	14 053	13 880
- Leases of low value assets and short-term leases	8	15	758
- Expenses relating to leases of low-value items	8	15	758
Information technology	117 571	96 262	129 292
Communication, marketing and advertising	50 036	44 546	37 275
Repairs and maintenance	19 058	16 299	14 601
Professional fees	22 166	44 672	28 440
Head office franchise fee	60 202	58 598	48 435
Gain on sale of plant and equipment	(3 033)	-	112
Travel and entertainment	12 602	16 120	11 154
Training expenses	3 787	4 176	2 421
Administration and general expenses*	88 793	74 819	86 246
Insurance expenses ¹	30 631	25 541	-
Security expenses ¹	18 218	17 359	-
Commission paid ¹	6 981	23 896	-
Bank charges ¹	13 270	13 130	-
	519 795	513 969	433 270

¹ In the 2025 financial year, administration and general were further disaggregated, with the prior year figures restated.

*Contained in administration and general expenses is sundry expenses, subscriptions, irrecoverable losses and other miscellaneous expenses.

The net gain from foreign exchange for Group and Company relating to information technology, franchise fees and administration and general expenses included in other operating expenses amounts to P12.341 million (2024: P5.127 million and 2023 P3.183 million).

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.10 Non-executive directors' emoluments

Remuneration report

The table below presents the remuneration received by the Directors as required by King IV Code.

	Group		
	2025 P000's	2024 P000's	2023 P000's
Short term benefits	10 753	7 844	8 134
Non-Executive Directors			
Craig Anthony Granville	-	-	249
Dr Tebogo TK Matome	1 379	918	855
Mohamed Ismail ³	-	140	718
Rudolph De Wet ³	-	164	737
Mthabisi Bokete	892	704	737
Larona Lesedi Somolekae	941	704	805
Mark Haskins	967	745	689
Butler D Phirie	1 009	704	909
Antonio C Cautinho ³	-	488	508
Lungisa Fuzile ¹	791	562	492
Batsho Pamela Growth	1 016	704	729
Michaela Alves Da Silva	910	656	361
Yvette Mogatusi ²	75	30	25
Chedza Balopi	105	30	25
Richard C Irvine	926	541	-
Agnes Tsholofelo Khunwana	910	213	-
Michael Kgengwenyane	808	541	-
Mphoeng Mphoeng ⁴	24	-	-
Mootiemang R Motswaiso ³	-	-	295
	10 753	7 844	8 134

Refer to Note 43 for remuneration received by executive management.

¹The remuneration for the director is paid to Stanbic Africa Holdings Limited.

²The director resigned from the Board during current reporting period.

³The director's fees relate to the prior reporting period and the directors resigned as at end the previous reporting period.

⁴The director joined in the current reporting period.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

22. Statements of Profit or Loss and Other Comprehensive Income Information (continued)

22.11 Taxation

(a) Amounts recognised in profit or loss

	Group		
	2025 P000's	2024 P000's	2023 P000's
Indirect taxation			
- Value added tax	44 400	36 397	32 628
Direct taxation			
Total direct taxation	197 576	205 374	144 542
- Current year	197 576	205 374	136 337
- current tax	177 399	198 850	128 244
- deferred tax *	20 177	695	8 093
- withholding tax**	-	5 829	-
- Prior year	-	-	8 205
-current tax			8 205

*Temporary differences increased during the year due to higher mark-to-market (MTM) provisions for the derivatives instruments measured at FVTPL, resulting in a corresponding rise in deferred tax charge movement.

** No dividends were declared or paid during the current year; consequently, no withholding tax arose in 2025: Nil (2024: P3.952 million, 2023: Nil).

(b) Botswana tax rate reconciliation (%)

	Group		
	2025 %	2024 %	2023 %
Direct taxation charge for the year as a percentage of profit before direct tax:	21.8	22.5	23.0
The charge for the year has been (increased)/reduced as a consequence of:			
- Non-deductible expenses ¹	(1)	(0.3)	0.2
- Other adjustments*	1.2	-	(1.2)
- Withholding tax received	-	(0.2)	-
Statutory tax rate	22	22	22

¹ Comprises of donations, subscriptions, and entertainment.

*Other adjustments relate to taxable reclassifications.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

23. Cash and Balances with the Central Bank

	Group		
	2025 P000's	2024 P000's	2023 P000's
Coins and bank notes	234 193	258 845	217 274
Balances with the Central Bank	762 329	22 964	1 249 216
	996 522	281 809	1 466 490
The carrying amount of cash and bank balances is approximately equal to their fair value.			
Maturity analysis:			
Maturing within 1 month	996 522	281 809	1 466 490
	996 522	281 809	1 466 490

24. Derivative Financial Instruments

The Group trades derivative instruments on behalf of customers and for its own positions. The Group transacts derivative contracts to address customer demands both as a market maker in the wholesale market and in structuring tailored derivatives for customers. The Group also takes proprietary positions for its own accounts. Trading derivatives include foreign exchange derivatives. Foreign exchange derivatives consist of forward exchange contracts and swaps. All derivatives are classified as derivatives held for trading.

24.1. Fair values

The fair value of a derivative financial instrument, for quoted instruments is the quoted market price and for unquoted instruments is the present value of the positive or negative cash flows and is based on those which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at year end.

24.2. Notional amount

The gross notional amount is the sum of the absolute value of all bought and sold contracts. The amount should be used only as a means of assessing the Group's participation in derivative contracts.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

24. Derivative Financial Instruments (continued)

24.3. Derivative assets and liabilities

2025 Group	Maturity analysis of net fair value						
	Within 1 year P000's	After 1 year, within 5 years P000's	After 5 years P000's	Net fair value P000's	Fair value of assets P000's	Fair value of liabilities P000's	Net notional amount P000's ¹
Derivatives held for trading							
Foreign exchange derivatives	18 343	-	-	18 343	47 881	(29 538)	1 271 396
- Forwards and swaps	18 343	-	-	18 343	47 881	(29 538)	1 271 396
2024 Group							
Derivatives held for trading							
Foreign exchange derivatives	(14 383)	-	-	(14 383)	20 509	(34 892)	1 912 297
- Forwards and swaps	(14 383)	-	-	(14 383)	20 509	(34 892)	1 912 297
2023 Group							
Derivatives held for trading							
Foreign exchange derivatives	1 377	-	-	1 377	1 377	-	1 470 302
- Forwards and swaps	1 377	-	-	1 377	1 377	-	1 470 302

¹ The notional amount is the sum of the absolute value of all bought and sold contracts for both derivative assets and liabilities. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the Group's participation in derivative contracts.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

24. Derivative Financial InstrumentsS (continued)

24.4. Use and measurement of derivative instruments

In the normal course of business, the Group enters into a variety of derivative transactions for trading that include swaps and forwards. This applies for the three years across. The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the statement of financial position and is only netted to the extent that a legal right of set-off exists and there is an intention to settle on a net basis.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period. The major type of swap transactions undertaken by the Group are cross currency interest rate swaps.

Cross currency interest rate swaps involve the exchange of interest payments based on two different currency principal balances and interest reference rates and generally also entail exchange of principal amounts at the start and / or end of the contract. Forwards are contractual obligations to buy or sell financial instruments on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties in the market.

25. Trading Portfolio Assets

	Group		
	2025 P000's	2024 P000's	2023 P000's
Listed - Government bonds	477	606	3 212
Unlisted - Trading Loans	147 089	185 103	-
	147 566	185 709	3 212
Maturity analysis:			
Maturing within 1 month	147 089	185 583	-
Maturing after 1 month but within 6 months	-	126	131
Maturing after 12 months	477	-	3 081
	147 566	185 709	3 212

(a). Redemption value

Dated trading assets had a redemption value as at 31 December 2025 of P147.500 million (2024: P185.615 million) for the Group and Company.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

26. Financial Investments

26.1. Classification

	Group		
	2025 P000's	2024 P000's	2023 P000's
Listed - Government and corporate bonds	339 126	596 992	608 908
Unlisted - Other	3 932 583	2 601 425	3 196 456
	4 271 709	3 198 417	3 805 364
Comprising:			
Government bonds	152 509	411 138	423 026
Corporate bonds	186 617	185 854	185 882
Bank of Botswana Certificates	3 932 583	2 601 425	3 196 456
	4 271 709	3 198 417	3 805 364

Maturity analysis

	Group		
	2025 P000's	2024 P000's	2023 P000's
Maturing within 1 month	399 771	1 565 082	3 196 456
Maturing after 1 month but within 6 months	3 532 813	1 112 654	-
Maturing after 6 months but within 12 months	-	432 327	-
Maturing after 12 months	339 125	88 354	608 908
	4 271 709	3 198 417	3 805 364

The maturities above represent periods to contractual redemption of the investment securities recorded for all the three years.

Net financial investments measured at amortised cost	4 271 709	3 198 417	3 805 364
Gross financial investments measured at amortised cost	4 271 778	3 198 451	3 805 407
Less: Expected credit loss for financial investments measured amortised cost	(69)	(34)	(43)
	4 271 709	3 198 417	3 805 364

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

26. Financial Investments (continued)

26.2. Redemption value

Dated investment securities have a redemption value of P4.341 billion (2024: P3.220 billion, 2023: P3.905 billion) for the Group and for the Company at the maturity date. Included in these amounts are dated pledged assets with a redemption value of P300 million (2024: P1.430 billion 2023: P642.7 million) for the Group (refer to note 26.7 for further details).

26.3. Investment registers

Registers of the investment securities are available for inspection by members, or their authorised agents at the registered offices of the bank and its subsidiaries. This applies for all the three years.

26.4. Fair value

The carrying amount of unlisted investments approximates their fair value. All unlisted investments were fair valued for all three years based on ruling prices at reporting date. Refer to note 38.3 for the fair value hierarchy.

26.5. Reconciliation of expected credit losses for debt financial investments measured at amortised cost

The carrying amount of unlisted investments approximates their fair value. All unlisted investments were fair valued for all three years based on ruling prices at reporting date. Refer to note 38.3 for the fair value hierarchy.

Group	Opening ECL 1 January 2025 P000's	ECL on new exposure raised P000's	Income statement movements			Net ECL raised/ (released) ¹ P000's	Closing ECL 31 December 2025 P000's
			Change in ECL due to modifications P000's	Subsequent changes in ECL P000's	Change in ECL due to derecognition P000's		
Bank	34	35	-	-	-	35	69
Stage 1	34	35	-	-	-	35	69
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Total	34	35	-	-	-	35	69

¹Net impairments raised/(released) less recoveries of amounts written off in previous years relates to the new issuances done in the current year. (refer credit impairment charges note).

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

26. Financial Investments (continued)

26.6. Reconciliation of expected credit losses for debt financial investments measured at amortised cost (continued)

Group	Opening ECL 1 January 2024 P000's	Income statement movements				Net ECL raised/ (released) ¹ P000's	Closing ECL 31 December 2024 P000's
		ECL on new exposure raised P000's	Change in ECL due to modifications P000's	Subsequent changes in ECL P000's	Change in ECL due to derecognition P000's		
Corporate	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Sovereign	39	38	-	(43)	-	(5)	34
Stage 1	39	38	-	(43)	-	(5)	34
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Bank	4	-	-	-	(4)	(4)	-
Stage 1	4	-	-	-	(4)	-	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Total	43	38	-	(43)	(4)	(9)	34

¹Net impairments raised/(released) less recoveries of amounts written off in previous years equals income statement impairment charge (refer credit impairment charges note).

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

26. Financial Investments (continued)

26.6. Reconciliation of expected credit losses for debt financial investments measured at amortised cost (continued)

Group	Opening ECL 1 January 2023 P000's	Income statement movements				Net ECL raised/ (released) ¹ P000's	Closing ECL 31 December 2023 P000's
		ECL on new exposure raised P000's	Change in ECL due to modifications P000's	Subsequent changes in ECL P000's	Change in ECL due to derecognition P000's		
Corporate	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Sovereign	15	-	39	(15)	-	24	39
Stage 1	15	-	39	(15)	-	24	39
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Bank	4	-	-	-	-	-	4
Stage 1	4	-	-	-	-	-	4
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Total	19	-	39	(15)	-	24	43

¹ The increase in financial investments is mainly due to the new placements taken in the current which are mostly stage 1. In the current year there were no movement between stages for financial investments as shown above. Most of the exposures are Bank of Botswana certificates which are short term and mainly in stage 1 for their tenor.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

26. Financial Investments (continued)

26.7. Pledged assets and assets not derecognised

Assets are pledged as collateral under repurchase agreements with the Central Bank. This applies for all the three years.

	Group		
	2025 P000's	2024 P000's	2023 P000's
Fair value of assets pledged as security	300 000	1 430 655	642 659

Maturity analysis

	Group		
	2025 P000's	2024 P000's	2023 P000's
Maturing within 1 month	300 000	1 430 655	642 659

The carrying amount of total financial assets that have been pledged as collateral for liabilities (including amounts reflected above) at 31 December 2025 is P300 million (2024: P1.431 billion 2023: P643 million) for the Group and Company. The assets pledged comprises of instruments held with Bank of Botswana. The assets pledged by the Group are strictly for the purpose of providing collateral to the counterparty. The counterparty is permitted to sell and/or re-pledge the assets to the extent reflected above. These transactions are conducted under terms that are usual and customary to security lending, securities borrowing and lending activities. The carrying amount of the pledged assets is equal to the fair value.

27. Loans and Advances

The Group and Company extends advances to the personal, commercial and corporate sectors as well as to the public sector. Advances made to individuals are mostly in the form of mortgages, instalment credit, overdrafts and credit card lending's. A significant portion of the Group's advances to commercial and corporate borrowers consist of advances made to companies engaged in manufacturing, finance, mining and service industries.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

27. Loans and Advances (continued)

27.1. Loans and advances

	Group		
	2025	2024	2023
	P000's	P000's	P000's
Loans and advances to banks*	7 585 011	8 497 257	5 990 721
- Balances with banks ***	7 588 209	8 502 221	5 994 997
- Expected credit loss for loans to banks	(3 198)	(4 964)	(4 276)
Loans and advances to customers	13 761 203	14 954 053	13 333 231
Gross loans and advances to customer	14 285 749	15 434 851	13 810 275
- Mortgage lending	2 125 488	2 140 825	2 628 775
- Vehicle asset lending	1 464 215	1 598 816	1 130 998
- Overdrafts and other demand lending	547 494	655 543	407 621
- Medium-term advances	9 681 104	10 487 580	9 124 419
- Card debtors	45 428	44 712	44 402
Other instruments	422 020	507 375	474 060
Expected credit loss for loans and advances to customers	(524 546)	(480 798)	(477 044)
Net loans and advances	21 346 214	23 451 310	19 323 952
Comprising:			
Gross loans and advances	21 873 958	23 937 072	19 805 272
Less: credit impairments (note 27.2)	(527 744)	(485 762)	(481 320)
Net loans and advances	21 346 214	23 451 310	19 323 952

* Included in the loans and advances to banks are related party balances further disclosed under note 42.6.
**There were no modifications that resulted in economic gain or loss.
*** Included in loans and advances to banks is an amount of P1.482 billion (2024: P1.147 billion, 2023: P932.751 million) relating to on-demand gross loans and advances to banks that qualifies as cash equivalents, refer to note 40.5, for group and company.

Maturity analysis:

The maturities represent periods to contractual redemption of the loans and advances recorded.

Redeemable on demand *	2 710 239	1 665 556	1 257 267
Maturing within 1 month	3 624 952	5 138 059	117 469
Maturing after 1 month but within 6 months	2 238 429	2 820 408	907 718
Maturing after 6 months but within 12 months	183 467	361 577	555 527
Maturing after 12 months	12 589 127	13 465 710	16 485 971
	21 346 214	23 451 310	19 323 952

* Included in Redeemable on demand is an amount of P1.482 billion (2024: P1.147 billion, 2023: P932.751 million) relating to on-demand gross loans and advances to banks that qualifies as cash equivalents, refer to note 40.5, for group and company.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

27. Loans and advances (continued)
27.2 Credit impairments for loans and advances

Reconciliation of expected credit losses for loans and advances measured at amortised cost.

Group and Company	Opening ECL 1 January 2025	(To)/From Stage 1	From/(To) Stage 2	From/(To) Stage 3	Total Transfer between stages	ECL on new exposure raised	Change in ECL due to modifications	Subsequent changes in ECL	Changes in ECL due to derecognition	New impairments raised/ (released)	Impaired accounts written-off	Exchange and other movements	Closing ECL 31 December 2025
Mortgages	(220 552)	(28 490)	16 650	12 840	-	(3 979)	-	144 097	-	140 116	3 225	2 203	(75 008)
Stage 1	(9 315)	-	19 710	8 780	28 490	(326)	-	(22 145)	-	(22 471)	-	-	(3 296)
Stage 2	(16 640)	(19 710)	-	4 060	(15 650)	(3 594)	-	12 997	-	9 401	-	-	(22 889)
Stage 3	(194 597)	(8 780)	(4 060)	-	(12 840)	(99)	-	153 245	-	153 186	3 225	2 203	(48 822)
Vehicle and Asset Finance	(97 818)	(36 268)	26 645	9 623	-	(11 679)	-	7 153	-	(4 526)	1 074	(5 513)	(106 783)
Stage 1	(5 516)	-	31 235	5 033	36 268	(1 031)	-	(33 416)	-	(34 447)	-	-	(3 695)
Stage 2	(30 415)	(31 235)	-	4 590	(26 645)	(10 447)	-	21 826	-	11 379	-	-	(45 681)
Stage 3	(61 887)	(5 033)	(4 590)	-	(9 623)	(201)	-	18 743	-	18 542	1 074	(5 513)	(57 407)
Card Debtors	(11 589)	-	-	-	-	(141)	-	(779)	-	(920)	-	-	(12 509)
Stage 1	(2 208)	-	-	-	-	-	-	(3 968)	-	(3 968)	-	-	(6 176)
Stage 2	(7 617)	-	-	-	-	-	-	939	-	939	-	-	(6 678)
Stage 3	(1 764)	-	-	-	-	(141)	-	2 250	-	2 109	-	-	345
Corporate	(19 944)	4 862	(4 862)	-	-	-	-	7 434	-	7 434	-	-	(12 509)
Stage 1	(13 175)	-	(4 862)	-	(4 862)	-	-	6 068	-	6 068	-	-	(11 969)
Stage 2	(6 769)	4 862	-	-	4 862	-	-	1 366	-	1 366	-	-	(541)
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovereign	(434)	-	-	-	-	-	-	717	-	717	-	-	283
Stage 1	(418)	-	-	-	-	-	-	717	-	717	-	-	299
Stage 2	(16)	-	-	-	-	-	-	-	-	-	-	-	(16)
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Other instruments	(135 450)	(53 812)	(7 818)	61 630	-	(28 238)	-	(206 080)	-	(234 318)	81 288	(32 739)	(321 219)
Stage 1	(48 853)	-	14 347	39 465	53 812	(6 389)	-	(36 996)	-	(43 385)	-	-	(38 427)
Stage 2	(34 081)	(14 347)	-	22 165	7 818	(16 376)	-	(17 137)	-	(33 513)	-	-	(59 776)
Stage 3	(52 515)	(39 465)	(22,165)	-	(61 630)	(5 473)	-	(151 947)	-	(157 420)	81 288	(32 739)	(223 016)
Total	(485 786)	(113 708)	29 615	84 093	-	(44 037)	-	(47 460)	-	(91 497)	85 587	(36 049)	(527 744)

*Other instruments on the above table also represents exposure for overdrafts, medium terms loans and other instruments reflected under note 27.1 Corporate and Sovereign which are internal naming for the CIB segment in-cluded medium-term advances under note 27.1. For the current year loan balance increased while impairments decreased driven by change in drivers such as probability of default, coverage ratios and book distribution.
** The contractual outstanding amount on financial assets that were written off during the current reporting period that are still subject to enforcement activities is P85.5 million (2024: P120.9 million).
***The disclosure note includes information relating to contractual amount of financial assets written off during the year and are still subject to enforcement activities.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

27. Loans and advances (continued)

27.2 Credit impairments for loans and advances continued)

Reconciliation of expected credit losses for loans and advances measured at amortised cost. (continued)

A reconciliation of the expected credit loss for loans and advances, by class:

Group and Company	Opening ECL 1 January 2024 P000's	(To)/ From Stage 1	From/ (To) Stage 2	From/ (To) Stage 3	Total Transfer between stages P000's	ECL on new exposure raised P000's	Change in ECL due to modifications P000's	Subsequent changes in ECL P000's	Changes in ECL due to derecognition P000's	New impairments raised/ (released) P000's	Impaired accounts written-off P000's	Exchange and other movements P000's	Closing ECL 31 December 2025 P000's
Mortgages	(190 679)	(3 591)	(7 548)	11 138	-	(2 361)	-	(17 132)	-	(19 493)	3 542	(13 922)	(220 552)
Stage 1	(19 248)	-	(5 092)	8 682	3 591	(498)	-	6 840	-	6 342	-	-	(9 315)
Stage 2	(25 763)	5 092	-	2 456	7 548	(1 693)	-	3 439	-	1 575	-	-	(16 640)
Stage 3	(145 658)	(8 682)	(2 456)	-	(11 138)	-	-	(27 410)	-	(27 410)	3 542	(13 922)	(194 597)
Vehicle and Asset Finance	(76 261)	(18 534)	4 238	14 295	-	(9 460)	-	(12 354)	-	(21 814)	4 825	(4 568)	(97 818)
Stage 1	(6 013)	-	5 882	12 651	18 534	(2 683)	-	(15 384)	-	(18 037)	-	-	(5 516)
Stage 2	(37 595)	(5 882)	-	1 644	(4 238)	(5 022)	-	16 511	-	11 419	-	-	(30 415)
Stage 3	(32 653)	(12 651)	(1 644)	-	(14 295)	(1 745)	-	(13 481)	-	(15 196)	4 825	(4 568)	(61 887)
Card Debtors	(5 445)	(1 581)	1 581	-	-	(168)	-	(7 716)	-	(7 884)	1 741	-	(11 589)
Stage 1	(2 580)	-	1 581	-	1 581	-	-	(1 209)	-	(1 209)	-	-	(2 208)
Stage 2	(3 074)	(1 581)	-	-	(1 581)	-	-	(2 962)	-	(2 969)	-	-	(7 617)
Stage 3	209	-	-	-	-	(168)	-	(3 546)	-	(3 714)	1 741	-	(1 764)
Corporate	(23 801)	7	(7)	-	-	(3 036)	-	7 508	-	3 857	-	-	(19 944)
Stage 1	(16 018)	-	(7)	-	(7)	(3 036)	-	5 934	-	2 850	-	-	(13 175)
Stage 2	(7 783)	7	-	-	7	-	-	1 574	-	1 007	-	-	(6 769)
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovereign	(1 695)	-	-	-	-	(7 375)	-	2 246	-	1 261	-	-	(434)
Stage 1	(132)	-	-	-	-	(7 375)	-	2 246	-	(286)	-	-	(418)
Stage 2	(1 563)	-	-	-	-	-	-	-	-	1 547	-	-	(16)
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Other instruments	(183 439)	(38 970)	(12 004)	50 974	-	(46 278)	-	6 752	-	(45 324)	110 873	(17 560)	(135 450)
Stage 1	(68 318)	-	(4 393)	43 363	38 970	(28 832)	-	4 516	-	(19 505)	-	-	(48 853)
Stage 2	(16 579)	4 393	-	7 611	12 004	(8 303)	-	8 839	-	(29 506)	-	-	(34 031)
Stage 3	(98 542)	(43 363)	(7 611)	-	(50 974)	(9 143)	-	2 429	-	3 688	110 873	(17 560)	(52 515)
Total	(481 320)	(62 669)	(13 739)	76 408	-	(68 679)	-	(20 696)	-	(89 397)	120 981	(36 050)	(485 786)

*Other instruments on the above table also represent exposure for overdrafts, medium terms loans and other instruments reflected under note 27.1 Corporate and Sovereign which are internal naming for the CIB segment rare included medium-term advances under note 27.1. For the current year loan balance decreased however there was increase in impairments driven by change in drivers such as probability of default, coverage ratios and book distribution. Increase in default rates for Mortgages and term loans particularly directly linked to a once-off event from one client who experience a credit strain also increased the impairment for the period.

** The contractual outstanding amount on financial assets that were written off during the current reporting period that are still subject to enforcement activities is P120.9 million (2023: P92.6 million).

***The gross amortised carrying account for the modified accounts before restructuring was P150 million as at the reporting date. The facility has not yet been cured to stage 1.

****The disclosure note has now included information relating to contractual amount of financial assets written off during the year and are still subject to enforcement activities which was not included in the prior year.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

27. Loans and advances (continued)

27.2 Credit impairments for loans and advances continued)

Reconciliation of expected credit losses for loans and advances measured at amortised cost. (continued)

A reconciliation of the expected credit loss for loans and advances, by class:

Group and Company	Opening ECL 1 January 2023 P000's	(To)/ From Stage 1	From/ (To) Stage 2	From/ (To) Stage 3	Total Transfer between stages P000's	ECL on new exposure raised P000's	Change in ECL due to modifications P000's	Subsequent changes in ECL P000's	Changes in ECL due to derecognition P000's	New impairments raised/ (released) P000's	Impaired accounts written-off P000's	Exchange and other movements P000's	Closing ECL 31 December 2025 P000's
Mortgages	(126 457)	(14 096)	61	14 035	-	(36 626)	-	(29 249)	-	(65 875)	1 653	-	(190 679)
Stage 1	(13 956)	-	16 129	(2 033)	14 096	(2 396)	-	(16 992)	-	(19 388)	-	-	(19 248)
Stage 2	(42 854)	(16 129)	-	16 068	(61)	(3 068)	-	20 240	-	17 152	-	-	(25 763)
Stage 3	(69 647)	2 033	(16 068)	-	(14 035)	(31 142)	-	(32 497)	-	(63 639)	1 653	-	(145 668)
Vehicle and Asset Finance	(82 875)	(5 420)	357	5 063	-	(21 384)	-	25 681	-	4 297	2 317	-	(76 261)
Stage 1	(10 162)	-	3 424	1 996	5 420	(3 519)	-	2 248	-	(1 271)	-	-	(6 013)
Stage 2	(42 684)	(3 424)	-	3 087	(357)	(14 644)	-	20 090	-	5 446	-	-	(37 595)
Stage 3	(30 029)	(1 996)	(3 067)	-	(5 063)	(3 221)	-	3 343	-	122	2 317	-	(32 653)
Card Debtors	(6 437)	976	(1 134)	158	-	(4 690)	-	(76)	-	(4 766)	5 758	-	(5 445)
Stage 1	(2 246)	-	(737)	(239)	(976)	(3 686)	-	4 328	-	642	300	-	(2 280)
Stage 2	(4 397)	737	-	397	1 134	(607)	-	796	-	189	-	-	(3 074)
Stage 3	206	-	(397)	-	(158)	(397)	-	(5 200)	-	(5 597)	5 458	-	(91)
Corporate	(21 401)	-	-	-	-	(6 475)	-	(781)	4 856	(2 400)	-	-	(23 801)
Stage 1	(16 750)	-	-	-	-	(4 260)	-	930	4 062	732	-	-	(16 018)
Stage 2	(4 828)	-	-	-	-	(2 215)	-	(1 711)	971	(2 955)	-	-	(7 783)
Stage 3	177	-	-	-	-	-	-	-	(177)	(177)	-	-	-
Sovereign	(640)	-	-	-	-	(545)	-	(1 042)	532	(1 055)	-	-	(1 695)
Stage 1	(79)	-	-	-	-	(545)	-	(40)	532	(53)	-	-	(132)
Stage 2	(561)	-	-	-	-	-	-	(1 002)	-	(1 002)	-	-	(1 563)
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Other instruments	(195 142)	(29 391)	18 692	10 699	-	(51 573)	-	(32 193)	1	(71 249)	82 952	-	(183 439)
Stage 1	(73 553)	-	25 886	3 505	29 391	(23 275)	-	(882)	1	(24 156)	-	-	(68 318)
Stage 2	(39 282)	(25 886)	-	7 194	(18 692)	(13 314)	-	54 709	-	41 395	-	-	(16 579)
Stage 3	(82 307)	(3 505)	(7 194)	-	(10 699)	(14 984)	-	(86 020)	-	(88 488)	82 952	-	(96 542)
Total	(432 962)	(42 931)	17 976	29 955	-	(121 293)	-	(37 660)	5 389	(141 048)	92 680	-	(481 320)

Other instruments on the above table also represents exposure for overdrafts, medium terms loans and other instruments reflected under note 27.1 Corporate and Sovereign which are internal naming for the CIB segment rare included medium-term advances under note 27.1. For the current year loan balance decreased however there was increase in impairments driven by change in drivers such as probability of default, coverage ratios and book distribution. Increase in default rates for Mortgages and term loans particularly directly linked to a once-off event from one client who experience a credit strain also increased the impairment for the period.

** The contractual outstanding amount on financial assets that were written off during the current reporting period that are still subject to enforcement activities is P92.6 million (2022: P255.4 million).

***The gross amortised carrying account for the modified accounts before restructuring was P150 million as at the reporting date. The facility has not yet cured to stage 1.

****The disclosure note has now included information relating to contractual amount of financial assets written off during the year and are still subject to enforcement activities which was not included in the prior year.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

27. Loans and Advances (continued)

27.2. Credit impairments for loans and advances (continued)

Industry Segmental Analysis 2025		Group			
	Stage 1	Stage 2	Stage 3	Total	
	P000's	P000's	P000's	P000's	P000's
Agriculture	2 032	27 254	243	29 529	
Construction	317	100	1 514	1 931	
Finance, real estate and other business services	16 505	27 115	160 311	203 931	
Individuals	44 379	80 605	166 807	291 791	
Manufacturing	31	505	26	562	
	63 264	135 579	328 901	527 744	

2024		Stage 1	Stage 2	Stage 3	Total
	P000's	P000's	P000's	P000's	P000's
Agriculture	1 418	6 075	5 060	12 553	
Construction	727	361	1 631	2 719	
Finance, real estate and other business services	22 958	8 022	141 817	172 797	
Individuals	54 047	81 001	162 106	297 154	
Manufacturing	313	78	148	539	
	79 463	95 537	310 762	485 762	

2023		Stage 1	Stage 2	Stage 3	Total
	P000's	P000's	P000's	P000's	P000's
Agriculture	1 704	5 242	9 303	16 249	
Construction	406	8 400	5 277	14 083	
Finance, real estate and other business services	43 161	62 055	179 820	285 036	
Individuals	45 925	47 701	71 810	165 436	
Manufacturing	206	267	43	516	
	91 402	123 665	266 253	481 320	

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

28. Other Assets

	Group		
	2025 P000's	2024 P000's	2023 P000's
Items in the course of collection *	353 749	142 316	74 051
Prepayments and other debtors	114 741	82 504	59 926
	468 490	224 820	133 977

*Comprises of sundry debtors mainly on transactions processed on behalf of clients.

Maturity analysis

Receivable within 12 months	468 490	224 820	133 977
	468 490	224 820	133 977

Classification analysis

Financial	353 749	111 467	60 018
Non-Financial	114 741	113 353	73 959
	468 490	224 820	133 977

29. Investment in Subsidiaries

	Holding (%)	Company	
		2025 P000's	2024 P000's
Investment in subsidiaries:			
- Stanbic Insurance Services Proprietary Limited	100	919	919
- Stanbic Nominees Botswana Proprietary Limited	100	3	3
- Stanbic Financial Services Proprietary Limited	100	1 000	1 000
Carrying value at end of the year		1 922	1 922

There is no accumulated impairment on the investments in subsidiaries as the recoverable balance is higher than carrying amount for all three years.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of dividends.

Shareholding has not changed for all three years even though the above disclosure was reported in period 2025-2024.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

30. Intangible Assets

	Group		
	2025 P000's	2024 P000's	2023 P000's
Computer software			
Cost at beginning of year	285 238	285 238	281 010
Disposals	(4 260)	-	4 228
Cost at end of the year	280 978	285 238	285 238
Accumulated amortisation at beginning of the year	(207 610)	(182 317)	285 238
Amortisation	(25 294)	(25 293)	(157 651)
Amortisation retired	4 260		(24 666)
Accumulated amortisation at end of the year	(228 644)	(207 610)	(182 317)
Balance at end of the year	52 334	77 628	102 921

31. Property, Equipment and Right of use Assets

31.1. Summary 2025

Group	2025 Cost	2025 Accumulated depreciation	2025 Net book value	2024 Cost	2024 Accumulated depreciation	2024 Net book value
	P000's	P000's	P000's	P000's	P000's	P000's
Property						
Freehold	56 766	(15 290)	41 476	57 370	(14 719)	42 651
Leasehold	44 424	(32 795)	11 629	33 677	(30 604)	3 073
Right of use of assets	113 877	(98 614)	15 263	92 978	(85 905)	7 073
	215 067	(146 699)	68 368	184 025	(131 228)	52 797
Equipment						
Computer and office equipment	309 168	(227 831)	81 337	283 792	(215 820)	67 972
Motor vehicles	11 447	(9 504)	1 943	11 898	(9 150)	2 748
Furniture and fittings	67 555	(41 029)	26 526	59 568	(37 648)	21 920
	388 170	(278 364)	109 806	355 258	(262 618)	92 640
Total property, equipment and right of use assets	603 237	(425 063)	178 174	539 283	(393 846)	145 437

The fair value of completed freehold property was based on valuations performed by registered and approved valuers and was estimated at P97.765 million (2024: P97.765 million) for the Group and Company.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

31. Property, Equipment and Right of use Assets (continued)

31.2. Movement 2025

Group and Company	Net book value 2024	Additions/ transfers 2025	Net book value of disposals 2025	Depreciation 2025	Net book Value 2025
	P000's	P000's	P000's	P000's	P000's
Property					
Freehold	42 651	1 486	(1 285)	(1 376)	41 476
Leasehold	3 073	10 747	-	(2 191)	11 629
Right of use of assets	7 073	20 899	-	(12 709)	15 263
	52 797	33 132	(1 285)	(16 276)	68 368
Equipment					
Computer and office equipment	67 972	41 072	(211)	(27 496)	81 337
Motor vehicles	2 748	-	-	(805)	1 943
Furniture and fittings	21 920	8 515	(166)	(3 743)	26 526
	92 640	49 587	(377)	(32 045)	109 806
Total property, equipment and right of use assets	145 437	82 719	(1 662)	(48 320)	178 174

31.3. Summary 2024

Group and Company	2024 Cost	2024 Accumulated depreciation	2024 Net book value	2023 Cost	2023 Accumulated depreciation	2023 Net book value
	P000's	P000's	P000's	P000's	P000's	P000's
Property						
Freehold	57 370	(14 719)	42 651	55 404	(13 386)	42 017
Leasehold	33 677	(30 604)	3 073	33 551	(29 790)	3 761
Right of use of assets	92 978	(85 905)	7 073	83 435	(71 853)	11 582
	184 025	(131 228)	52 797	172 390	(115 029)	57 360
Equipment						
Computer and office equipment	83 792	215 820)	67 972	249 658	(189 765)	59 893
Motor vehicles	11 898	(9 150)	2 748	10 515	(7 978)	2 537
Furniture and fittings	59 568	(37 648)	21 920	57 010	(34 049)	22 961
	355 258	(262 618)	92 640	317 183	(231 792)	85 391
Total property, equipment and right of use assets	539 283	(393 846)	145 437	489 573	(346 821)	142 752

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

31. Property, Equipment and Right of use Assets (continued)

31.4. Movement 2024

	Net book value 2023	Additions/Transfers 2024	Net book value of disposals 2024	Depreciation 2024	Net book value 2024
Group	P000's	P000's	P000's	P000's	P000's
Property					
Freehold	42 017	1 967	-	(1 333)	42 651
Leasehold	3 761	125	-	(813)	3 073
Right of use of assets	11 582	9 544	-	(14 053)	7 073
	57 360	11 636	-	(16 199)	52 797
Equipment					
Computer and office equipment	59 893	34 133	-	(26 054)	67 972
Motor vehicles	2 537	1 383	-	(1 172)	2 748
Furniture and fittings	22 962	2 558	-	(3 600)	21 920
	85 392	38 074	-	(30 826)	92 640
Total property, equipment and right of use assets	142 752	49 710	-	(47 025)	145 437

31.5. Leasehold property

The leasehold property at Lot 14437, Gaborone is occupied under a fifty-year fixed period state grant lease commencing 8 August 1986. This applied for all the three years.

31.6. Leases

Leases as lessee

The Group leases properties for its branches and ATMs. These leases typically run for a period of 5 years with an option to renew the lease at the end of the lease term. Lease payments are negotiated at the end of every lease term to align with market rentals.

a. Right of use assets

Right of use assets refer to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 31.1).

	Land and buildings	Total
Group	P000's	P000's
Balance at 1 January 2025	7 073	7 073
Depreciation charge for the year	(12 709)	(12 709)
Additions to the right of use assets	20 899	20 899
Balance 31 December 2025	15 263	15 263

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

31. Property, Equipment and Right of use Assets (continued)

31.6. Leases(continued)

	Land and buildings	Total
Group	P000's	P000's
Balance at 1 January 2024	11 582	11 582
Depreciation charge for the year	(14 053)	(14 053)
Additions to the right of use assets	9 544	9 544
Balance 31 December 2024	7 073	7 073

	Land and buildings	Total
Group	P000's	P000's
Balance at 1 January 2023	21 829	21 829
Depreciation charge for the year	(13 880)	(13 880)
Additions to the right of use assets	3 634	3 634
Balance 31 December 2023	11 582	11 582

a) Amounts recognised in profit or loss

	2025	2024	2023
Group and Company Land and buildings	P000's	P000's	P000's
Leases			
Interest on lease liabilities	(948)	(1 289)	(1 258)
Expenses relating to short term leases	-	-	(21)
Expenses relating to low value assets, excluding short term leases of low value assets	(2 939)	(825)	(758)
Total expenses	(3 887)	(2 114)	(2 037)

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

32. Deferred and Current Tax

Deferred tax analysis

	Group		
	2025 P000's	2024 P000's	2023 P000's
Property and equipment timing differences	(21 011)	(17 089)	(16 948)
Fair value adjustments of financial instruments	(4 071)	3 083	(339)
Deferred income	7 132	7 909	6 625
Royalties accrued	988	1 635	5 741
Bonuses accrued	8 994	12 637	15 055
IFRS 9 transition adjustment: Remaining temporary differences	6 359	7 988	9 907
Right of use of asset	(3 358)	(1 556)	(2 548)
Lease liability	2 595	1 304	2 681
Other differences*	(7 992)	2 540	(7 553)
Deferred tax (liability)/ asset	(10 364)	18 451	12 621
	2025 P000's	2024 P000's	2024 P000's
Deferred tax balance at beginning of the year	18 451	12 621	20 546
Various categories of (reversing) / originating temporary differences for the year:	(28 815)	5 830	(7 925)
- Depreciation	(3 923)	(135)	(2 269)
- Unwinding of IFRS Day 1 tax asset	(1 630)	(1 919)	(1 967)
- Fair value adjustments of financial instruments	(7 154)	3 416	(327)
- Deferred Income	(777)	1 284	(114)
- Other differences *	(15 331)	3 184	(3 248)
Deferred tax balance at end of the year	(10 364)	18 451	12 621

*The deferred tax liability is recognised for all taxable temporary differences, based on the principle that these differences will result in amounts being taxable in future periods when the related assets are recovered or liabilities are settled.

*Other differences relate to temporary differences such as IFRS 2 share-based-payment provisions, irrecoverable losses, prepayments etc,

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

32. Deferred and Current Tax (continued)

Current tax analysis

	Group		
	2025 P000's	2024 P000's	2023 P000's
Opening balance- refundable	41 285	54 934	29 631
Current charge	(177 399)	(198 850)	(136 449)
Tax paid for the year	205 556	191 811	158 649
Other adjustments*	12 873	(6 610)	3 103
Closing balance	82 315	41 285	54 934

*Other adjustments include the prior years deferred tax impact of additions at P6.717 million (2024: P6.717, 2023: Nil) and withholding tax on interest on corporate deposits P1.317 million (P2024: P1.648 million, 2023: P1.184 million).

33. Trading Portfolio Liabilities

	Group		
	2025 P000's	2024 P000's	2023 P000's
Listed - Government bonds	-	-	-
Unlisted - Other	-	293 863	3 412
	-	293 863	3 412
Comprising:			
Government bonds	-	-	3 412
Unlisted – Corporate deposits	-	293 863	3 412
	-	293 863	3 412
Maturity analysis:			
Maturing within 1 month	-	293 863	3 412
	-	293 863	3 412

a. Redemption value

Dated trading liabilities have redemption value of PNil (2024: P293.908 million, 2023: P5.217 million) for the Group and Company on maturity date.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

34. Customer and Bank Deposits

Deposit products include cheque accounts, savings accounts, call and notice deposits, fixed deposits, and negotiable certificates of deposit.

	Group		
	2025 P000's	2024 P000's	2023 P000's
Deposits from banks	2 454 712	2 342 148	1 060 094
Deposits from customers	20 274 088	20 875 947	20 140 427
- Current and savings accounts	4 497 429	4 650 462	3 970 633
- Call, term and negotiable certificates of deposits	15 776 659	16 225 485	16 169 794
Customer and bank deposits	22 728 800	23 218 095	21 200 521

Maturity analysis:

The maturity analysis is based on the remaining periods to contractual maturity from year end.

Redeemable on demand	15 580 426	16 998 515	13 934 224
Maturing within 1 month	3 325 509	1 729 727	1 925 376
Maturing after 1 month but within 6 months	2 962 436	2 424 070	4 511 934
Maturing after 6 months but within 12 months	790 463	2 003 374	790 414
Maturing after 12 months	69 966	62 409	38 573
	22 728 800	23 218 095	21 200 521

35. Accruals, Deferred Income, and Other Liabilities

	Group		
	2025 P000's	2024 P000's	2023 P000's
Items in process of clearing	203 112	333 288	322 402
Provisions	516	7 273	17 332
Expected credit loss for off-balance sheet exposures	310	541	880
Deferred income	32 418	35 951	30 113
Other liabilities *	123 447	129 778	90 369
Accruals	138	7 430	26 011
Lease liability	13 109	7 240	13 502
	373 050	521 501	500 609

*Other liabilities in Group include employee related provisions, accrued expenses such as IT related costs, franchise fee and tax provision (PAYE) payable the following month at P109.060 million (2024: P63.774 million, 2023: P63.088 million), P14.387 million (2024: P16.933 million, 2023: P14.079 million) and nil (2024: P9.004 million, 2023: P13.922 million) respectively.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

35. Accruals, Deferred Income, and Other Liabilities (continued)

Maturity analysis

	Group		
	2025 P000's	2024 P000's	2023 P000's
Payable within 1 year	373 050	521 501	500 160
	373 050	521 501	500 160

Provisions

The following table sets out a reconciliation of provisions.

	Group		
	2025 P000's	2024 P000's	2023 P000's
Balance at beginning of the year	7 273	17 333	12 604
Provisions made during the year	24 763	1 650	10 934
Provisions used during the year	(31 520)	(11 710)	(6 205)
Balance at end of the year	516	7 273	17 333

Reconciliation of expected credit losses for off-balance sheet exposures

Group	Opening balance P000's	Net ECL released/ (raised) P000's	Closing balance P000's
-------	------------------------------	---	------------------------------

Letters of credit, bank acceptances and guarantees

2025			
Stage 1	(508)	231	(277)
Stage 2	(3)	-	(3)
Stage 3	(30)	-	(30)
Total	(541)	231	(310)

2024			
Stage 1	(721)	213	(508)
Stage 2	(129)	126	(3)
Stage 3	(30)	-	(30)
Total	(880)	339	(541)

2023			
Stage 1	(790)	69	(721)
Stage 2	(6)	(123)	(129)
Stage 3	(30)	-	(30)
Total	(826)	54	(880)

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

35. Accruals, Deferred Income, and Other Liabilities (continued)

Reconciliation of lease liabilities

The Group has entered into various non-cancellable lease agreements in respect of rented premises. Leases are contracted up to periods of 5 years, some with renewal options. Rental charges under these contracts escalate at fixed percentages of 5.0% to 10.0% per annum and include minimum monthly payments.

	Balance at 1 January 2025 P000's	Additions/ modification P000's	Interest expense P000's	Payments ¹ P000's	Balance at 31 December 2025 P000's
Group	7 240	20 899	45	(15 075)	13 109
Buildings	-	-	783	(783)	-
Branches	-	-	120	(120)	-
ATM space	-	-	-	-	-
Total	7 240	20 899	948	(15 978)	13 109

¹ These amounts relate to the principal and interest lease payments as disclosed in the statement of cash flow.

	Balance at 1 January 2024 P000's	Additions/ modification P000's	Interest expense P000's	Payments ¹ P000's	Balance at 31 December 2024 P000's
Group	13 502	9 543	104	(15 909)	7 240
Buildings	-	-	922	(922)	-
Branches	-	-	263	(263)	-
ATM space	-	-	-	-	-
Total	13 502	9 543	1 289	(17 094)	7 240

¹ These amounts relate to the principal lease payments as disclosed in the statement of cash flow.

	Balance at 1 January 2023 P000's	Additions/ modification P000's	Interest expense P000's	Payments ¹ P000's	Balance at 31 December 2024 P000's
Group	26 376	3 634	1 258	(17 766)	13 502
Buildings	-	-	-	-	-
Branches	-	-	-	-	-
ATM space	-	-	-	-	-
Total	26 376	3 634	1 258	(17 766)	13 502

¹ These amounts relate to the principal and interest lease payments as disclosed in the cash flow statement.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

35. Accruals, Deferred Income, and Other LiabilitiesS (continued)

Maturity analysis: Discounted

	Group		
	2025 P000's	2024 P000's	2023 P000's
Within 1 year	5 187	1 265	1 914
More than 1 year but less than 5 years	7 922	5 975	11 588
Total lease liabilities	13 109	7 240	13 502

Maturity analysis: Un-Discounted

	Group		
	2025 P000's	2024 P000's	2023 P000's
Within 1 year	5 679	3 487	2 914
More than 1 year but less than 5 years	12 123	16 466	18 434
Total lease liabilities	17 802	19 953	21 348

The amounts in the table include undiscounted cash flows, which include estimated interest payment for the current active lease agreements.

36. Debt Securities in Issue

	Redeemable/ Maturity Date	Start date	Group		
			2025 P000's	2024 P000's	2023 P000's
SBBL 077	02-Dec-34	02-Dec-24	280 000	280 000	-
SBBL 078	02-Dec-34	02-Dec-24	20 000	20 000	-
SBBL 068	28-Nov-29	28-Nov-19	-	-	212 000
SBBL 069	28-Nov-29	28-Nov-19	-	-	88 000
SBBL 072	07-Jul-32	07-Jul-22	105 720	105 720	105 720
SBBL 073	07-Jul-32	07-Jul-22	110 000	110 000	110 000
Total subordinated debt			515 720	515 720	515 720
SBBL 070	09-Oct-25	09-Oct-20	-	132 520	132 520
SBBL 071	09-Oct-25	09-Oct-20	-	118 200	118 200
SBBL 074	29-Jul-27	29-Jul-22	50 000	50 000	50 000
SBBL 075	29-Jul-27	29-Jul-22	50 000	50 000	50 000
SBBL-0328-76	14-Mar-28	14-Mar-23	150 000	150 000	150 000
SBBL 079	26-Sep-2032	26-Sep-2025	220 000	-	-
SBBL-CRB-1128-80	06-Nov-2028	06-Nov-2025	24 000	-	-
SBBL- CRB-1130-81	06-Nov-2030	06-Nov-2025	169 400	-	-
Total unsubordinated debt			663 400	500 720	500 720
Total debt			1 179 120	1 016 440	1 016 440

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

36. Debt Securities in Issue (continued)

Subordinated liabilities

	Group		
	2025 P000's	2024 P000's	2023 P000's
More than 5 years	515 720	515 720	515 720
Total subordinated debt	515 720	515 720	515 720

Unsubordinated liabilities

Within 1 year	-	250 720	-
More than 1 year but less than 5 years	274 000	250 000	500 720
More than 5 years	389 400	-	-
Total unsubordinated debt	663 400	500 720	500 720

Debt securities in issue and subordinated liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequently they are measured at amortised cost using the effective interest method.

The Group and Company did not default on principal or interest and there were no breaches with respect to their liabilities during the current and prior periods.

The bonds constitute direct subordinated and unsecured obligations of the Group and Company and are subordinated to the un-subordinated, unsecured claims of general creditors of the Group and Company and claims of depositors. The notes are not subordinated to any categories of share capital or other subordinated obligations of the Group and Company. They rank pari passu among themselves.

The subordinated bonds form part of the Tier II Capital for the purpose of calculating capital adequacy.

37.1. Stated capital

	Group		
	2025 P000's	2024 P000's	2023 P000's
31 936 205 (2024: 31 936 205) ordinary shares of no-par value	390 177	390 177	390 177
	390 177	390 177	390 177

Stated capital comprises the total amount authorised and subscribed for 31.936 million issued and fully paid ordinary shares of no-par value (2024 and 2023: 31.936 million).

The holders of issued shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share on a poll at meetings of the Company. All ordinary shares rank equally about the Company’s residual assets.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

37. Stated Capital and Other Reserves

37.2. Statutory credit risk reserve

Local legislation requires the bank to make appropriation to a general banking reserve for unforeseeable risks and future losses. The general provisions eligible for inclusion in Tier II is limited to a maximum of 1.25 percentage points of credit risk weighted assets, this is the amount that is also considered as the statutory credit reserve.

	Group		
	2025 P000's	2024 P000's	2023 P000's
Opening balance	154 474	154 474	154 474
Closing balance	154 474	154 474	154 474

37.3. Reserves

Share-based payment reserve

Standard Bank Group has two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the Standard Bank Group share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and represents appreciation rights allocated to employees. The eventual value of the right is settled by the issue of shares equivalent, in value, to the value of rights.

The two schemes have five different sub-types of vesting categories as illustrated by the following table: This applies for all the three years.

Vesting category	Year	% vesting	Expiry
Type A	3, 4, 5	50, 75, 100	10 years
Type B	5, 6, 7	50, 75, 100	10 years
Type C	2, 3, 4	50, 75, 100	10 years
Type D	2, 3, 4	33, 67, 100	10 years
Type E	3, 4, 5	33, 67, 100	10 years

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

37. Stated Capital and Other Reserves (continued)

A reconciliation of the movement of share options and appreciation rights is detailed on the next page. Since the share-based schemes are managed and administrated in the Republic of South Africa the amounts are shown in Rands:

Group Share Incentive Scheme	Option price range (Rands)	Number of options		
	2025	2025	2024	2023
Options outstanding at the beginning of the year		3 591	7 855	18 094
Net Transfers		-	-	1 066
Exercised		(2 877)	(4 264)	(11 305)
Options outstanding at the end of the year	179.82	714	3 591	7 855

The weighted average share price for the year was R179.82 (2024: R123.40). The BWP/ZAR exchange rate used is 1.21 at 31 December 2025.

The weighted average share price for the year was P179.82. The following options granted to employees, including executive directors, had not been exercised as at 31 December 2025:

Number of ordinary shares	Option price range (Rands)	Weighted average price (Rands)	Option period
714	133.50	179.82	Year to 31 December 2025

The following options granted to employees, including executive directors, had not been exercised as at 31 December 2024:

Number of ordinary shares	Option price range (Rands)	Weighted average price (Rands)	Option period
3 591	145.28	123.40	Year to 31 December 2024

Group Equity Growth Scheme	Average price range (Rands)	Number		
	2025	2025	2024	2023
Rights outstanding at the beginning of the year	-	-	-	2 526
Net Transfers	-	-	-	-
Exercised	-	-	-	(2 526)
Rights outstanding at the end of the year		-	-	-

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

37. Stated Capital and Other Reserves (continued)

There are no instruments on the above instrument however available. Notes:
1. During the year, SBG shares Nil (2024: Nil,) were issued to settle the appreciated rights value.

2. At the end of the year the Group would need to issue Nil (2024: Nil, 2023: Nil) SBG shares to settle the outstanding appreciated rights value.

The following rights granted to employees, including executive directors, had not been exercised as at 31 December 2025:

Number of rights	Award price range (Rands)	Weighted average price (Rands)	Rights period
-	-	-	Year to 31 December 2025

There were no rights granted to employees as at 31 December 2025. The same applies for 31 December 2024 and 2023.

Summary total reserves

	Group		
	2025 P000's	2024 P000's	2023 P000's
Statutory credit risk reserve	154 474	154 474	154 474
Retained earnings	2 725 682	2 015 933	1 781 967
Closing total reserves	2 880 156	2 170 407	1 936 441

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities

38.1. Accounting classification and fair values

All financial assets and liabilities have been classified according to their measurement category per IFRS 9, with disclosure of the fair values provided.

Group 31 December 2025	Fair value through profit or loss						Fair value P000's
	Note	Held for trading P000's	Fair value through profit / loss - default P000's	Amortised cost P000's	Non- financial assets / liabi- lities P000's	Total carrying amount P000's	
Assets							
Cash and balances with the central bank	23	-	-	996 522	-	996 522	996 522
Derivative assets	24.3	47 881	-	-	-	47 881	47 881
Trading portfolio assets	25	147 566	-	-	-	147 566	147 566
Financial investments	26.1	-	-	4 271 709	-	4 271 709	4 271 709
Loans and advances to banks	27.1	-	-	7 585 011	-	7 585 011	7 585 011
Loans and advances to customers	27.1	-	-	13 761 203	-	13 761 203	13 761 203
Other assets	28	-	-	353 749	114 741	468 490	468 490
		195 447	-	26 968 194	114 741	27 278 382	27 278 382
Liabilities							
Derivative liabilities	24.3	29 538	-	-	-	29 538	29 538
Deposits from banks	34	-	-	2 454 712	-	2 454 712	2 454 712
Deposits from customers	34	-	-	20 274 088	-	20 274 088	20 274 088
Debt securities in issue	36	-	-	1 179 120	-	1 179 120	1 179 120
Accruals, deferred and other liabilities	35	-	-	90 863	282 187	373 050	373 050
		29 538	-	23 998 783	282 187	24 310 508	24 310 508

*All other assets and liabilities measured at amortised cost approximate their fair values.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities(continued)

38.1. Accounting classification and fair values (continued)

All financial assets and liabilities have been classified according to their measurement category per IFRS 9, with disclosure of the fair values provided.

Group 31 December 2024	Fair value through profit or loss						Fair value P000's
	Note	Held for trading P000's	Fair value through profit / loss - default P000's	Amortised cost P000's	Non- financial assets / liabilities P000's	Total carrying amount P000's	
Assets							
Cash and balances with the central bank	23	-	-	281 809	-	281 809	281 809
Derivative assets	24.3	20 509	-	-	-	20 509	20 509
Trading assets	25	185 709	-	-	-	185 709	185 709
Financial assets	26.1	-	-	3 198 417	-	3 198 417	3 198 417
Loans and advances to banks	27.1	-	-	8 497 257	-	8 497 257	8 497 257
Loans and advances to customers	27.1	-	-	14 954 053	-	14 954 053	14 954 053
Other assets	28	-	-	111 467	113 353	224 820	224 820
		206 218	-	27 043 003	113 353	27 362 574	27 362 574
Liabilities							
Derivative liabilities	24.3	34 892	-	-	-	34 892	34 892
Deposits from banks	34	-	-	2 342 148	-	2 342 148	2 342 148
Deposits from customers	34	-	-	20 875 947	-	20 875 947	20 875 947
Debt securities in issue	36	-	-	1 016 440	-	1 016 440	1 016 440
Other liabilities	35	-	-	84 340	437 161	521 501	521 501
Trading portfolio liabilities	33	293 863	-	-	-	293 863	293 863
		328 755	-	24 318 875	437 161	25 084 791	25 084 791

*All other assets and liabilities measured at amortised cost approximate their fair values.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities (continued)

38.1. Accounting classification and fair values (continued)

Financial assets and liabilities have been classified according to their measurement category per IFRS 9, with disclosure of the fair values provided.

Group 31 December 2023	Fair value through profit or loss						
	Note	Held for trading P000's	Fair value through profit / loss – default P000's	Amortised cost P000's	Non-financial assets / liabilities P000's	Total carrying amount P000's	Fair value P000's
Assets							
Cash and balances with the central bank	23	-	-	1 466 490	-	1 466 490	1 466 490
Derivative assets	24.3	1 377	-	-	-	1 377	1 377
Trading assets	25	3 212	-	-	-	3 212	3 212
Financial assets	26.1	-	-	3 805 364	-	3 805 364	3 805 364
Loans and advances to banks	27.1	-	-	5 990 721	-	5 990 721	5 990 721
Loans and advances to customers	27.1	-	-	13 331 554	-	13 331 554	13 331 554
Other assets	28	-	-	43 504	90 473	133 977	213 603
		4 589	-	24 637 633	90 473	24 734 695	24 812 321
Liabilities							
Derivative liabilities	24.3	-	-	-	-	-	-
Deposits from banks	34	-	-	1 060 094	-	1 060 094	1 060 094
Deposits from customers	34	-	-	20 140 427	-	20 140 427	20 140 427
Debt securities in issue	36	-	-	1 016 440	-	1 016 440	1 016 440
Other liabilities	35	-	-	67 656	432 953	500 609	500 609
Trading portfolio liabilities	33	3 412	-	-	-	3 412	3 412
		3 412	-	22 284 617	432 953	22 720 982	22 720 982

*Classification of cash and balances with central bank was corrected in the current year with one classification chosen being amortised cost as opposed to the prior year where there was a split between FVTPL and AC. PY below has been restated as well.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities (continued)

38.2. Financial assets and liabilities measured at fair value - Fair value hierarchy

Group	Note	2025				2024			
		Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's	Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's
Assets									
Trading portfolio assets	25	408	147 158	-	147 566	606	185 103	-	185 709
Derivative assets	24.3	-	47 881	-	47 881	-	20 509	-	20 509
Total assets at fair value		408	195 039	-	195 447	606	205 612	-	206 218
Liabilities									
Derivative liabilities	24.3	-	29 538	-	29 538	-	34 892	-	34 892
Trading portfolio liabilities	33	-	-	-	-	-	293 863	-	293 863
Total liabilities at fair value		-	29 538	-	29 538	-	328 755	-	328 755

- The above table reflects all assets and liabilities measured at fair value.
- Recurring fair value measurements of assets or liabilities are those assets and liabilities that IFRS require or permit to be carried at fair value in the statement of financial position at the end of each reporting period.

Group	Note	2024				2023			
		Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's	Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's
Assets									
Trading portfolio assets	25	606	185 103	-	185 709	3 212	-	-	3 212
Derivative assets	24.3	-	20 509	-	20 509	-	1 377	-	1 377
Total assets at fair value		606	205 612	-	206 218	3 212	1 377	-	4 589
Liabilities									
Derivative liabilities	24.3	-	34 892	-	34 892	-	-	-	-
Trading portfolio liabilities	33	-	293 863	-	293 863	3 412	-	-	3 412
Total liabilities at fair value		-	328 755	-	328 755	3 412	-	-	3 412

- The above table reflects all assets and liabilities measured at fair value.
- Recurring fair value measurements of assets or liabilities are those assets and liabilities that IFRS require or permit to be carried at fair value in the statement of financial position at the end of each reporting period.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities (continued)

38.3. Assets and liabilities not measured at fair value - Fair value hierarchy

Group	Note	2025				2024			
		Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's	Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's
Assets									
Cash balances***	23	996 522	-	-	996 522	281 809	-	-	281 809
Financial Investments *	26.1	339 126	3 932 583	-	4 271 709	596 992	2 601 425	-	3 198 417
Loans and advances to banks	27.1	-	-	7 585 011	7 585 011	-	-	8 497 257	8 497 257
Loans and advances to customers	27.1	-	-	13 761 203	13 761 203	-	-	14 954 053	14 954 053
Other assets**	28	-	-	353 749	353 749	-	-	224 820	224 820
Total		1 335 648	3 932 583	21 699 963	26 968 194	878 801	2 601 425	23 676 130	27 156 356
Liabilities									
Deposits from banks	33	-	2 454 712	-	2 454 712	-	2 342 148	-	2 342 148
Deposits from customers	33	-	20 274 088	-	20 274 088	-	20 875 716	-	20 875 716
Debt securities in issue	36	-	1 179 120	-	1 179 120	-	1 016 440	-	1 016 440
Other liabilities	35	-	-	90 863	90 863	-	-	521 501	521 501
Total		-	23 907 920	90 863	23 998 783	-	24 234 304	521 501	24 755 805

*The fair value for Financial Investments reflects classification of treasury bills under level 2.
**The fair value for other assets reflects the classification of financial assets only and exclude non-financial assets.
***Classification of cash balances shows classification of amortised cost.
All other assets and liabilities measured at amortised cost approximate their fair values.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

38. Classification of Assets and Liabilities (continued)

38.3. Assets and liabilities not measured at fair value - Fair value hierarchy

Group	Note	2024				2023			
		Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's	Level 1 P000's	Level 2 P000's	Level 3 P000's	Total P000's
Assets									
Cash balances***	23	281 809	-	-	281 809	1 466 490	-	-	1 466 490
Financial Investments *	26.1	596 992	2 601 425	-	3 198 417	608 908	3 196 456	-	3 805 364
Loans and advances to banks	27.1	-	-	8 497 257	8 497 257	-	-	5 990 721	5 990 721
Loans and advances to customers	27.1	-	-	14 954 053	14 954 053	-	-	13 331 554	13 331 554
Other assets**	28	-	-	224 820	224 820	-	-	133 977	133 977
Total		878 801	2 601 425	23 676 130	27 156 356	2 075 398	3 196 456	19 456 252	24 728 106
Liabilities									
Deposits from banks	33	-	2 342 148	-	2 342 148	-	1 060 094	-	1 060 094
Deposits from customers	33	-	20 875 716	-	20 875 716	-	20 182 036	-	20 182 036
Debt securities in issue	36	-	1 016 440	-	1 016 440	-	1 016 440	-	1 016 440
Other liabilities	35	-	-	521 501	521 501	-	-	500 609	500 609
Total		-	24 234 304	521 501	24 755 805	-	22 258 570	500 609	22 759 179

*The fair value for Financial Investments reflects classification of treasury bills under level 2.
**The fair value for other assets reflects the classification of financial assets only and exclude non-financial assets.
***Classification of cash balances shows classification of amortised cost.
All other assets and liabilities measured at amortised cost approximate their fair values.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

39. Commitments and Contingencies

39.1. Contingent liabilities

	Group		
	2025 P000's	2024 P000's	2023 P000's
Letters of credit	19 385	32 727	15 775
Guarantees	2 602 195	1 697 407	970 861
Irrevocable unutilised facilities	1 715 757	1 410 942	1 221 246
Revocable unutilised facilities	425 902	274 975	372 160
	4 763 239	3 416 051	2 580 041

*Expected credit losses of P310 000 were recognised in respect of off-balance sheet items at the reporting date (2024: P540 740, 2023: P880 000).

These are commitments for credit facilities which the bank would only be liable to settle upon satisfaction of certain requirements, however, if the requirements are deemed successful the bank would be liable to a total cost of P2 141 658 (2024: P1 685 917, 2023: P1 221 246) which is fully collateralised. Management assessment of the financial impact in relation to the above-mentioned liabilities associated with the customers, indicates that it is highly unlikely that the bank would incur such a liability.

39.2. Commitments

	Group		
	2025 P000's	2024 P000's	2023 P000's
Capital expenditure authorised ¹	5 381	13 858	18 413

¹ Capital expenditure will be funded from internal resources and part of the approved budget.

39.3. Lease liabilities

The Group has entered into various non-cancellable lease agreements in respect of rented premises. Leases are contracted up to periods of 5 years, some with renewal options. Rental charges under these contracts escalate at fixed percentages of 5.0% to 10.0% per annum and include minimum monthly payments.

39.4. Legal proceedings defended

In the ordinary course of business, the bank is involved as a defendant in litigation, lawsuits and other proceedings. Management recognises the inherent difficulty of predicting the outcome of defended legal proceedings. Nevertheless, based on management's knowledge from investigation, analysis and after consulting with legal counsel, management believes that there are no individual legal proceedings that are currently assessed as being 'likely to succeed and material' or 'unlikely to succeed but material should they succeed'. The bank is also the defendant in some legal cases for which the bank is fully indemnified by external third parties, none of which are individually material. Management is accordingly satisfied that the legal proceedings currently pending against the bank should not have a material adverse effect on the Group's financial position and the directors are satisfied that the bank has adequate insurance programmes and, where required in terms of IFRS for claims that are probable, provisions in place to meet claims that may succeed.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

40. Statements of Cash Flows Information

40.1. Movement in income-earning and other assets

	Group		
	2025 P000's	2024 P000's	2023 P000's
Financial assets	(1 073 362)	606 947	829 902
Trading assets	35 577	(182 497)	3 212
Loans and advances	2 355 045	(3 913 411)	736 353
Derivative assets	(27 372)	(19 132)	4 678
Other assets *	(243 670)	(90 843)	31 796
	1 046 218	(3 598 936)	1 605 941

*Comprises mainly of prepayments and other receivables

¹Restated for 2023, refer to note 48 for details on the restatements relating to the statement of cash flows.

40.2. Increase in deposits and other liabilities

	Group		
	2025 P000's	2024 P000's	2023 P000's
Customers' current, savings, other deposit accounts and deposits from banks	(714 528)	2 017 574	724 780
Trading liabilities	(293 863)	290 451	(23 763)
Derivative liabilities	(5 354)	34 892	-
Other liabilities	(134 980)	22 808	121 031
	(1 148 725)	2 365 725	822 048

40.3. Direct taxation paid

	Group		
	2025 P000's	2024 P000's	2023 P000's
Current and deferred tax at beginning of the year	(59 736)	(67 557)	(50 177)
Income statement charge	206 130	205 374	144 542
Current tax adjustment	(12 873)	(5 742)	(3 273)
Less tax paid for the year	(205 556)	(191 811)	(158 649)
Current and deferred tax at end of the year	(72 035)	(59 736)	(67 557)

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

40. Statements of Cash Flows Information (continued)

40.4. Reconciliation of debt issued

	Group		
	2025 P000's	2024 P000's	2023 P000's
Balance at beginning of the year	1 016 440	1 016 440	990 440
Unsubordinated debt redeemed	(250 720)	(300 000)	(124 000)
Unsubordinated debt issued	413 400	300 000	150 000
Balance at end of the year	1 179 120	1 016 440	1 016 440
Interest paid on unsubordinated debt	38 141	16 779	18 781

40.5. Cash and cash equivalents

	Group		
	2025 P000's	2024 P000's	2023 P000's
Cash and balances with the Central bank	996 522	281 809	1 466 490
On-demand gross loans and advances to banks- Note 27.1	1 482 632	1 146 727	932 751
Balance at end of the year	2 479 154	1 428 536	2 399 241

¹Restated, refer to note 48 for details on the restatement relating to demand loans and advances to banks held as cash and cash equivalents.

41. Third Party Funds Under Management

The Group provides discretionary and non-discretionary investment management services to institutional investors. Commissions and fees earned in respect of trust management activities performed are included in profit or loss.

Assets managed on behalf of third parties include:

	Group		
	2025 P000's	2024 P000's	2023 P000's
Fund management			
- Unit trusts	27 055 627	26 049 062	18 702 121
	27 055 627	26 049 062	18 702 121
Geographical area			
- Domestic	26 459 124	25 163 169	17 783 544
- Foreign	596 503	885 893	918 577
	27 055 627	26 049 062	18 702 121

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

42. Related Party Transactions

42.1. Parent

Stanbic Bank (Botswana) Limited is a wholly owned subsidiary of Stanbic Africa Holdings Limited. The ultimate holding company is Standard Bank Group Limited.

42.2. Fellow subsidiaries

Details of effective interest and investments in subsidiaries are disclosed in note 29. In addition, the following are also subsidiaries and fellow subsidiaries of the holding company:

- Standard Bank South Africa
- o Standard Lesotho Bank
- o Standard Bank Namibia
- o Standard Bank Eswatini
- o Standard Bank Properties
- Stanbic Africa Holdings
 - o CFC Stanbic Holdings, Kenya
 - o Stanbic Bank Ghana
 - o Stanbic Bank Tanzania
 - o Stanbic Bank Uganda
 - o Stanbic Bank Zambia
 - o Stanbic Bank Zimbabwe
 - o Stanbic IBTC Bank, Nigeria
 - o Standard Bank Malawi
 - o Standard Bank Mauritius
 - o Standard Bank Mozambique
 - o Standard Bank RDC
- Standard International Holdings
 - o Standard Bank plc
 - Standard Bank Group International
 - o Stanbic International Insurance, Isle of Man
 - Standard Bank Offshore Group
 - o Standard Bank Isle of Man

42.3. Subsidiaries of Stanbic Bank (Botswana) Limited

- Refer to note 29 for details of subsidiaries of Stanbic Bank (Botswana) Limited.

42.4. Entities under common control

- Liberty Holdings Botswana
- Liberty Life Botswana

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

42. Related Party Transactions (continued)

42.5. Related party transactions

	Group		
	2025 P000's	2024 P000's	2023 P000's
Interest income			
Standard Bank Isle of Man	268 720	213 469	213 469
Standard Bank South Africa	18 256	17 539	17 539
Management fee income			
Stanbic Insurance Services *	-	-	-
Stanbic Financial Services*	-	-	-
Preference dividend income			
Liberty Holdings Botswana	11 913	9 521	10 190
Dividend			
Standard Bank South Africa	-	(474 000)	(310 000)
Stanbic Insurance Services	-	-	-
Interest expense			
Standard Bank South Africa	(772)	(139)	(420)
IT charges			
Standard Bank South Africa - Africa Division	(57 720)	(55 873)	(56 310)
IC expenses			
Standard Bank South Africa – Direct Cost	(2 682)	(2 651)	(7 173)
Standard Bank South Africa - Other	(586)	(368)	-
Franchise fees			
- Standard Bank South Africa - Africa Division	(60 201)	(58 597)	(48 435)
Trading Revenue			
- Standard Bank South Africa	62 738	3 612	8 781
Fees and commission income			
- Standard Bank South Africa	-	(48)	305
Staff Costs			
- Standard Bank South Africa	(238)	-	-
Travel and Entertainment			
- Standard Bank South Africa	(12)	-	-
Travel and Entertainment			
- Standard Bank South Africa	7 365	-	-

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

42. Related Party Transactions (continued)

42.5. Related party transactions (continued)

The bank has relationships with the following entities: Liberty Holdings Botswana – the bank owns preference shares in Liberty Holdings Botswana through which a preference dividend is earned equivalent to a share in the profits of Liberty Life Botswana at the back of the bank's loan book that is underwritten by Liberty Life Botswana.

Interest is earned on the placement accounts and is priced at market rate. Management fees are charged at prevailing market rates per agreement, depending on the cost of service rendered to subsidiaries and the fees are payable monthly. Franchise fees are at 3% of net income and are payable on a quarterly basis. Other charges are based on the market rates depending on the type of service rendered.

*The intercompany transactions and balances relating to the subsidiaries of Stanbic Bank Botswana Group have been removed as they have been eliminated as part of consolidation entries.

42.6. Related party balances

	Group		
	2025 P000's	2024 P000's	2023 P000's
Derivative assets			
Standard Bank South Africa	31 187	2 170	3 411
Standard Lesotho	-	-	2
Loans and advances**			
Standard Bank South Africa	1 160 642	914 919	547 912
Standard Bank Isle of Man	5 236 795	6 037 945	4 265 828
Stanbic Bank Zambia	381	364	242
Stanbic Bank Kenya	585	295	394
Deposits and current accounts			
Standard Bank South Africa	(877 452)	(428 345)	(399 549)
Stanbic Bank Zambia	(153)	(581)	(2 252)
Stanbic Bank Zimbabwe	(852)	(888)	(874)
Standard Lesotho Bank	(264)	(16)	(29)
Standard Bank Malawi	(42)	(357)	-
Standard Bank Namibia	(297)	-	(61)
Standard Bank Eswatini	(7)	(91)	(29)
Standard Bank Mauritius	-	-	(524)
Other receivables			
Stanbic Insurance Services *	-	-	-
Standard Bank South Africa	20 028	18 357	12 481
Standard Bank Malawi	-	-	336
Stanbic Financial Services*	-	-	-
Preference dividends receivable			
Liberty Holdings Botswana	11 913	9 521	8 753

** The transactions relate to short-term placements and cash and cash equivalents held with related entities, undertaken as part of balance sheet management strategy. These arrangements are conducted at prevailing market rates and terms, which vary depending on the instruments offered.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

42. Related Party Transactions (continued)

42.6. Related party balances (continued)

	Group		
	2025 P000's	2024 P000's	2023 P000's
Other liabilities			
Standard Bank South Africa	(17 747)	(23 538)	(35 803)
Stanbic Bank Uganda Ltd	(5)	(1)	-
Stanbic Financial Services*	-	(2 565)	-
Stanbic IBTC Holdings PLC	(11)	(12)	-
Stanbic Insurance Services*	-	-	-
Derivative liabilities			
Standard Bank South Africa	(136)	(16 992)	(1 867)
Standard Bank Zambia	-	(1)	-
Trading Securities			
Standard Bank South Africa	150 464	-	9
Standard Bank Isle of Man	8	-	-

43. Key Management Personnel

Key management personnel for the Group of Stanbic Bank Botswana Group has been defined as the Board of Directors and the executive committee of Stanbic Bank Botswana Group active for 2025, 2024 and 2023. The definition of key management includes the close members of family of key management personnel and any entity over which key management exercise control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with Stanbic Bank Botswana Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner and dependents of the individual or the individual's domestic partner.

Interest rates charged on balances outstanding from key management are at the prevailing prime rate minus two for mortgage loans, vehicle and asset finance and other loans. The loans are repayable monthly over a maximum of 20 years, 72 months and 72 months for mortgage loans, vehicle and asset finance and other loans. The mortgage loans and vehicle and asset finance loans are secured over property of the respective borrowers. Other loans are not secured.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

43. Key Management Personnel (continued)

43.1. Key management personnel transactions and balances

	2025 P000's	2024 P000's	2023 P000's
Short-term employee benefits	51 523	41 567	44 175
Post-employment benefits	4 109	3 642	2 781
Salaries and other short-term benefits	55 632	45 209	46 956
Mortgage loans ¹			
Loans outstanding at beginning of year	33 795	16 054	33 167
Loans granted during the year	1 570	19 542	589
Loan repayments during the year	(5 350)	(3 569)	(18 801)
Interest earned	6 314	1 768	1 099
Loans outstanding at the end of the year	36 329	33 795	16 054
Interest rate range for the year	4.01- 5.01%	4.01-5.63%	88% of Prime rate.
Mortgage loans are repayable monthly over a maximum of 20 years. These loans are secured by properties whose fair value is above the outstanding balances.			
Vehicle and asset finance ¹			
Loans outstanding at beginning of year	187	672	1 135
Loans granted during the year	6 525	187	-
Loan repayments during the year	(889)	(688)	(517)
Interest earned	702	16	54
Loans outstanding at the end of the year	6 525	187	672
Interest rate range for the year	4.01- 5.01%	4.01-5.63%	4.01-5.63%
Other loans ¹			
Loans outstanding at beginning of year	2 565	911	2 418
Loans granted during the year	1 286	2 003	-
Loan repayments during the year	(1 364)	(476)	(1 591)
Interest earned	965	127	84
Loans outstanding at the end of the year	3 452	2 565	911
Interest rate range for the year	4.01- 5.01%	4.01-5.63%	4.01-5.63%
Interest income earned	7 981	1 911	17 637
Deposits ²			
Deposits outstanding at beginning of year	4 118	3 306	2 292
Net change in deposits during the year	(878)	812	1 014
Deposits outstanding during the year	3 240	4 118	3 306
Interest rate range for the year	3.2%	0.9%	1.83%
Interest expense	156	31	54

1. The loans disclosed in this note are for management in their capacity as employees. No impairment has been recognised in respect of loans granted to key management (2024: Nil, 2023: Nil).

2. Deposits include cheque accounts, savings accounts, call and notice deposits and fixed deposits.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management

44.1. Strategy in using financial instruments

By their nature, the Group and Company's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers at both fixed and floating rates of interest and for various periods and seeks to earn above-average interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group 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 regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the central treasury department under policies approved by the Board. The Treasury and Capital Management department identifies, evaluates and hedges financial risk in close co-operation with the Group and Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and use of derivative financial instruments and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risks.

The Group and Company also seek to raise their interest margins by obtaining above-average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances; the Group and Company also enter into guarantees and other commitments such as letters of credit and performance, and other bonds.

The Group and Company also trade in financial instruments where they take positions in traded and over-the-counter instruments to take advantage of short-term market movements in equities and bonds and in currency, interest rate and commodity prices. The Board places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions as recommended by ALCO. Foreign exchange and interest rate exposures associated with derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

44.2. Capital management

The Group and Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with the capital requirements set by the Bank of Botswana, Non-Bank Financial Institutions Regulatory Authority and all the applicable regulatory institutions for the businesses the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to operate and to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business; and
- To maintain depositor and creditor confidence.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.2. Capital management (continued)

The Group, through its TCM unit and oversight of ALCO, monitors capital adequacy with the aim of taking decisions that optimise capital. The Group monitors the adequacy of its capital using ratios established by the Bank of Botswana, which ratios are broadly in line with those for the Bank for International Settlements (BIS). Risk-weighted assets (RWA) represent an aggregated measure of different risk factors affecting the evaluation of financial products and transactions in a bank. The aggregation considers credit, market and operational risk. These ratios measure capital adequacy by comparing the bank's eligible capital with its balance sheet assets, off-balance-sheet commitments and market and other risk positions at weighted amounts to reflect their relative risk.

The market risk approach covers the general market risk and the risk of open positions in currencies and debt and equity securities. Assets are weighted according to broad categories of notional credit risk, being assigned a risk weighting according to the amount of capital deemed to be necessary to support them. Four categories of risk weights (0 percent, 20 percent, 50 percent and 100 percent) are applied; for example, cash and Bank of Botswana Certificates have a zero-risk weighting which means no capital is required to support the holding of these assets. Property, plant and equipment carries a 100 percent risk weighting, meaning that it must be supported by capital equal to 15 percent of the carrying amount. Certain asset categories have intermediate weightings.

The Group is required at all times to maintain a core capital (Tier I) of not less than 7.50 percent (2024: 7.50 percent, 2023: 7.50 percent) of the total risk adjusted assets plus risk adjusted off balance sheet items and a total capital (Tier I + Tier II) of not less than 12.5 percent (2024: 12.5 percent, 2023: 12.5 percent) of its total risk adjusted assets plus risk adjusted off balance sheet items. There were no breaches of this requirement during the current or previous year.

Off-balance-sheet credit related commitments and forwards are taken into account by applying different categories of credit conversion factors, designed to convert these items into balance sheet equivalents. The resulting credit equivalent amounts are then weighted for credit risk using the same percentages as the balance sheet assets.

Tier I capital consists of shareholders' equity comprising paid up share capital, share premium and retained earnings less intangible assets and investments in financial companies, not consolidated. Tier II capital includes the bank's eligible long-term loans and general provisions. Subordinated term debt eligible for Tier II capital is limited to 50 percent of authorised core capital.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.2. Capital management (continued)

Capital adequacy

	Company		
	2025	2024	2023
	P000's	P000's	P000's
Capital base:	2 031 731	1 885 860	1 885 860
Shareholders' equity	3 116 005	2 406 110	2 172 146
Statutory credit risk reserve	154 474	154 474	154 474
Intangibles	(52 334)	(77 628)	-
Tier I Capital	3 218 145	2 482 956	2 326 620
General provisions	187 322	201 601	169 389
Subordinated debt instrument	515 720	515 720	515 720
Tier II Capital	703 042	717 321	685 109
Sum of Tier I and Tier II capital (a)	3 921 187	3 200 277	3 011 729
Credit impairment charges	541 166	241 388	241 388
Risk adjusted exposure:	2 031 731	1 885 860	1 885 860
Credit risk	14 985 742	16 128 107	13 551 159
Operational risk	1 885 586	1 675 581	1 407 312
Market risk	495 517	249 513	157 337
Total risk adjusted exposure (b)	17 366 845	18 053 201	15 115 808
Capital adequacy ratio (a/b x 100)	22.58%	17.73%	19.92%
Bank of Botswana recommended ratio	12.5%	12.5%	12.5%

44.3. Credit risk

Definition

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of obligor risk (including borrowers and trading counterparties), concentration risk and country risk.

Approach to managing and measuring credit risk

The Group and Company's credit risk is a function of its business model and arises from wholesale and retail loans and advances, underwriting and guarantee commitments, as well as from the counterparty credit risk arising from derivative and securities financing contracts entered into with our customers and trading counterparties. The Board Credit Committee's ensures effective credit governance for the adequate management, measurement, monitoring and control of credit risk. The management of credit risk is aligned to the Group's three lines of defence framework. The business functions own the credit risk assumed by the Group and, as the first line of defence, are primarily responsible for its management, control and optimisation in the course of business generation.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

The Credit function acts as the second line of defence and is responsible for providing independent and objective approval and oversight for the credit risk-taking activities of business, to ensure the process of procuring revenue, while assuming risk, is undertaken with integrity. Further second-line oversight is provided by the Group and Company's risk function through independent credit risk assurance.

The third line of defence is provided by internal audit, under its mandate from the Board Audit Committee.

Credit risk is managed through:

- maintaining a culture of responsible lending and a robust risk policy and control framework;
- identifying, assessing and measuring credit risk across the Group, from an individual facility level through to an aggregate portfolio level;
- defining, implementing and continually re-evaluating risk appetite under actual and stressed conditions;
- monitoring the Group's credit risk exposure relative to approved limits; and
- ensuring that there is expert scrutiny and approval of credit risk and its mitigation independently of the business functions.

A credit portfolio limit framework has been defined to monitor and control the credit risk profile within the Group's approved risk appetite. All primary lending credit limits are set and exposures measured on the basis of risk weighting in order to best estimate exposure at default (EAD). Pre-settlement counterparty credit risk (CCR) inherent in trading book exposures is measured on a potential future exposures (PFE) basis, modelled at a defined level of confidence, using approved methodologies and models, and controlled within explicit approved limits for the counterparties concerned.

Credit risk mitigation

Wherever warranted, the Group will attempt to mitigate credit risk, including CCR to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off-balance sheet netting are widely used to mitigate credit risk. Credit risk mitigation policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.

In the case of collateral where the Group has an unassailable legal title, the Group's policy is such that collateral is required to meet certain criteria for recognition in loss given default (LGD) modelling, including that it:

- is readily marketable and liquid;
- is legally perfected and enforceable;
- has a low valuation volatility;
- is readily realisable at minimum expense;
- has no material correlation to the obligor credit quality; and
- has an active secondary market for resale.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

Credit risk mitigation (continued)

The main types of collateral obtained by the Group for its banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties;
- cession of book debts;
- pledge and cession of financial assets;
- bonds over plant and equipment;
- the underlying movable assets financed under leases; and
- instalment sales.

There has not been change to this policy and it was consistently applied in all the financial periods.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.

Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies, shareholders and associated obligors. Creditworthiness is established for the guarantor as for other obligor credit approvals.

For trading and derivative transactions where collateral support is considered necessary, the Group typically uses internationally recognised and enforceable International Swaps and Derivatives Association (ISDA) agreements, with a credit support annexure (CSA).

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

Wrong-way risk arises in transactions where the likelihood of default (i.e. the probability of default (PD) by a counterparty) and the size of credit exposure (as measured by EAD) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels. The Group has no appetite for wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (i.e. specific wrong-way risk). General wrong-way risk, which arises when the correlation between EAD and PD for the counterparty, due mainly to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, the Group implements hedging and other strategies from time-to-time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets, asset and portfolio limit management, credit derivatives and credit protection.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

Credit risk mitigation (continued)

Credit portfolio characteristics and metrics

Maximum exposure to credit risk

Debt financial assets at amortised cost as well as off-balance sheet exposure subject to an ECL are analysed and categorised based on credit quality using the Group's master rating scale. Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of the Group's master rating scale. The Group uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes), as illustrated in the table below. These ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data from the applicable PPB and BCB portfolios. The Group distinguishes between through-the-cycle PDs and point-in-time PDs, and utilises both measures in decision-making, managing credit risk exposures and measuring impairments against credit exposures. Exposures which are in default are not considered in the 1 to 25-point master rating scale.

Credit portfolio characteristics and metrics

Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. Whilst the specific determination of default varies according to the nature of the product, it is generally determined (aligned to the BASEL definition) as occurring at the earlier of:

- where, in the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Group did not rebut IFRS 9's 90 days past due rebuttable presumption.

A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or Groups of financial assets:

- significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower);
- a breach of contract, such as default or delinquency in interest and/or principal payments;
- disappearance of active market due to financial difficulties;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or
- where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider.

Exposures which are overdue for more than 90 days are also considered to be in default.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Group and Company	Total P'000's		SB 1 - 12		SB 13 - 20		SB 21 - 25		Default		Total gross carrying amount of default exposures			Securities and expected recoveries on specifically impaired loans		Interest in suspense		Balance sheet expected credit loss		Gross Default coverage %		Non-performing loans %	
	Stage 1 P'000	Stage 2 P'000	Stage 1 P'000	Stage 2 P'000	Stage 1 P'000	Stage 2 P'000	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	
Loans and advances at amortised cost																							
Personal and Business Banking																							
Mortgage loans	10 096 490	-	-	8 958 165	-	-	527 167	545 149			545 149		263 679		66 009		262 892						
Vehicle and asset finance	2 125 488	-	-	1 719 162	-	-	177 749	208 731			208 731		205 982		19 846		53 228		35%			10%	
Card debtors	1 464 215	-	-	1 179 062	-	-	195 003	80 069			80 069		24 727		10 081		46 381		71%			5%	
	45 428	-	-	30 271	-	-	11 868	3 289			3 289		-		-		3 226		98%			7%	
Other loans and advances	6 461 359	-	-	6 029 670	-	-	142 547	253 060			253 060		32 970		36 082		163 628		79%			4%	
Personal unsecured lending	5 508 912	-	-	5 271 272	-	-	142 547	76 249			76 249		-		18 844		68 372		100%			1%	
Business and other lending	952 447	-	-	758 398	-	-	-	176 811			176 811		32 970		17 238		95 256		62%			19%	
Corporate and Investment Banking	11 771 457	1 379 746	-	2 759 013	36 237	14 253	-	-	-	-	-	-	-	-	-	-	-	-	0%			0%	
Corporate	4 189 249	1 379 746	-	2 759 013	36 237	14 253	-	-	-	-	-	-	-	-	-	-	-	-	0%			0%	
Sovereign Banking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%			0%	
Other services	7 588 208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%			0%	
Gross carrying amount of loans and advances at amortised cost	21 873 947	1 379 746	-	11 717 178	36 237	14 253	527 167	545 149			545 149		263 679		66 009		262 892		0%			0%	
Less: Total expected credit loss for loans and advances	(527 744)																						
Net carrying amount of loans and advances at amortised cost	21 346 203																						

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Financial assets at amortised cost																			
Corporate																			
Sovereign																			
Gross carrying amount of financial assets																			
Less: Total expected credit loss for financial assets																			
Net carrying amount of financial assets																			
Letters of credit and bankers' acceptances																			
Guarantees																			
Irrevocable and revocable unutilised facilities																			
Total exposure to off-balance sheet credit risk																			
Expected credit loss for off balance sheet exposures 1																			
Net carrying amount of off-balance sheet																			
Total exposure to credit risk on financial assets subject to an expected credit loss																			
Exposures not subject to ECL:																			
Cash and balances with Central Banks																			
Derivative assets																			
Trading assets																			
Other financial assets																			
Total exposure to credit risk																			

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

	Stage 1		Stage 2		Stage 1		Stage 2		Stage 3		Total gross carrying amount of default exposures		Securities and expected recoveries on impaired loans		Interest in suspense		Balance sheet expected credit loss		Gross Default coverage %		Non-performing loans %	
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Loans and advances at amortised cost																						
Personal & Business Banking		-	-	-	-	-	-	-	-	-	10 484 972	-	-	151 875	525 565	525 565	229 402	36 050	255 945			
Mortgage loans	2 109 301	-	-	-	-	-	-	-	-	-	1 725 427	-	-	42 221	341 653	341 653	177 840	17 602	145 295	48%	16%	
Vehicle and asset finance	1 589 681	-	-	-	-	-	-	-	-	-	1 460 849	-	-	60 624	68 208	68 208	24 220	4 568	26 625	46%	4%	
Card debtors	44 712	-	-	-	-	-	-	-	-	-	40 081	-	-	1 448	3 183	3 183	-	-	2 805	88%	7%	
Other loans and advances	7 418 718	-	-	-	-	-	-	-	-	-	7 258 615	-	-	47 582	112 521	112 521	27 342	13 881	81 220	85%	2%	
Personal unsecured lending	6 224 393	-	-	-	-	-	-	-	-	-	6 154 601	-	-	9 707	60 085	60 085	-	9 077	58 608	113%	1%	
Business and other lending	1 194 325	-	-	-	-	-	-	-	-	-	1 104 014	-	-	37 875	52 436	52 436	27 342	4 804	22 612	52%	4%	
Corporate & Investment Banking	12 774 660	9 349 194	-	-	-	-	-	-	-	-	3 306 341	114 580	-	-	4 545	-	-	-	-	-	-	-
Corporate	4 272 439	846 973	-	-	-	-	-	-	-	-	3 306 341	114 580	-	-	4 545	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking	8 502 221	8 502 221	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount of loans and advances at amortised cost	23 937 072	9 349 194	-	-	-	-	-	-	-	-	13 791 313	114 580	-	-	156 420	525 565	525 565	229 402	36 050	274 712		
Less: Total expected credit loss for loans and advances	(485 762)																					
Net carrying amount of loans and advances at amortised cost	23 451 310																					

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Financial assets at amortised cost	Corporate	2 349 383	2 349 383
	Sovereign	-	-
Gross carrying amount of financial assets		2 349 383	
Less: Total expected credit loss for financial assets		(34)	
Net carrying amount of financial assets		2 349 349	
Letters of credit and bankers' acceptances		32 727	-
	Guarantees	1 697 407	685 094
Irrevocable and revocable unutilised facilities		1 683 917	272 913
Total exposure to off-balance sheet credit risk		3 414 051	958 007
Expected credit loss for off balance sheet exposures 1		(541)	
Net carrying amount of off-balance sheet		3 413 510	
Total exposure to credit risk on financial assets subject to an expected credit loss		29 214 169	
	Exposures not subject to ECL:		
Cash and balances with Central Banks		281 809	
Derivative assets		-	
Trading assets		185 709	
Other financial assets		1 073 208	
Total exposure to credit risk		30 754 895	

The exposure not subject to ECL relate to items that are not recorded at amortised cost and in addition to address IFRS 7 disclosures, the above table does not include information about financial instruments for which no ECL is recognised due to collateral as the policy of provisioning only calls for collateral upon default which is disclosed under note 44.3 Loans and advances individually impaired.

*Total exposure to off-balance sheet credit risk have been changed to align to note 39.1 however this has not materially changed the note.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

	Stage 1		Stage 2		Stage 3		Total gross carrying amount of default exposures		Securities and expected recoveries on specifically impaired loans		Interest in suspense		Balance sheet expected credit loss		Gross Default coverage %		Non-performing loans %	
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Loans and advances at amortised cost																		
Personal & Business Banking																		
Mortgage loans																		
Vehicle and asset finance																		
Card debtors																		
Other loans and advances																		
Personal unsecured lending																		
Business and other lending																		
Corporate & Investment Banking																		
Corporate																		
Sovereign																		
Banking																		
Other services																		
Gross carrying amount of loans and advances at amortised cost																		
Less: Total expected credit loss for loans and advances																		
Net carrying amount of loans and advances at amortised cost																		

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

	185 882		185 882	
	3 619 525	3 619 525		
Financial assets at amortised cost				
Corporate				
Sovereign				
Gross carrying amount of financial assets				
Less: Total expected credit loss for financial assets				
Net carrying amount of financial assets				
Letters of credit and bankers' acceptances				
Guarantees				
Irrevocable and revocable unutilised facilities				
Total exposure to off-balance sheet credit risk				
Expected credit loss for off-balance sheet exposures 1				
Net carrying amount of off-balance sheet				
Total exposure to credit risk on financial assets subject to an expected credit loss				
Exposures not subject to ECL:				
Cash and balances with Central Banks				
Derivative assets				
Trading assets				
Other financial assets				
Total exposure to credit risk				

The exposure not subject to ECL relate to items that are not recorded at amortised cost and in addition to address IFRS 7 disclosures, the above table does not include information about financial instruments for which no ECL is recognised due to collateral as the policy of provisioning only calls for collateral upon default which is disclosed under note 44.3 Loans and advances individually impaired.

* Total exposure to off-balance sheet credit risk have been changed to align to note 39.1 however this has not materially changed the note.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Group and Company	Maximum exposure		
	2025 P000's	2024 P000's	2023 P000's
Credit risk exposures relating to on-balance sheet assets excluding impairments are as follows:			
Loans and advances to banks	7 588 208	8 502 221	5 994 997
Financial investments			
- Other unlisted instruments	186 617	185 854	423 026
- Government bonds	152 509	411 138	185 882
- Bank of Botswana Certificates	3 932 652	2 601 425	3 196 456
Loans and advances to customers (gross)	14 285 749	15 434 851	13 810 275
Loans to individuals and SMEs			
- Mortgage lending	2 125 488	2 140 825	2 115 487
- Vehicle and asset financing	1 464 215	1 598 816	1 440 429
- Overdrafts and other demand lending	547 494	655 543	618 850
- Medium-term advances	5 689 257	6 852 506	6 000 889
- Revolving credit accounts and card debtors	45 428	44 712	37 030
Loans to corporate entities			
- Overdrafts and other demand lending	422 020	507 375	474 160
- Medium-term advances	3 991 847	3 635 074	3 123 430
Trading assets			
Cash and balances with central banks	996 552	281 809	-
Other assets	353 749	111 467	1 466 490
Credit risk exposures relating to off-balance sheet assets are as follows:			
Financial guarantees	2 602 195	1 697 407	43 504
Letters of credit	19 385	32 727	970 861
Irrevocable unutilised facilities	1 715 757	1 410 942	31 548
Revocable unutilised facilities	425 902	274 975	1 221 246
As at 31 December	32 259 275	30 944 816	27 716 445

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.3. Credit risk (continued)

i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

The above table represents a worst-case scenario of credit risk exposure to the bank as at 31 December 2025, 2024 and 2023 and any collateral held or other credit enhancements attached. For on balance-sheet assets, the exposures set out above are based on gross carrying amounts as reported in the statement of financial position.

As shown above, 68% of the total maximum exposure is derived from loans and advances to banks and customers (2024: 77%, 2023: 78%); 12% represents investments in Bank of Botswana securities (2024: 8%, 2023: 11%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the bank resulting from both its loans and advances portfolio and debt securities based on the following:

- Mortgage loans, which are 15% (2024: 16%) of loans and advances to customers are backed by collateral and
- 98% of the loans and advances to customers portfolio are considered to be neither past due nor impaired (2024: 97%)

Description of collateral held as security and other credit enhancements, in respect of the exposure above is as follows:

	2025 P000's	2024 P000's	2023 P000's
For loans and advances, the Group holds the following collateral:			
Property bonds and other collateral	11 340 859	12 858 091	16 041 000
	11 340 859	12 858 091	16 041 000

Description of collateral held as security and other credit enhancements, in respect of the exposure to off-balance sheet assets as per above table is as follows:

	2025 P000's	2024 P000's	2023 P000's
Cash cover	732 416	745 858	485 350
Sundry securities (properties, government guarantees and others)	2 499 373	1 040 917	816 305
	3 231 789	1 786 775	1 301 655

Notes to the Financial Statements
 (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management
 (continued)

44.3. Credit risk
 (continued)

The Group holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets and guarantees. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The main types of collateral are as follows:

- for securities lending and reverse repurchase transactions, cash or securities;
- for commercial lending, charges over real estate properties, inventory and trade receivables; and
- for retail lending, mortgages over residential properties.

Further information of the impairment allowance for loans and advances to banks and to customers is provided in Note 22.7.

The special mention category above in note 44.3 incorporates all the past due but not impaired financial assets. The assets within this category fall within the 30 - 90-day overdue period. The balance of repossessed assets is as follows:

	2025	2024	2023	2024	2023	2023
	P000's	P000's	P000's	P000's	P000's	P000's
	Loan balance outstanding			Forced sale value		
Property bonds and other collateral	3 363	792	9 325	1 733	188	4 970

a) Loans and advances individually impaired

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group and Company using internal credit ratings. The table below shows the credit quality by class of financial asset for credit risk related items, based on the Group's credit rating system.

Notes to the Financial Statements
 (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management
 (continued)

a) Loans and advances individually impaired
 (continued)

Credit quality per class of financial assets
 (continued)

Credit quality	Impaired P000's	2025 Security against impaired loans P000's	Net impaired less Security loans	Impaired P000's	2024 Security against impaired loans P000's	Net impaired less Security loans
Loans and advances to customers	545 149	263 679	328 901	525 565	229 432	310 762
Personal and Business Banking	545 149	263 679	328 901	525 565	229 432	310 762
- Mortgage lending	208 731	205 982	141 821	341 653	177 870	147 548
- Vehicle and asset financing	80 069	24 727	56 570	68 208	24 220	61 627
- Card debtors	3 289	-	3 289	3 183	-	2 805
- Other loans and advances	253 060	32 970	127 221	112 521	27 342	98 782
Total recognised financial instruments	545 149	263 679	328 901	525 565	229 432	310 762

Credit quality	Impaired P000's	2023 Security against impaired loans P000's	Net impaired less Security loans P000's
Loans and advances to customers	505 088	221 857	266 253
Personal and Business Banking	505 088	221 857	266 253
- Mortgage lending	315 565	161 000	145 668
- Vehicle and asset financing	52 676	18 071	32 653
- Card debtors	1 741	1 950	(209)
- Other loans and advances	135 026	40 836	88 141
Total recognised financial instruments	505 088	221 857	266 253

b) Loans and advances to banks

The total gross amount of individually impaired loans and advances to banks as at 31 December 2025 was Nil (2024: Nil). No collateral is held by the bank in respect of these balances.

c) Concentrations of risk of financial assets with credit risk exposure

The following table breaks down the Group and Company's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties:

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

c) Concentrations of risk of financial assets with credit risk exposure (continued)

	Financial institution	Manufacturing and agriculture	Transport energy and mining	Trade and business services	Individual	Others	Total
2025	P000's	P000's	P000's	P000's	P000's	P000's	P000's
Loans and advances to banks	7 588 208	-	-	-	-	-	7 588 208
Financial investments							
- Bank of Botswana Certificates	3 923 652	-	-	-	-	-	3 923 652
- Corporate bond	186 617	-	-	-	-	-	186 617
- Government bonds	152 509	-	-	-	-	-	152 509
Loans and advances to customers (Gross)	989 347	508 567	867 310	3 441 720	8 137 569	341 236	14 285 749
As at 31 December 2025	12 840 333	508 567	867 310	3 441 720	8 137 569	341 236	26 136 735
As at 31 December 2024	13 069 297	263 768	935 310	3 905 159	8 339 870	622 085	27 135 489

	Financial institution	Manufacturing and agriculture	Transport energy and mining	Trade and business services	Individual	Others	Total
2024	P000's	P000's	P000's	P000's	P000's	P000's	P000's
Loans and advances to banks	8 502 221	-	-	-	-	-	8 502 221
Financial investments							
- Bank of Botswana Certificates	2 601 425	-	-	-	-	-	2 601 425
- Corporate bond	185 854	-	-	-	-	-	185 854
- Government bonds	411 138	-	-	-	-	-	411 138
Loans and advances to customers (Gross)	1 368 659	263 768	935 310	3 905 159	8 339 870	622 085	15 434 851
Trading assets	-	-	-	-	-	-	-
As at 31 December 2024	13 069 297	263 768	935 310	3 905 159	8 339 870	622 085	27 135 489
As at 31 December 2023	15 674 913	245 027	651 655	651 554	5 883 995	668 636	23 775 780

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

c) Concentrations of risk of financial assets with credit risk exposure (continued)

Segmental analysis - industry net of impairments:

	Group		
	2025	2024	2023
	P000's	P000's	P000's
Agriculture	249 170	239 550	245 027
Construction	139 919	101 419	392 269
Electricity	528 276	272 674	7 727
Finance, real estate and other business services	11 171 902	11 629 086	10 025 495
Individuals	7 815 418	8 106 660	5 883 995
Manufacturing	229 094	464 043	12 141
Mining	52 031	65 613	130 387
Other	366 769	385 239	651 655
Transport	20 702	595 273	651 554
Wholesale	772 933	1 591 753	1 323 702
	21 346 214	23 451 310	19 323 952

44.4. Market risk

The Group and Company 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.

Interest rate risk

The Group and Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Asset and Liability Committee (ALCO) sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily.

The table below summarises the Group and Company exposure to interest rate risks and effects to both profit and loss and equity as at the reporting date. Included in the table are the Group and Company assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group and Company does not bear an interest rate risk on off balance sheet items.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

Group As at 31 December 2025	Up to 1 month P000's	1 - 6 months P000's	6 - 12 months P000's	Over 1 year P000's	Non- interest sensitive P000's	Total P000's
Assets						
Cash and balances with Central Bank	-		-	-	996 522	996 522
Derivative assets	-	-	-	-	47 881	47 881
Trading assets	-	-	-	-	147 566	147 566
Financial investments	698 409	3 234 175	-	339 125	-	4 271 709
Loans and advances to banks	5 877 242	1 711 164		-	-	7 588 406
Loans and advances to customers	14 219 715	-	-	-	-	14 219 715
Other assets	-	-	-	-	468 490	468 490
Total assets	20 795 366	4 945 339	-	339 125	1 660 459	27 740 289
Liabilities and shareholders' equity						
Derivative liabilities	-	-	-	-	29 538	29 538
Deposits from banks	2 152 753	280 075	-	27 889	-	2 460 717
Deposits from customers	16 817 564	2 684 819	790 463	44 966	373 050	20 337 812
Other liabilities						
Subordinated debt	-	-	-	1 179 120	-	1 179 120
Shareholders' equity	-	-	-	-	3 270 333	3 270 333
Total equity and liabilities	18 970 317	2 964 894	790 463	1 251 975	3 672 921	27 650 570
Total interest repricing gap	1 825 049	1 980 445	(790 463)	(912 850)	(2 012 462)	-

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

Group As at 31 December 2024	Up to 1 month* P000's	1 - 6 months* P000's	6 - 12 months* P000's	Over 1 year* P000's	Non- interest sensitive* P000's	Total P000's
Assets						
Cash and balances with Central Bank	-	-	-	-	281 809	281 809
Derivative assets	-	-	-	-	20 509	20 509
Trading assets	-	-	-	-	185 709	185 709
Financial investments	1 565 082	1 112 654	432 327	88 354	-	3 198 417
Loans and advances to banks	5 580 785	2 180 285	69 978	-	666 209	8 497 257
Loans and advances to customers	15 398 801	-	-	-	-	15 398 801
Other assets	-	-	-	-	224 820	224 820
Total assets	22 544 668	3 292 939	502 305	88 354	1 379 056	27 807 322
Liabilities and shareholders' equity						
Derivative liabilities	-	-	-	-	34 892	34 892
Trading Liabilities	-	-	-	-	293 863	293 863
Deposits from banks	1 677 835	357 282	307 031	-	-	2 342 148
Deposits from customers	17 992 045	2 165 724	692 903	25 275	-	20 875 947
Other liabilities	-	-	-	-	521 501	521 501
Subordinated debt	-	293 920	132 520	590 000	-	1 016 440
Shareholders' equity	-	-	-	-	2 560 584	2 560 584
Total equity and liabilities	19 669 880	2 816 926	1 132 454	615 275	3 410 840	27 645 375
Total interest repricing gap	2 874 788	476 013	(630 149)	(526 921)	(2 031 784)	

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

Group As at 31 December 2023	Up to 1 month* P000's	1 - 6 months* P000's	6 - 12 months* P000's	Over 1 year* P000's	Non- interest sensitive* P000's	Total P000's
Assets						
Cash and balances with Central Bank	-	-	-	-	1 466 490	1 466 490
Derivative assets	-	-	-	-	1 377	1 377
Trading assets	-	-	-	-	3 212	3 212
Financial investments	3 196 456	-	-	608 908	-	3 805 364
Loans and advances to banks	3 413 958	1 795 230	781 533	-	-	5 990 721
Loans and advances to customers	1 374 736	907 718	555 527	10 495 250	-	13 333 231
Other assets	-	-	-	-	133 977	133 977
Total assets	7 985 150	2 702 948	1 337 060	11 104 158	1 605 056	24 734 372
Liabilities and shareholders' equity						
Derivative liabilities	-	-	-	-	-	-
Trading Liabilities	-	-	-	-	3 412	3 412
Deposits from banks	1 060 094	-	-	-	-	1 060 094
Deposits from customers	14 799 506	4 511 934	790 414	38 573	-	20 140 427
Other liabilities	-	-	-	-	500 610	500 610
Subordinated debt	-	-	-	1 016 440	-	1 016 440
Shareholders' equity	-	-	-	-	1 936 441	1 936 441
Total equity and liabilities	15 859 600	4 511 934	790 414	1 055 013	2 440 463	24 657 424
Total interest repricing gap	(7 874 450)	(1 808 986)	546 646	10 049 145	(835 407)	-

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

The effective interest rates by major currency for monetary financial instruments not carried at fair value through profit or loss at 31 December 2024 and 31 December 2023 were in the following ranges:

2025	EUR	USD	GBP	ZAR	BWP
Assets					
Bank of Botswana Certificates	-	-	-	-	5.68
Financial investments - Corporate	-	-	-	-	7.40
Loans and advances to banks	1.9	4.27	3.83	-	1.09
Loans and advances to customers	-	7.80	-	7.96	11.91
Liabilities					
Deposits from banks	-	2.27	-	5.8	2.41
Deposits from customers	0.8	0.05	-	1.30	7.70
Subordinated unsecured capital notes	-	-	-	-	8.08
NCDs	-	-	-	-	7.00

2024	EUR	USD	GBP	ZAR	BWP
Assets					
Bank of Botswana Certificates	-	-	-	-	3.54
Financial investments - Corporate	-	-	-	-	7.91
Loans and advances to banks	3.17	5.24	5.42	5.58	1.09
Loans and advances to customers	-	7.73	-	8.66	10.47
Liabilities					
Deposits from banks	2.80	1.34	-	4.25	1.79
Deposits from customers	0.10	0.07	0.18	1.72	2.26
Subordinated unsecured capital notes	-	-	-	-	5.60
NCDs	-	-	-	-	6.36

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

The effective interest rates by major currency for monetary financial instruments not carried at fair value through profit or loss at 31 December 2024 and 31 December 2023 were in the following ranges:

2023	EUR	USD	GBP	ZAR	BWP
Assets					
Bank of Botswana Certificates	-	-	-	-	4.44
Financial investments - Corporate	-	-	-	-	7.91
Loans and advances to banks	-	0.25	0.33	5.58	1.05
Loans and advances to customers	8.25	9.39	-	11.85	13.54
Liabilities					
Deposits from banks	-	1.34	-	4.25	8.05
Deposits from customers	0.10	0.07	0.18	1.72	7.60
Subordinated unsecured capital notes	-	-	-	-	5.60
NCDs	-	-	-	-	6.36

Interest rate sensitivity analysis

Interest rate sensitivity tests are performed on the Group’s statements of financial position and reviewed by the ALCO. The table below presents the potential effects to both profit and loss and equity that could arise if interest rates rise or fall by 200 basis points at the reporting date.

	2025 P000’s	2024 P000’s	2023 P000’s
200 basis points parallel increase - gains	110 596	120 107	82 514
200 basis points parallel decrease - losses	(148 391)	161 527)	120 255)

Interest rate benchmarks and reference interest rate reform: In 2014, the Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. The review sought to replace existing Interbank Offered Rates (IBORs) with Alternative Risk-free Rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The transition of USD LIBOR was completed in September 2024 when synthetic USD LIBOR ceased to be published, and focus had now shifted to the Interest Rate Benchmark Reform in South Africa. The table below reflect the closing position of instruments that had transitioned as the of 31 December 2023

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

Gross carrying amount excluding allowances for expected credit losses.

*Other includes EUR, CHF, JPY, and GBP related LIBOR rates.

As at 31 December 2023 there are no financial instruments which are yet to transitioned.

Transition from JIBAR to ZARONIA.

During 2020, the SARB indicated its intention to move away from JIBAR and subsequently identified a potential successor rate in the form of the South African Rand Overnight Index Average Rate (ZARONIA), with the rate selection being based on the successful outcome of back testing over a 5-year period. The ZARONIA rate was published for observation during 2022 and was formally endorsed as the successor rate in 2023.The Market Practitioner Group (MPG) is a joint public and private sector body established by the SARB to manage the Interest Rate Benchmark Reform in South Africa. The body has established a series of work streams, through which specific industry issues can be addressed and key decisions made, and has agreed to specific milestones to support the transition. the group is a member of MPG and has launched an internal project with work streams that align to the scope and timelines of the industry initiative.

The industry guidelines recommend no new JIBAR-linked contracts from the third quarter of 2026. From this date onwards, new exposures will be booked using ZARONIA or other suitable rates such as the central bank policy rate.

Existing JIBAR-linked contracts maturing after the formal cessation date will form part of the group’s transition plan. The different calculation basis for JIBAR and ZARONIA may necessitate adjustments to contracts that are subject to transition to ensure economic equivalence.

Standard Bank is a member of MPG and has launched internal work streams that mirror those of the MPG to ensure alignment with the scope and timelines of the industry initiative. Proactive communication with clients will be ongoing during transition through multiple platforms such as webinars, client meetings and industry events ensuring awareness of key decisions, developments, requirements and timing in anticipation of the official transition earmarked for 2026.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Interest rate risk (continued)

Financial instruments impacted by the reform which are yet to transition are shown below.

	ZAR JIBAR 2025 P000's	ZAR JIBAR 2024 P000's
Total assets recognised on the balance sheet subject to IBOR reform	88 608	326 267
Loans and Advances ¹	88 608	326 267

Gross carrying amount excluding allowances for expected credit losses

Foreign exchange risk

The Group and Company are exposed to foreign exchange movements. The Asset and Liability Committee sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The Group had the following significant foreign currency exposure positions (all amounts expressed in thousands of Botswana Pula). The reported cash balances include physical foreign currency notes and coins held by the Bank to facilitate customer transactions and operational needs. These balances do not represent monetary assets subject to foreign exchange risk revaluation, as they are not held for investment or speculative purposes but rather for liquidity and transactional purposes:

As at 31 December 2025	EUR P000's	USD P000's	ZAR P000's	Other P000's	Total P000's
Assets					
Cash and balances with Central Bank	4 690	29 463	3 715	1 265	39 133
Loans and advances	612 934	6 481 554	901 982	222 916	8 219 386
Loans and advances to banks	257 253	5 268 049	624 390	220 226	6 369 918
Loans and advances to customers	355 681	1 213 505	277 592	2 690	1 849 468
Other assets	144	277 883	5	156	278 188
Total assets	617 768	6 788 901	905 702	224 337	8 536 707
Liabilities					
Deposit and current accounts	272 233	5 732 753	692 671	223 202	6 920 859
Deposits from customers	272 145	4 714 227	513 339	214 175	5 713 886
Other liabilities	88	1 018 526	179 332	9 027	1 206 973
Net on-balance sheet	345 535	1 056 148	213 031	1 135	1 615 849
Net off-balance sheet financial position	(254)	(605 622)	(190 062)	2 702	(793 235)
Overall net position	345 281	450 526	22 969	3 837	822 613

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Foreign exchange risk (continued)

As at 31 December 2024	EUR P000's	USD P000's	ZAR P000's	Other P000's	Total P000's
Assets					
Cash and balances with Central Bank	5 237	50 229	5 283	585	61 334
Loans and advances	602 245	6 952 181	907 900	189 732	8 652 058
Loans and advances to banks	504 667	6 143 284	761 122	188 786	7 597 859
Loans and advances to customers	97 578	808 897	146 778	946	1 054 199
Other assets	2	273 891	223 349	23	497 266
Total assets	607 484	7 276 301	1 136 532	190 340	9 210 658
Liabilities					
Deposit and current accounts	507 677	6 389 328	852 440	193 768	7 943 213
Deposits from customers	255 822	5 698 302	820 662	158 684	6 933 470
Other liabilities	251 855	691 026	31 778	35 084	1 009 743
Net on-balance sheet	99 807	886 973	284 092	(3 428)	1 267 445
Net off-balance sheet financial position	(49 927)	(547 152)	(258 375)	(8 600)	(864 054)
Overall net position	49 880	339 821	25 717	(12 028)	403 391

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Foreign exchange risk (continued)

As at 31 December 2023	EUR	USD	ZAR	Other	Total
	P000's	P000's	P000's	P000's	P000's
Assets					
Cash and balances with Central Bank	5 267	36 341	5 653	2 081	49 342
Loans and advances	369 050	4 987 793	442 749	177 660	5 977 252
Loans and advances to banks	296 157	4 206 029	194 563	177 660	4 874 409
Loans and advances to customers	72 893	781 764	248 186	-	1 102 843
Other assets	229	369 641	177 130	18	547 017
Total assets	374 546	5 393 774	625 532	179 759	6 573 611
Liabilities					
Deposit and current accounts	363 571	4 812 464	383 223	178 225	5 737 483
Deposits from customers	207 082	4 641 383	308 641	144 678	5 301 783
Other liabilities	156 489	171 081	74 582	33 547	435 700
Net on-balance sheet position	10 975	581 310	242 309	1 534	836 128
Net off-balance sheet financial position	(55 858)	(288 577)	(350 588)	(5 270)	(700 293)
Overall net position	(44 883)	292 733	(108 279)	(3 736)	135 835

Foreign currency risk sensitivity analysis

The table that follows reflects the expected financial impact, in Pula equivalent, resulting from a 10% shock to major foreign currency risk exposures, against BWP. The sensitivity analysis is based on net open foreign currency exposures arising from foreign-denominated financial assets and liabilities inclusive of derivative financial instruments, cash balances, and accruals, but excluding net assets in foreign operations. The sensitivity analysis reflects the sensitivity of profit or loss on the group's foreign denominated exposures.

10% upward movement:

	2025	2024	2023
	P000's	P000's	P000's
USD (Sensitivity of the BWP depreciation)	8 105	6 854	19 354
ZAR (Sensitivity of BWP depreciation)	1 813	1 723	2 186
EUR (Sensitivity of BWP depreciation)	90	89	23 333
Total Movement	10 008	8 656	44 873

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.4. Market risk (continued)

Risk Sensitivity analysis

10% downward movement:

	2025	2024	2023
	P000's	P000's	P000's
USD (Sensitivity of the BWP depreciation)	6 631	25 601	24 192
ZAR (Sensitivity of BWP depreciation)	1 484	1 414	1 789
EUR (Sensitivity of BWP depreciation)	74	65	19 091
Total Movement	8 189	27 080	45 072

The above reflects impact on profit and loss and equity on the 10% movement of the BWP currency on equal opposite signs for the bank's major currencies.

44.5. Liquidity risk

Liquidity risk is the risk that the Group and Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are overdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Group and Company is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Group and Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The Asset and Liability Committee (ALCO) sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Group's and Company liquidity management process, as carried out within the Group and monitored by a separate team in Treasury, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include 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 flow.
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements.
- Managing the concentration and profile of debt maturities.
- Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management.
- The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.5. Liquidity risk (continued)

Treasury 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.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The following table analyses assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date and undiscounted basis based on the earliest date on which the group can be required to pay and will, therefore, not agree directly to the balances disclosed in the consolidated statement of financial position.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.5. Liquidity risk (continued)

Group As at 31 December 2025	Up to 1 month P000's	1 - 6 months P000's	6 - 12 months P000's	Over 1 year P000's	Undated P000's	Total P000's
Assets						
Cash and balances with Central Bank	996 522	-	-	-	-	996 522
Derivative assets	-	47 881	-	-	-	47 881
Trading assets	147 089	-	-	477	-	147 566
Financial investments	698 409	3 234 175	-	339 125	-	4 271 709
Loans and advances to banks	5 877 242	1 711 164	-	-	-	7 588 406
Loans and advances to customers	453 493	595 791	194 614	12 975 817	-	14 219 715
Other assets	-	-	-	-	468 490	468 490
Total assets	8 172 755	5 589 011	194 614	13 315 419	468 490	27 740 289
Liabilities						
Derivative liabilities	-	29 538	-	-	-	29 538
Deposits from banks	2 152 753	280 075	-	27 889	-	2 460 717
Deposits from customers	16 817 564	2 684 819	790 463	44 966	-	20 337 812
Debt securities in issue	-	-	-	1 179 120	-	1 179 120
Other liabilities	-	-	-	373 050	-	373 050
Total financial liabilities	18 970 317	2 994 432	790 463	1 625 025	-	24 380 237
Net liquidity gap	(10 797 562)	2 594 579	(595 849)	11 690 394	468 490	3 360 052

Managing liquidity risk

The Group and Company manages its liquidity in accordance with applicable regulations and within the Group's risk appetite framework. The liquidity risk management governance framework supports the measurement of liquidity across both the corporate and retail sectors to ensure that the payment obligations can be met at all times under both normal and stressed conditions. Further, liquidity risk management ensures that the bank has appropriate amount, diversification and tenor of funding and liquidity to support its asset base at all times.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.5. Liquidity risk (continued)

Managing liquidity risk (continued)

Group As at 31 December 2024	Up to 1 month P000's	1 - 6 months P000's	6 - 12 months P000's	Over 1 year P000's	Undated P000's	Total P000's
Assets						
Cash and balances with Central Bank	281 809	-	-	-	-	281 809
Derivative assets	-	20 509	-	-	-	20 509
Trading assets	185 094	126	-	489	-	185 709
Financial investments	2 589 509	-	-	608 908	-	3 198 417
Loans and advances to banks	5 585 748	2 180 285	69 978	-	666 210	8 502 221
Loans and advances to customers	597 329	651 141	296 756	13 853 575	-	15 398 801
Other assets	-	-	-	-	224 777	224 777
Total assets	9 239 489	2 852 061	366 734	14 462 972	890 987	27 812 243
Liabilities						
Derivative liabilities	-	34 892	-	-	-	34 892
Deposits from banks	1 677 835	357 282	307 031	-	-	2 342 148
Deposits from customers	17 992 045	2 165 724	692 903	25 275	-	20 875 947
Debt securities in issue	-	-	250 720	765 720	-	1 016 440
Other liabilities	-	-	-	531 868	-	531 868
Total financial liabilities	19 669 880	2 557 898	1 250 654	1 322 863	-	24 801 295
Net liquidity gap	(10 430 391)	294 163	(883 920)	13 140 109	890 987	3 010 948

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

44. Financial Risk Management (continued)

44.5. Liquidity risk (continued)

Managing liquidity risk (continued)

Group As at 31 December 2023	Up to 1 month P000's	1 - 6 months P000's	6 - 12 months P000's	Over 1 year P000's	Undated P000's	Total P000's
Assets						
Cash and balances with Central Bank	1 466 490	-	-	-	-	1 466 490
Derivative assets	-	1 377	-	-	-	1 377
Trading assets	-	131	-	3 081	-	3 212
Financial investments	3 196 741	-	558 334	50 332	-	3 805 407
Loans and advances to banks	3 413 958	1 795 230	781 533	-	-	5 990 721
Loans and advances to customers	1 004 561	1 313 492	1 005 816	10 069 799	416 607	13 810 275
Other assets	-	-	-	-	134 107	134 107
Total assets	9 081 750	3 110 230	2 345 683	10 123 212	550 714	25 211 589
Liabilities						
Derivative liabilities	-	-	-	-	-	-
Deposits from banks	822 996	-	-	237 098	-	1 060 094
Deposits from customers	15 859 600	4 628 626	848 760	39 648	-	21 376 634
Debt securities in issue	-	-	-	1 384 018	-	1 384 018
Other liabilities	-	-	-	522 844	-	522 844
Total financial liabilities	16 682 596	4 628 626	848 760	2 183 608	-	24 343 590
Net liquidity gap	(7 600 846)	(1 518 396)	1 496 923	7 939 604	550 714	867 999

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

45. Subsidiaries

	Nature of operation	Stated capital P000's	Effective holding 2025 %	Effective holding 2024 %	Book value of shares 2025 P000's	Book value of shares 2024 P000's
Subsidiary						
Stanbic Insurance Services (Proprietary) Limited Registered Office	Insurance agency Plot 50672 Fairgrounds Office Park Gaborone	919	100	100	919	919
Business Address	Plot 50672 Fairgrounds Office Park Gaborone					
Stanbic Nominees Botswana (Proprietary) Limited Registered fice	Custodial services Plot 28892, Twin Towers West Wing First Floor Fairgrounds Gaborone	3	100	100	3	3
Business Address	Plot 50672 Fairgrounds Office Park Gaborone					
Stanbic Financial Services (Proprietary) Limited Registered office	Market Maker Plot 28892, Twin Towers West Wing First Floor Fairgrounds Gaborone	1 000	100	100	1 000	1 000
Business Address	Plot 50672 Fairgrounds Office Park Gaborone					

The above disclosure has remained the same for all the three years.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

46. Segment Reporting

The bank continues to implement its evolving operating models and while aligning with the strategic priorities.

The client segments will be responsible for designing and executing the client value proposition strategy. Client segments will own the client relationship and create multi product customer experiences to address life events distributed through our client engagement platforms. The principal business units for the Group are as follows:

Business units	Scope of operations
Corporate and Investment Banking (CIB)	The CIB segment serves large companies (multinational, regional and domestic), government, parastatals and institutional clients. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities, and our access to global capital markets for advisory, transactional, trading and funding support.
Business and Commercial Banking (BCB)	The BCB segment provides broad based client solutions for a wide spectrum of small and medium sized businesses as well as large commercial enterprises. Our client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by our clients to enable their growth.
Personal and Private Banking (PPB)	The PPB segment offers tailored and comprehensive banking and beyond financial services solutions. We serve individual clients across Africa ranging from wealth and investment to private and personal banking markets by enabling their daily lives throughout their life journeys.
Corporate functions	<p>These include our specialist technical functions to align to the bank's platform banking capabilities through:</p> <ul style="list-style-type: none">• Technology <p>These are supported by other functions being:</p> <ul style="list-style-type: none">• Finance and Value Management• Risk and Corporate Services• Legal and Governance• Compliance• People and Culture• Credit• Operations <p>To ensure operational efficiencies, assurance function is carried out by:</p> <ul style="list-style-type: none">• Internal Audit

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

46. Segment Reporting (continued)

2025 Group	Corporate and Investment Banking P000's	Business and Commercial Banking P000's	Personal and Private Banking P000's	Corporate functions P000's	Total P000's
Net interest income	436 403	289 958	336 346	11 834	1 074 541
Non-interest income	635 325	171 542	261 573	(126 851)	941 589
Net fee and commission income	71 451	167 609	227 501	(97 374)	369 187
Net trading income	563 250	-	-	(22 084)	541 166
Other income	624	3 933	34 072	(7 393)	31 236
Total income	1 071 728	461 500	597 919	(115 017)	2 016 130
Credit impairment charges	7 452	(23 301)	(68 751)	-	(84 600)
Income after credit impairment charges	1 079 180	438 199	529 168	(115 017)	1 931 530
Total operating expenses	(390 732)	(341 659)	(352 926)	105 512	(979 805)
Amortisation and depreciation	(3 273)	(6 319)	(57 968)	(6 054)	(73 614)
Staff costs	(58 575)	(50 634)	(144 406)	(206 395)	(460 010)
Other operating expenses	(328 884)	(284 706)	(150 552)	317 961	(446 181)
Net income before indirect tax	688 448	96 540	176 242	(9 505)	951 725
Indirect tax	(7 775)	(4 469)	(22 425)	(9 731)	(44 400)
Profit / (loss) before direct tax	680 673	92 071	153 817	(19 236)	907 325
Direct tax	(149 834)	(20 174)	(32 284)	4 716	(197 576)
Profit / (loss) after tax	530 839	71 897	121 533	(14 520)	709 749
Operating information					
Total assets	16 943 916	1 817 853	8 639 568	189 868	27 591 205
Total liabilities	16 115 239	1 562 276	7 299 913	(656 556)	24 320 872

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

46. Segment Reporting (continued)

2024 Group	Corporate and Investment Banking P000's	Business and Commercial Banking P000's	Personal and Private Banking P000's	Corporate functions P000's	Total P000's
Net interest income	479 827	357 359	539 327	(5 047)	1 371 466
Non-interest income	308 459	153 621	225 481	(108 028)	579 533
Net fee and commission income	57 304	153 668	202 158	(94 759)	318 371
Net trading income	248 164	-	-	(6 776)	241 388
Other income	2 991	(47)	23 323	(6 493)	19 774
Total income	788 286	510 980	764 808	(113 075)	1 950 999
Credit impairment charges	7	(23 014)	(19 832)	-	(42 839)
Income after credit impairment charges	788 293	487 966	744 976	(113 075)	1 908 160
Total operating expenses	(368 508)	(330 630)	(368 739)	109 454	(958 423)
Amortisation and depreciation	(3 244)	(4 514)	(59 781)	(4 773)	(72 312)
Staff costs	(70 854)	(64 685)	(139 374)	(169 541)	(444 454)
Other operating expenses	(294 410)	(261 431)	(169 584)	283 768	(441 657)
Net income before indirect tax	419 785	157 336	376 237	(3 621)	949 737
Indirect tax	(5 378)	790	(19 726)	(12 083)	(36 397)
Profit / (loss) before direct tax	414 407	158 126	356 511	(15 704)	913 340
Direct tax	(91 281)	(34 898)	(76 818)	(2 377)	(205 374)
Profit / (loss) after tax	323 126	123 228	279 693	(18 081)	707 966

Operating information

Total assets	16 157 364	2 000 613	9 312 671	174 727	27 645 375
Total liabilities	15 241 020	1 675 203	8 400 022	(231 454)	25 084 791

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

46. Segment Reporting (continued)

2023 Group	Corporate and Investment Banking P000's	Business and Commercial Banking P000's	Personal and Private Banking P000's	Corporate functions P000's	Total P000's
Net interest income	433 149	364 063	342 578	(28 396)	1 111 394
Non-interest income	267 494	147 754	173 734	(68 794)	520 188
Net fee and commission income	38 986	147 623	165 528	(76 793)	275 344
Net trading income	224 800	-	-	(115)	224 685
Other income	3 708	131	8 206	8 114	20 159
Total income	700 643	511 817	516 312	(97 190)	1 631 582
Credit impairment charges	(3 249)	(44 990)	(61 064)	-	109 303
Income after credit impairment charges	697 394	466 827	455 248	(97 190)	1 522 279
Total operating expenses	(348 758)	(298 976)	(306 423)	92 976	(861 181)
Amortisation and depreciation	(3 192)	(3 556)	(56 798)	(5 719)	(69 265)
Staff costs	(63 931)	(44 663)	(137 196)	(182 121)	(427 911)
Other operating expenses	(281 635)	(250 757)	(112 429)	280 816	(364 005)
Net income before indirect tax	348 636	167 851	148 825	(4 214)	661 098
Indirect tax	(5 185)	(3 146)	(16 693)	(7 604)	(32 628)
Profit / (loss) before direct tax	343 451	164 705	132 132	(11 818)	628 470
Direct tax	(80 196)	(35 155)	(30 431)	1 240	(144 542)
Profit / (loss) after tax	263 255	129 550	101 701	(10 578)	483 928

Operating information

Total assets	14 290 671	2 681 963	7 831 380	243 586	25 047 600
Total liabilities	13 440 055	2 367 394	7 047 803	(134 270)	22 720 982

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

47. Going Concern Assessment

In assessing the Bank's ability to continue as a going concern in accordance with IAS 1 – Presentation of Financial Statements, management performed a structured and comprehensive review covering a period of at least twelve months from the reporting date. The process included the preparation and review of detailed financial forecasts, incorporating projected profitability, cash flows, liquidity positions and capital adequacy, measured against regulatory and internal limits. Management evaluated the Bank's compliance with prudential requirements, including capital and liquidity ratios, covenant compliance and access to funding sources. The assessment also considered prevailing and forecast economic conditions, stress testing and sensitivity analyses on key assumptions, and the Bank's ability to implement management actions where necessary. The outcomes of the assessment were reviewed and challenged by senior management and the Board, and formed the basis for management's conclusion that the going concern basis of accounting is appropriate for the preparation of the financial statements.

In completing the going concern assessment, management made several significant assumptions reflecting the current economic stress, constrained liquidity conditions, and a generally bearish outlook. The assessment assumes that while adverse macroeconomic conditions such as subdued demand, inflationary pressures and elevated interest rates in deposits are expected to persist, there will be no further material deterioration beyond current forecasts. Revenue projections are based on conservative assumptions, including reduced growth, longer sales cycles and limited ability to pass on cost increases, with corresponding cost control measures in place. Liquidity forecasts assume the entity will continue to meet its obligations as they fall due through a combination of existing cash balances, stressed but plausible operating cash flows, and continued access to existing financing facilities, with no breach of covenants or withdrawal of funding. The assessment also incorporates management's ability to implement mitigating actions, such as further cost reductions and active working capital management through stress testing scenarios, should conditions worsen, and sensitivity analyses indicate that the entity would retain sufficient liquidity under downside but plausible scenarios.

Management has concluded that Stanbic Bank Botswana Group has the ability to continue operating as a going concern in the foreseeable future. Based on the assessment performed, there are no material uncertainties related to going concern, as the Bank continues to operate within normal conditions. Financial performance remains in line with approved budgets, key financial and prudential ratios are comfortably within regulatory and internal limits, and the Bank maintains strong liquidity and capital positions with healthy buffers above minimum requirements. The Bank continues to generate positive operating cash flows, has stable access to funding, and remains well capitalised to absorb potential shocks. Accordingly, management is satisfied that the going concern basis of accounting is appropriate for the preparation of the financial statements.

48. Restatement

Statement of cash flows

Cash and cash equivalents has been restated to reflect demand loans and advances to banks within cash and cash equivalents per IAS 7. These balances amounting to P932 million in the 2023 closing cash and cash equivalents balance and P2.802 billion in the opening balance, were in prior periods excluded from cash and cash equivalents and instead included in movement in income-earning and other assets. Both the balances and movement have been appropriately included within the cash and cash equivalents line in the statement of cash flows. The related disclosure notes impacted by the change were also restated. These include note 5 which is the accounting policy note for cash and cash equivalents, note 40.1- Movement in income-earning and other assets, and note 40.5 – Cash and cash equivalents.

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

48. Restatement (continued)

Statement of cash flows (continued)

The following is the position of the cash and cash equivalents from the change:

Group	As previously reported P'000	2023	
		Restatement P'000	Restated P'000
Increase in income-earning and other assets ¹	(281 426)	(1 324 516)	(1 605 942)
Cash flows (utilised in) / generated from operations	293 746	(1 324 516)	(1 030 769)
Net cash flows (utilised in) / generated from operating activities	1 252 011	(1 324 516)	(72 505)
Net movement in cash and cash equivalents¹	921 611	(1 324 516)	(402 905)
Cash and cash equivalents at beginning of the year¹	544 879	2 257 267	2 802 146
Cash and cash equivalents at end of the year¹	1 466 490	932 751	2 399 241

¹ These changes had no impact on the group’s statement of financial position, income statement or any ratios presented

Notes to the Financial Statements (continued)

For the years ended 31 December 2023, 2024 and 2025

49. Post Reporting Date Events

Geopolitical tensions:

Management has evaluated the potential implications of the ongoing geopolitical tensions in the Gulf region on the macroeconomic environment in Botswana and, consequently, on the Bank’s operations. Botswana’s fuel supply chain is indirectly exposed to developments in the Gulf, as crude oil sourced from that region underpins refinery output supplying South Africa, through which Botswana imports the majority of its fuel. The Gulf region contributes a significant share of global crude oil supply, and any instability there has wide-reaching effects on international energy markets. Accordingly, OPEC+ pricing decisions, instability in the Strait of Hormuz, and disruptions along Red Sea shipping routes continue to pose risks to domestic fuel prices and supply availability.

Fuel remains a key driver of inflationary pressures in Botswana, and increases in fuel prices have a direct impact on the consumer price index, disposable income, and overall liquidity levels in the economy. Prolonged inflationary pressure may negatively affect customer affordability, credit performance, and transactional activity, thereby influencing the Bank’s operating environment and financial position. In March 2026, heightened conflicts in the Gulf contributed to an increase in crude oil prices, raising concerns regarding the stability of future fuel pricing and supply in Botswana. However, as at March 2026, the Ministry of Minerals and Energy confirmed that national fuel reserves remained stable and that additional consignments for April and May had been secured.

Proxy Wars and Global Spiral.

Beyond immediate supply considerations, management acknowledges that a prolonged escalation of tensions could spiral into a wider regional war, ultimately leading to global bifurcation of trade and energy markets. Such developments could trigger a global recession; a scenario Botswana has previously experienced and which could prolong the current recovery mode. In such circumstances, policy rates may be tightened to contain inflation, further reducing disposable income and increasing the risk of probable defaults.

Furthermore, management recognizes that Botswana’s economic resilience is closely tied to regional stability and the performance of its trading partners. Any sustained disruption in global energy markets could amplify external shocks, weaken fiscal buffers, and constrain government capacity to support growth. This would have knock-on effects on banking sector liquidity, credit demand, and customer affordability, underscoring the importance of proactive risk management. Stanbic Bank Botswana is also monitoring the issue closely, conducting stress tests across possible scenarios, and confirms that thus far there are no alarming implications for capital adequacy limits or any trigger for going concern.

ANNEXURE 3:

Independent Reporting Accountants' Assurance Report on the Compilation of Pro-Forma Financial Information Included in a Prospectus

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20 October 2026

The Board of Directors
Stanbic Bank Botswana Limited
Plot 50371, Fairground Office Park
Gaborone
Botswana

Dear Sir / Madam

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Stanbic Bank (Botswana) Limited (the "Group") by the directors. The pro forma financial information, as set out in Part 4 and Annexure 2 of the prospectus ("the circular"), consists of the consolidated financial statements for the financial years ended 31 December 2023, 2024 and 2025. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the BSE Listings Requirements and described in Annexure 2.

The pro forma financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Annexure 2 of the prospectus, on the Group's financial position as at 31 December 2025, 2024 and 2023, and the Group's financial performance for the periods then ended, as if the corporate action or event had taken place at 31 December 2025, 2024 and 2023, and for the periods then ended. As part of this process, information about Stanbic Bank Botswana Limited financial position and financial performance has been extracted by the directors from the Stanbic Bank Botswana Limited consolidated financial statements for the period ended 31 December 2025, on which an auditor's report was issued on 31 March 2026 and contained an unmodified opinion.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the BSE Listings Requirements and described in Annexure 2.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (The Code) issued by the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements which are relevant for our limited assurance engagement in respect of the directors' assumptions used to prepare and present the accompanying pro forma financial information, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



Partner: CV Ramatlapeng (Botswana)
Associate Directors: T Hove (Zimbabwe) K Zimucha (Zimbabwe)

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

ANNEXURE 3:
Independent Reporting
Accountants' Assurance
Report on the
Compilation of
Pro-Forma Financial
Information Included
in a Prospectus

Deloitte.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the BSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the BSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

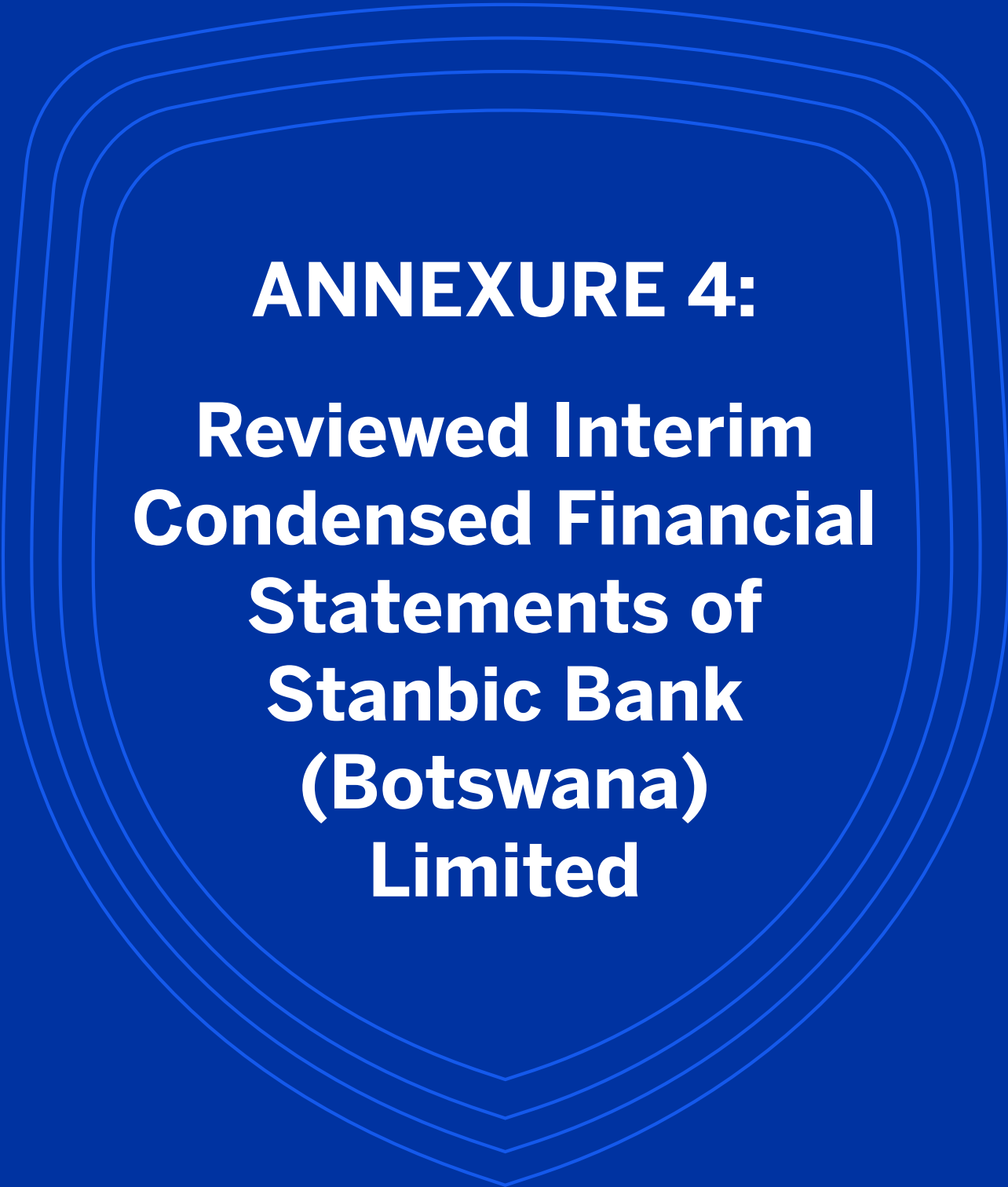
Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSE Listings Requirements and described in Annexure 2.

Deloitte & Touche

Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2026)

20 October 2026
Gaborone



Statement of Profit or Loss and Other Comprehensive Income

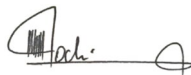
For the half year ended 30 June 2026
in P000's

Group	30 June 2026 Reviewed	30 June 2025*
Interest income	1 111 170	985 530
Interest expense	(470 290)	(412 151)
Net interest income	640 880	573 379
Fee and commission income	231 489	249 200
Fee and commission expense	(70 237)	(68 606)
Net fee and commission income	161 252	180 594
Net trading income	244 560	161 969
Other income	12 412	22 407
Net non-interest income	418 224	364 970
Total net income	1 059 104	938 349
Credit impairment charges	(40 655)	(36 951)
Net income before operating expenses	1 018 449	901 398
Staff costs	(247 860)	(219 266)
Other operating expenses	(291 358)	(269 123)
Total operating expenses	(539 218)	(488 389)
Profit before indirect tax	479 231	413 009
Indirect tax	(25 797)	(23 716)
Profit before direct tax	453 434	389 293
Direct tax	(99 438)	(85 222)
Profit for the period	353 996	304 071
Total comprehensive income for the period	353 996	304 071

* The comparative financial information for the six-month period ended 30 June 2025 has not been reviewed.



Dr TTK Matome
Chairman



C. Modise
Chief Executive

Statement of Financial Position

For the half year ended 30 June 2026
in P000's

Group	30 June 2026 Reviewed	30 June 2025*
Assets	-	-
Cash and balances with the Central Bank	177 491	328 837
Derivative assets	9 366	66 378
Trading portfolio assets	306	-
Financial investments	7 670 544	4 491 591
Loans and advances	20 649 399	23 908 795
Loans and advances to banks	6 358 462	8 879 308
Loans and advances to customers	14 290 937	15 029 487
Other assets	517 343	771 519
Current tax asset	90 423	62 891
Intangible assets	41 167	64 980
Property, equipment and right-of-use assets	169 940	169 063
Total assets	29 325 979	29 864 054
Derivative liabilities	5 080	10 325
Trading liabilities	0	3 782
Deposits	23 788 214	25 314 323
Deposits from banks	2 007 119	3 144 871
Deposits from customer accounts	21 781 095	22 169 452
Accruals, deferred income and other liabilities	716 552	640 350
Debt securities in issue	1 179 120	1 016 440
Deferred tax liability	12 684	14 179
Total liabilities	25 701 650	26 999 399
Stated capital	390 177	390 177
Reserves	3 234 152	2 474 478
Equity attributable to ordinary shareholders	3 624 329	2 864 655
Total liabilities and equity	29 325 979	29 864 054

* The comparative financial information for the six-month period ended 30 June 2025 has not been reviewed.

Statement of Changes in Equity

For the half year ended 30 June 2026
in P000's

Group	Stated capital	Statutory credit reserve	Retained earnings	Total equity
Balance at 1 January 2026	390 177	154 474	2 725 682	3 270 333
Profit for the period	-	-	353 996	353 996
Total comprehensive income for the period	-	-	353 996	353 996
Balance at 30 June 2026	390 177	154 474	3 079 678	3 624 329

Group	Stated capital	Statutory credit reserve	Retained earnings	Total equity
Balance at 1 January 2025*	390 177	154 474	2 015 933	2 560 584
Profit for the period	-	-	304 071	304 071
Total comprehensive income for the period	-	-	304 071	304 071
Balance at 30 June 2025*	390 177	154 474	2 320 004	2 864 655

Group	Stated capital	Statutory credit reserve	Retained earnings	Total equity
Balance at 1 July 2025*	390 177	154 474	2 320 004	2 864 655
Profit for the period	-	-	405 678	405 678
Total comprehensive income for the period	-	-	405 678	405 678
Balance at 31 December 2025*	390 177	154 474	2 725 682	3 270 333

* The comparative financial information for the six-month period ended 30 June 2025 has not been reviewed.

Statement of Cash Flows

For the half year ended 30 June 2026
in P000's

Group	30 June 2026 Reviewed	30 June 2025*
Net cash flows from operating activities	1 149 604	451 956
Cash flows generated from operations	665 838	(307 477)
Interest received	1 083 183	985 530
Interest paid	(468 058)	(396 835)
Indirect tax paid	(25 797)	(23 716)
Direct tax paid	(105 562)	(68 373)
Net cash flows used in investing activities	(6 836)	(50 363)
Net cash flows from financing activities	154 000	-
Net movement in cash and cash equivalents	1 296 768	401 593
Cash and cash equivalents at beginning of the period	1 690 628	1 289 035
Cash and cash equivalents at end of the period	2 987 396	1 690 628

Segment Reporting

For the half year ended 30 June 2026
in P000's

2026 Group	Corporate and Investment Banking P000's	Business and Commercial Banking P000's	Personal and Private Banking P000's	Corporate functions P000's	Total P000's
Net interest income	323 833	154 773	158 677	3 597	640 880
Non-interest income	272 608	87 387	124 375	(66 146)	418 224
Net fee and commission income	29 944	85 622	110 352	(64 666)	161 252
Net trading income	243 581	-	-	979	244 560
Other income	(916)	1 765	14 023	(2 459)	12 412
Total income	596 441	242 160	283 052	(62 549)	1 059 104
Credit impairment charges	2 331	(218)	(42 768)	-	(40 655)
Net income	598 772	241 942	240 284	(62 549)	1 018 449
Total operating expenses	(232 411)	(202 704)	(192 884)	88 781	(539 218)
Staff costs	(35 329)	(28 111)	(82 351)	(102 069)	(247 860)
Other operating expenses	(197 082)	(174 593)	(110 533)	190 850	(291 358)
Profit before indirect tax	366 361	39 238	47 400	26 232	479 231
Indirect tax	(4 253)	(2 003)	(10 714)	(8 847)	(25 797)
Profit before direct tax	362 128	37 235	36 686	17 385	453 434
Direct tax	(80 134)	(8 650)	(6 829)	(3 825)	(99 438)
Profit after tax	281 994	28 585	29 857	13 560	353 996
Operating information					
Total assets	19 215 394	1 643 555	8 310 340	156 690	29 325 979
Total liabilities	18 008 992	1 314 207	7 356 060	(977 609)	25 701 650

1. The Group's performance includes Stanbic Bank (Botswana) Limited (the bank) and its subsidiaries. The bank makes up a significant portion of the Group's results.
2. The bank's subsidiaries are included in the segment reports, segmented in accordance with internal segmentation rules.
3. Total liabilities does not include equity attributable to ordinary shareholders.

*The comparative financial information for the six-month period ended 30 June 2025 has not been reviewed.

Segment Reporting (Continued)

For the half year ended 30 June 2026
in P000's

2025 Group	Corporate and Investment Banking P000's	Business and Commercial Banking P000's	Personal and Private Banking P000's	Corporate functions P000's	Total P000's
Net interest income	197 194	146 822	219 524	9 839	573 379
Non-interest income	201 239	81 527	128 903	(46 699)	364 970
Net fee and commission income	26 805	80 187	108 093	(34 491)	180 594
Net trading income	174 137	-	-	(12 168)	161 969
Other income	297	1 340	20 810	(40)	22 407
Total income	398 433	228 349	348 427	(36 860)	938 349
Credit impairment charges	338	(159)	(37 130)	-	(36 951)
Income after credit impairment charges	398 771	228 190	311 297	(36 860)	901 398
Total operating expenses	(182 041)	(164 239)	(183 302)	41 192	(488 389)
Staff costs	(23 697)	(23 484)	(69 744)	(102 342)	(219 266)
Other operating expenses	(158 344)	(140 755)	(113 558)	143 634	(269 123)
Profit before indirect tax	216 730	63 951	127 995	4 333	413 009
Indirect tax	(3 579)	(1 906)	(12 012)	(6 219)	(23 716)
Profit / (loss) before direct tax	213 151	62 045	115 983	(1 886)	389 293
Direct tax	(47 213)	(13 696)	(24 728)	415	(85 222)
Profit / (loss) after tax	165 938	48 349	91 255	(1 471)	304 071
Operating information					
Total assets	18 159 874	2 106 099	9 414 586	183,495	29 864 054
Total liabilities	17 150 189	1 735 043	8 491 876	(377,709)	26 999 399

1. The Group's performance includes Stanbic Bank Botswana Limited (the bank) and its subsidiaries. The bank makes up a significant portion of the Group's results.
2. The bank's subsidiaries are included in the segment reports, segmented in accordance with internal segmentation rules.
3. Total liabilities does not include equity attributable to ordinary shareholders.

*The comparative financial information for the six-month period ended 30 June 2025 has not been reviewed.

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2026
in P000's

General Information

Stanbic Bank (Botswana) Limited (the "Company" or "Bank") is a company incorporated in the Republic of Botswana. The bank's registration number is BW00000732198. The condensed consolidated interim financial statements of the bank for the period ended 30 June 2026 comprise the bank and its subsidiaries (together referred to as the "Group"). The Group and Company are primarily involved in investment, corporate and retail banking, and in providing asset management services.

Group Composition

There were no changes in the composition of the Group during the six-month period ended 30 June 2026.

Basis of Preparation

The Group's reviewed condensed consolidated interim financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), its interpretations adopted by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB®. The same accounting policies and methods of computation applied in the most recent annual financial statements for the year ended 31 December 2025 have been consistently applied in the interim financial statements, except for the adoption of new standards and amendments to standards that became effective for the first time in 2026. There have been no material changes to the Group's accounting policies or significant judgements during the six-month period ended 30 June 2026.

Unusual or Non-recurring Items

The Group's results were generated from its ordinary banking activities, with no unusual or non-recurring transactions materially affecting its financial position, performance or cash flows.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In preparing these condensed consolidated interim financial statements, directors have applied the same critical accounting judgements and key sources of estimation uncertainty as disclosed in the Group's annual financial statements for the year ended 31 December 2025. No material changes to these judgements or estimation uncertainties have occurred during the six-month period ended 30 June 2026.

Dividends

No interim dividend was declared or paid by the Group during the six-month period ended 30 June 2026 (30 June 2025: Nil).

Impairment of Financial Assets

Expected credit loss (ECL) is recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate. The measurement basis of the ECL of a financial asset includes assessing whether there has been a Significant Increase in Credit Risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Operating Segments

Information reported to the Group's Chief Executive, the Chief Operating Decision Maker (CODM), for the purposes of resource allocation and assessment of segment performance is focused on the category of banking services for each type of activity. The principal categories of banking services are corporate and investment banking, business and commercial banking, and personal and private banking.

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2026
in P000's

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss in the six-month period ended 30 June 2026 presented under the segment reporting section of this report.

The accounting policies for the reportable segments are the same as the Group's accounting policies which are described in the Group's latest annual financial statements.

Income Tax

Tax for the six-month period is charged at 22% (six-months ended 30 June 2025: 22%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six-month period.

Debts and Securities in Issue

There were no significant issues, repurchases, or repayments of debt securities during the six-month period ended.

Contingent Liabilities and Commitments

The Group had the below in contingent liabilities and commitments as at period ended 30 June 2026.

Group	30 June 2026 P000's	*30 June 2025 P000's
Letters of credit	67 572	31 805
Guarantees	2 270 200	1 740 448
Irrevocable unutilised facilities	1 665 175	947 710
Revocable unutilised facilities	339 693	294 184
Total	4 342 641	3 014 147

Related Party Transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation in the preparation of the condensed interim financial statements.

Events After the Reporting Period

The bank declared a dividend of P500 million for the financial year ended 31 December 2025, payable to Stanbic Africa Holdings Limited (SAHL) in the current financial year.

Going Concern

The directors are satisfied that the Group has adequate resources to continue operating as a going concern for the foreseeable future, being a period of at least 12 months from the date of this report. Accordingly, the condensed consolidated financial statements have been prepared on the going concern basis.

Independent Auditor's Review Report:

The condensed consolidated interim financial statements for the six-month period ended 30 June 2026, as set out in Annexure 4, have been reviewed by the Group's and Company's independent auditor in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and an unmodified review conclusion was expressed thereon. The review was limited to the interim financial statements for the six-month period ended 30 June 2026 and did not extend to the comparative information presented for the six-month period ended 30 June 2025. The independent auditor's review report is included in Annexure 5 and is available for inspection at the Company's registered office.

ANNEXURE 5:

Independent Reporting Accountants’ Report on the Interim Condensed Financial Statements Reviewed Interim Financial Statements

Deloitte.

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Chartered Accountants
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INDEPENDENT AUDITOR’S REVIEW REPORT
TO THE SHAREHOLDER OF STANBIC BANK (BOTSWANA) LIMITED

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Stanbic Bank (Botswana) Limited as of 30 June 2026 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and the accompanying notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other matter

Our procedures did not extend to the review of the comparative financial information for the six-month period ended 30 June 2025.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche

Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2026)

07 September 2026
Gaborone



Partner: CV Ramatlapeng (Botswana)
Associate Directors: T Hove (Zimbabwe) K Zimucha (Zimbabwe)

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

ANNEXURE 5:
Independent
Reporting
Accountants’ Report
on the Interim
Condensed
Financial
Statements

ANNEXURE 6:

Independent Reporting Accountants’ Report on the Profit Forecast

Deloitte.

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Chartered Accountants
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20 October 2026

The Board of Directors
Stanbic Bank Botswana Limited
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Gaborone
Botswana

INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE PROFIT FORECAST INCLUDED IN PART 4 OF THE PROSPECTUS

We have undertaken a limited assurance engagement in respect of the directors’ assumptions used to prepare and present the accompanying profit forecast of Stanbic Bank (Botswana) Limited (the Company) and its subsidiaries (the Group) for the financial years ending 31 December 2026, 31 December 2027, 31 December 2028 and 31 December 2029 as set out in Part 4 of the prospectus to the Group’s shareholders (“forecast information”).

Directors’ responsibility for the forecast information and for the assumptions used to prepare the forecast information

The directors are responsible for the preparation and presentation of the forecast information and for the reasonableness of the assumptions used to prepare the forecast information as set out in Part 4 of the prospectus, in accordance with the BSE Listings Requirements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the forecast information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that this forecast may not be appropriate for purposes other than described in the purpose of the report paragraph below.

Our Independence and Quality Management

Code of Ethics for Professional Accountants (The Code) issued by the International Ethics Standards Board for Accountants (IESBA)

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (The Code) issued by the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements which are relevant for our limited assurance engagement in respect of the directors’ assumptions used to prepare and present the accompanying forecast, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Partner: CV Ramatlaleng (Botswana)
Associate Directors: T Hove (Zimbabwe) K Zimucha (Zimbabwe)

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

ANNEXURE 6:

Independent
Reporting
Accountants’
Report on the
Profit Forecast



Reporting accountant’s responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information in accordance with the BSE Listings Requirements for forecast information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the directors’ assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the directors’ assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity’s capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumptions and agreeing or reconciling with underlying records.

Our procedures included evaluating the directors’ best-estimate assumptions on which the forecast information is based for reasonableness.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the directors’ assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

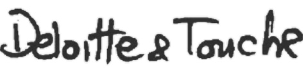
Limited assurance conclusion on the forecast financial information and the reasonableness of the directors’ assumptions

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the profit forecast;
- ii) the profit forecast has not been properly compiled on the basis stated;
- iii) the profit forecast has not been properly presented, and all material assumptions are not adequately disclosed; and
- iv) the profit forecast, is not presented on a basis consistent with the accounting policies of the Group.

Purpose of the report

This report has been prepared for the purpose of satisfying the requirements of the BSE Listings Requirements and for no other purpose.



Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2026)

20 October 2026
Gaborone



ANNEXURE 7:

Details of Immovable Property

The table below summarises the Bank's owned immovable properties described under "Immovable Properties" in Part 5. The Bank's owned properties are set out in the table below. Details of the Bank's leased operational premises are set out in the table that follows.

Property	Extent	Tenure	Acquired	Use
Lot 50672, Gaborone	~6,740 m ²	50-year Fixed Period State Grant (from 4 Feb 1994)	2007, from Legato (Pty) Ltd, P31m + VAT	Principal place of business (commercial office / high-tech industrial civic)
Lot 14437, Gaborone	~4,519 m ²	50-year Fixed Period State Grant (from 8 Aug 1986)	1995, from Old Union Limited, P3,102,890	Industrial
Lot 2502, Gaborone (Extension 9)	~2,323 m ²	Certificate of Registered State Title (1968)	1993, from Ben Iponeng Gasennelwe, P325,000	Residential use
Lease Area 235-KO, Lot 42759, Gaborone	~466 m ²	99-year notarial lease (from 15 Apr 1992)	1993 (lease registered)	Multi-unit residential (restricted use)

ANNEXURE 7 (Continued)

Details of Leased Operational Premises

Company Name	Site Name	Service Provided	Commencement Date	Expiry Date / Renewal
Bibian Ventures (Pty) Ltd	Acacia Branch	Branch	2022/09/01	2027/08/31
Feune (Pty) Ltd	Airport Junction Branch	Branch	2022/06/01	2027/05/31
Mashambe Investment (Ptd) Ltd	Phikwe Branch	Branch	2021/09/01	2026/08/31
Monday Magnet (Pty) Ltd	Mogoditshane Branch	Branch	2025/11/01	2028/10/31
The Plot 1471/2 Parrnership -NAFPROP	Francistown Branch	Branch	2025/05/01	2028/04/30
Choppies Distribution Centre (Pty) Ltd	Letlhakane Branch	Branch	2025/03/01	2028/02/28
G H Group (Pty) Ltd	CBD Branch	Branch	2024/09/01	2027/08/31
Sedudu Service Station (Pty) Ltd	Kazungula Branch	Branch	2026/05/01	2029/04/30
AP Holdings (Pty) Ltd	Maun Branch	Branch	2023/11/01	2026/10/31
Turnstar Holdings Limited	Game City Branch	Branch	2023/09/01	2026/08/31
Botswana Public Officers Pension Fund	Industrial Branch	Branch	2023/06/01	2026/05/31
Palapye Junction (Pty) Ltd	Palapye Branch	Branch	2025/11/01	2028/10/31
Mashaw Wendy Gaborone	Tsholofelo Porakane	Residential	2025/02/01	2027/01/31
Mr Kgolagano Mafhoko	Reginah Moloko	Residential	2024/10/01	2026/09/30
Tuelonyana R D Oliphant	Ezekiels accommodation	Residential	2025/08/01	2026/07/31
Dineo Chite	Letlhakane Branch Managers Res.	Residential	2025/02/01	2027/01/31
Mr Kennedy Maruza	Kasane Branch Managers Res.	Residential	2024/10/01	2026/09/30
Joseph Mbaiwa	Maun Branch Managers Lease	Residential	2026/05/01	2027/04/30
Maxy Maxwell Masuku	Francistown Branch Managers Res.	Residential	2023/11/01	2026/08/31
Fairground Holdings (Pty) Ltd	Head Office Parking	Commercial	2024/01/01	2026/12/31
Botswana Defence Force	Rakhuna Military Camp Office	Commercial	2022/09/01	2025/08/31
Botswana Defence Force	Workplace Banking BDF Office	Commercial	2025/05/01	2028/04/30
Botswana Defence Force	Thebephatshwa Air Base Office	Commercial	2025/10/01	2028/09/30
Drive in Cinema (Pty) Ltd	Incubator	Commercial	2024/11/01	2027/10/31
Katmanis (Pty) Ltd	Broadhurst Warehouse	Commercial	2024/07/01	2027/08/30
The Gujarat Muslim Educational Society	New Vaf space	Commercial	2025/01/01	2027/12/31

ANNEXURE 7 (Continued)

Details of Leased Operational Premises (Continued)

Company Name	Site Name	Service Provided	Commencement Date	Expiry Date / Renewal
Botswana Development Corporation	Fairscape office	Commercial	2025/01/01	2027/12/31
The Fields Holdings (Pty) Ltd	The Fields mall ATM	ATM	2025/11/02	2028/10/31
Sefalana Cash and Carry (Pty) Ltd	Molepolole ATM	ATM	2025/11/01	2028/10/30
Bifm	Broadhurst Industrial- Save rite	ATM	2022/12/01	2027/11/30
Botswana Defence Force	Glen Valley	ATM	2022/11/01	2027/10/31
Sphinx Associates (Pty) Ltd	Molapo Crossing ATM	ATM	2022/08/01	2027/07/31
Maun Administrative Authority	Maun ATM	ATM	2022/04/01	2027/03/31
Sefalana Cash and Carry (Pty) Ltd	Metsimotlhabe ATM	ATM	2021/12/01	2026/11/30
RIC DEVELOPMENT BOTSWANA	Sarona ATM	ATM	2021/12/01	2026/11/30
Black Unicorn Capital (PTY) LTD	Oodi ATM	ATM	2021/11/01	2026/10/31
Maxisave Botswana PTY LTD	Mochudi ATM	ATM	2021/10/01	2026/09/30
MARKET DEVELOPMENT COMPANY	Station ATM	ATM	2021/09/01	2026/09/30
Engen Marketing Botswana (Pty) Ltd	Lobatse Engen	ATM	2021/08/01	2026/07/31
Engen Marketing Botswana (Pty) Ltd	Tlokweng Engen	ATM	2026/06/01	2029/05/31
Polomolole Investment (Pty) Ltd	Molepolole ATM	ATM	2026/06/01	2029/05/30
Essar Construction (Pty) Ltd	Tati Engen Filling station	ATM	2021/06/01	2026/05/30
TswanaFuel (Pty) Ltd	Mamashia Filling Station	ATM	2026/05/01	2029/04/30
Mogobe Incorporated (Pty) Ltd	Gabane ATM	ATM	2026/04/01	2029/03/31
Zeenat Textiles Limited	Tlokweng Sefalana	ATM	2026/04/01	2029/03/31
Solkids Holdings (Pty) Ltd	Old mall Palapye ATM	ATM	2021/12/01	2026/11/30
BOEMO MAJOO-NTSHUPI	Tonota	ATM	2026/03/01	2029/02/28
Engen Marketing Botswana (Pty) Ltd	Commerce Park	ATM	2026/02/01	2029/01/31
Michaelangelo Proprietary Ltd	Gaborone Bus Rank	ATM	2026/12/01	2029/11/30
Sedudu Service Station (Pty) Ltd	Kasane	ATM	2025/12/01	2028/11/30

ANNEXURE 7 (Continued)

Details of Leased Operational Premises (Continued)

Company Name	Site Name	Service Provided	Commencement Date	Expiry Date / Renewal
Movishane Filling Station	Mogoditshane Nkoyaphiri ATM	ATM	2025/12/01	2028/11/30
Tomorrowday Proprietary Limited	Tutume	ATM	2025/12/01	2028/11/30
Chief Holdings (Pty) Ltd	Mmadinare	ATM	2025/08/01	2028/07/31
NBC Developments (Pty) Ltd	Francistown ATM Shoprite	ATM	2025/08/01	2028/07/01
Sefalana Cash and Carry (Pty) Ltd	G-west Sefalana	ATM	2025/08/01	2028/07/01
Billionaire Empire (Pty) Ltd	Thamaga Saverite	ATM	2025/07/01	2028/06/30
JTTM Properties (Pty) Ltd	Rail Park ATM	ATM	2025/06/01	2028/05/31
Riverwalk	Riverwalk ATM	ATM	2025/04/01	2028/03/31
Western Filling Station (Pty) Ltd	KFC -Gwest	ATM	2025/02/01	2028/01/31
Interprop (Pty) Ltd	Maruapula Filling Station ATM	ATM	2025/02/01	2028/01/30
Advent Enterprices (Pty) Ltd	Jwaneng ATM	ATM	2024/12/01	2027/11/30
Sefalana Cash and Carry (Pty) Ltd	Setlhoa ATM	ATM	2024/10/01	2027/09/30
Acamp (Pty) Ltd	Mogoditshane ATM	ATM	2024/08/01	2027/07/31
Botswana Defence Force	Thebephatshwa ATM	ATM	2024/06/01	2027/05/30
Botswana Defence Force	Botwana Defence Force ATM	ATM	2026/02/01	2029/01/31
Katmanis (Pty) Ltd	Broadhurst Industrial-Katmanis ATM	ATM	2026/01/31	2029/02/28
Engen Marketing Botswana (Pty) Ltd	Bobonong ATM	ATM	2023/12/01	2026/11/30
Debswana Diamond Company	Orapa	ATM (Lease sign off stage)	2024/12/01	2025/11/30
Vivo Energy Botswana (Pty) Ltd	Kudu ATM	ATM	2023/09/01	2026/08/31
Turnstar Holdings Limited	Game City ATM	ATM	2023/07/01	2026/06/30
Sunshine Enterprises (Pty) Ltd	Francistown Marang ATM	ATM	2023/07/01	2026/06/30
Vivo Energy Botswana	Sebele Vivo ATM	ATM	2026/05/01	2029/04/30
Allied Investments (Pty) Ltd	Pula Spar ATM	ATM	2026/02/01	2029/01/31
Engen Marketing Botswana (Pty) Ltd	Engen Mogoditshane	ATM	2025/12/01	2028/11/30
Steel services (Pty) Ltd	Toro Junction ATM	ATM	2022/12/01	2027/12/31
Sajama Enterprises (Pty) Ltd	Mowana Park ATM	ATM	2025/11/01	2028/10/31
Forward Development (Pty) Ltd	Serowe ATM	ATM	2025/11/01	2028/10/31

ANNEXURE 7 (Continued)

Details of Leased Operational Premises (Continued)

Company Name	Site Name	Service Provided	Commencement Date	Expiry Date / Renewal
Palapye Junction (Pty) Ltd	Palapye ATM	ATM	2025/11/01	2028/10/31
Vivo Energy Botswana (Pty) Ltd	Tlokweng Shell	ATM	2025/10/01	2028/09/30
Builders Trade Depot (Pty) Ltd	Builders W/house ATM	ATM (Lease sign off stage)	2022/09/01	2025/08/31
Letlole La Rona Limited	Mahalapye ATM	ATM (Lease sign off stage)	2022/07/01	2025/06/30
Double Dot	Ghanzi blue point	Office	2025/05/01	2028/04/30
Sypol Investment (Pty) Ltd	BBS ATM	ATM	2024/11/01	2027/10/31
Time Projects Botswana (Pty) Ltd	Kanye ATM	ATM	2024/10/01	2027/09/30
Ramotswa (Lot 3273)	Ramotswa ATM	ATM	2023/06/01	2028/05/31

ANNEXURE 8:

**Other
Directorships**

ANNEXURE 8:

Other Directorships

This schedule is prepared for purposes of the proposed listing of Stanbic Bank (Botswana) Limited on the Botswana Stock Exchange.

Director and Date of Appointment	Other Directorships	Nature of Business
Dr. Tebogo Trevor K Matome 04 October 2017	Strategic Vision Pty Ltd	Shell Company
	Crafty Minds Pty Ltd	Property Holding
	Aloe Valley Investments Pty Ltd	Farming
Chose Modise 01 January 2022	Central Foods Pty Ltd	Food
	Benchose Pty Ltd	Property Holding
	Good to Great Investments Pty Ltd (Deregistered)	Farming
	Rock Pavilion Pty Ltd (Deregistered)	Events
Batsho Pamela Groth 2 December 2022	Dambe Groth Pty Ltd T/A Resource Logic	HR Consulting Company
	Botswana Craft Pty Ltd	Handicrafts and Cultural Centre
	Boitekanelo Pty Ltd	Dormant shell company
	Etsha Weavers Pty Ltd	Handicrafts
	Gems of the Kalahari Pty Ltd	Property
	Letsatsi Farm CC	Farming
	IBIS Holdings Pty Ltd	Investment Group
	Loapi Holdings Pty Ltd	Investment Group
	Y Care Charitable Trust	Charitable Organisation
	The Children's Trust	Charitable Organisation
	Botswana Insurance Holdings Ltd (Ceased Directorship)	Insurance Services
Butler Daniel Phirie 11 March 2022	DPS Consulting Services Pty Ltd	Company Secretaries
	Turnstar Holdings Ltd	Property Holding
	Colmore Pty Ltd	Property
	Lambourne Investments Pty Ltd	Property
	Motor Center Botswana Pty Ltd	Motor Trade
	SCR Properties Pty Ltd	Property
	Naledi Motors Pty Ltd	Motor Trade
	Tylo Investments Pty Ltd	Property
	Borsalino Holdings Pty Ltd	Property
	LFT Enterprises Pty Ltd	Property
	DPB Investments Pty Ltd	Property
	Rekere Investments (Botswana) Pty Ltd	Property
	Abacus House Botswana Pty Limited	Property
	Selebi Phikwe Solar Security Pty Ltd	Solar Power
	Ditshepe Communications Pty Ltd	ICT
	Softlogix Botswana Pty Ltd	ICT
	Chairman of the Private Sector Disaster Response Fund and Treasurer Business Botswana	Business Associations
	Bamas Pty Ltd (Directorship Ceased)	Accounting, Tax and Secretarial Services

ANNEXURE 8 (Continued)

Other Directorships (Continued)

Director and Date of Appointment	Other Directorships	Nature of Business
Larona Lesedi B Somolekae 11 March 2022	Thapong Visual Arts Centre (Ceased Directorship)	Art/NGO Foundation
Lungisa Fuzile 27 June 2022	LNL Fuzile Enterprises Pty Ltd	Farming
	Stanbic Bank Zambia Ltd	Bank/Financial Institution
	Stanbic Africa Holdings Ltd	Private Holding Company
	Standard Bank Offshore	Bank/Financial Institution
	Walter Sisulu University (Council Member)	University
	Business Leadership South Africa (Ceased Directorship)	Non-Profit Organisation
	The Banking Association of South Africa (Ceased Directorship)	Business Association
	The Standard Bank of South Africa Ltd (Ceased Directorship)	Bank/Financial Institution
	The Standard Bank Tutuwa Community Foundation (Ceased Directorship)	Non-Profit Organisation
Mark Haskins 11 March 2022	W.E.B Enterprises Pty Ltd	Property Investments
	QB Holdings Pty Ltd	Property Investments
	Data Management Pty Ltd	Property Investments
	Little Mokolodi Pty Ltd	Property Investments
	The Training Lab Pty Ltd	Training Company
	The Mokolodi Wildlife Foundation	Conservation
	The Supply Lab Pty Ltd	Distribution
	Malikuru Pty Ltd	Farming
	Benju Pty Ltd	Distribution
	Liquor & Wine Merchants (Botswana) Pty Ltd	Distribution
	Ground One Botswana Pty Ltd	Coffee Roasting
	Asafa Investments Pty Ltd (Ceased Directorship)	Shell Company
	Leena Tech Pty Ltd (Ceased Directorship)	Property Holding

ANNEXURE 8 (Continued)

Other Directorships (Continued)

Director and Date of Appointment	Other Directorships	Nature of Business
Michael Kgengwenyane 19 April 2024	Innolead Consulting Pty Ltd	Consulting
	Manenzo Pty Ltd	Agriculture
	Bot Energy Pty Ltd	Energy
	Matloprop Pty Ltd	Property
	Innolead Zambia	Consulting
	Gds Botswana Pty Ltd	Technology (Hardware)
	Test Mark Investments Pty Ltd	Agriculture
	Homebase Holdings Pty Ltd	Property
	Africa Mining Hub Pty Ltd	Mining
	Orionx Pty Ltd	Technology (AI)
	Smartgae Pty Ltd	Technology (ISP)
	Element Technologies Pty Ltd	Technology (Software)
	Catalyst For Health Equity	Health
	Ecoseal Pty Ltd	Chemicals for Road Construction
	Innolead Group Pty Ltd	Holding Company
	Milk Valley Farm Pty Ltd (Ceased Directorship)	Milk Production
	Innolead Mpamot Jv Pty Ltd	Transportation, Traffic Engineering and Project Management Services
	Gaechem Pty Ltd (Deregistered)	Chemical Supplies
Michaela Anne Alves Da Silva 28 July 2023	Rera Partners Holdings Pty Ltd	Corporate Finance and Management / Business Consulting Services
	Cheetah Conservation Botswana	Non-profit – Predator Conservation, Education and Community
	PNY Holdings Pty Ltd	Property Holdings
	Gralix Actuaries and Consultants Pty Ltd	Actuarial Consulting
	Parts Mart Pty Ltd (Deregistered)	Shelf Company

ANNEXURE 8 (Continued)

Other Directorships (Continued)

Director and Date of Appointment	Other Directorships	Nature of Business
Mthabisi Bokete 29 October 2020	Digital Natives Pty Ltd	Disruptive Software & Design Agency
	Agella Pty Ltd	3D Printing Construction Company
	Orionx Pty Ltd	AI Development Agency
	Konexus Consulting Pty Ltd	Business and Investment Consulting
	iDesk Africa (Pty) Ltd	Hybrid Digital Learning Management System
	Stock Africa Pty Ltd	Agri Commodity Trader
	Oscilliant Pty Ltd	Holding Company
	Aeternumenergia Pty Ltd	Fuel Hauling and Logistics
	DialX Pty Ltd (Deregistered)	AI & Emerging Technology Products
	iXO Group Pty Ltd (Deregistered)	AI & Emerging Technology
	Environmental Systems Pty Ltd (Ceased Directorship)	Environmental Rehabilitation
	Kwiky Pty Ltd (Deregistered)	Alternative Credit Scoring Mobile App
	Motswedi Wa Maatla Pty Ltd (Deregistered)	Energy and Electric Mobility
	Vantage Properties Pty Ltd (Deregistered)	Property
	iXO Uni Pty Ltd (Deregistered)	Research
	DM Creative Brands Pty Ltd (Deregistered)	Digital Media
	Cenity Pty Ltd (Ceased Directorship)	FinTech
	WeDraft Pty Ltd (Deregistered)	Artificial Intelligence Legal Aid
	Kerdos Consulting Pty Ltd (Deregistered)	Consulting
	Black Envelope Entrepreneurs Pty Ltd (Deregistered)	Holding Company
	Prevest Pty Ltd (Deregistered)	Financial Technology
	Infinite Water Pty Ltd (Deregistered)	FMCG
	Yatzy Holdings Pty Ltd (Deregistered)	Holding Company
	Beyond The Ledger Pty Ltd (Deregistered)	Accounting, Property & Logistics
	Augeic Pty Ltd (Deregistered)	Holding Company
	Digi Desk Pty Ltd (Deregistered)	EdTech

ANNEXURE 8 (Continued)

Other Directorships (Continued)

Director and Date of Appointment	Other Directorships	Nature of Business
Oduetse Andrew Motshidisi 23 September 2026	Chobe Holdings Ltd	Travel & Tourism
Realeboga Phoi 14 August 2024	I-Carbon Pty Ltd	Renewable Energy
	Stanbic Nominees Botswana Pty Ltd	Nominee Company
	Stanbic Bank Botswana Pension Fund	Pension Fund
	The Legacy Consortium Pty Ltd (Deregistered)	Holding Company
Richard Christopher Irvine 15 May 2024	Irvine Health and Fitness (Pty) Ltd	Fitness Training and Gym Services
	MRI Plumbers Pty Limited	Plumbing, Irrigation and Pool Maintenance
	Stanbic Bank Zambia Limited	Bank/Financial Institution

ANNEXURE 9:

Details of
Licences and
Authorisations

ANNEXURE 9:

Details of Licences and Authorisations

Licence / Authorisation	Issuing Authority	Status
Banking Licence	Bank of Botswana	Current
Securities Institution - Custody	Non-Bank Financial Institutions Regulatory Authority	Current
Trustee and Custodian of Collective Investment Undertakings (CIUs)	Non-Bank Financial Institutions Regulatory Authority	Current
Public Interest Entity	Botswana Accountancy Oversight Authority	Current
CIPA Registration	Companies and Intellectual Property Authority	Registered / Active
Tax Registration	Botswana Unified Revenue Services	Current

ANNEXURE 10:

Remuneration
Philosophy,
Principles
& Policy

ANNEXURE 10:

Remuneration Philosophy, Principles & Policy

Core Philosophy	People are at the heart of the business and the Bank's greatest source of sustainable competitive advantage. Remuneration recognises performance and stakeholder value creation, while attracting, motivating and retaining skilled, experienced and engaged people. The approach is grounded in fairness, transparency, responsible risk-taking and alignment with long-term strategy.
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"Stanbic Bank's remuneration philosophy is designed to support sustainable long-term value creation through responsible reward practices. The Bank rewards value delivered while adjusting for risk assumed, remains competitive for critical skills, promotes fair and responsible pay, avoids excessive risk-taking through a balanced reward framework, and encourages teamwork and collective performance"

Six Foundational Principles

1. Strategic Alignment People are at the heart of the business and the Bank's greatest source of sustainable transparency, responsible risk-taking and alignment with long-term strategy.	2 Pay For Performance Reward agreed deliverables and behaviours consistent with culture and values; increase at-risk pay with role influence and seniority.	3 Fairness Differentiate pay using objective criteria, while ensuring horizontal and vertical equity and freedom from discrimination or favouritism.
4 Responsible Pay Balance short, medium and long-term value; embed risk adjustment, deferral, malus, clawback and executive shareholding requirements.	5 Competitiveness Use total remuneration and market/internal benchmarks to attract, motivate and retain scarce and experienced talent.	6 Inclusivity Engage employees, unions, regulators and shareholders so remuneration remains fair, responsible and responsive to stakeholder interests.

How The Policy Operates

Total Reward Fixed remuneration reflects role size, complexity, local market, experience and performance. It includes cash remuneration and core/optional benefits. Variable pay comprises short-term incentives and targeted long-term incentives, with the variable and deferred mix increasing with seniority.	Performance & Value Short Term Incentive (STI) outcomes consider Group, Country, Business area and individual performance across financial and non-financial value drivers. Long Term Incentive (LTI) awards vest only when stretching long-term performance conditions are achieved, aligning executives with shareholders and other stakeholders.	Risk, Governance & Control The Board delegates remuneration matters to Remco. Remco oversees policy, fixed-pay budgets, STI and LTI pools, executive outcomes and benchmarking. Incentives are risk-adjusted and subject to deferral, forfeiture (malus) and clawback; decisions comply with relevant laws and regulation.
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Remuneration Decision Lens

Strategy Is reward aligned to strategic priorities?	Performance Does outcome reflect what and how value was delivered?	Fairness Is differentiation objective, equitable and transparent?	Risk Are conduct, risk appetite and accountability reflected?	Stakeholders Does the outcome balance employee and shareholder interests?
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ANNEXURE 11:

Governance Checklist

ANNEXURE 11:

Governance Checklist

Principle	Commentary
Principle 1: The governing body should lead ethically and effectively.	The Board demonstrates ethical and effective leadership through strong tone-setting, annual independence assessments, robust declaration-of-interest practices and adherence to the Directors' Code of Ethics. The Chair leads regular closed-session discussions to reinforce accountability, ethical conduct and integrity in decision-making.
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board oversees a comprehensive ethics framework that includes annual conflict-of-interest declarations, meeting-specific disclosures, a Group Code of Ethics, whistleblowing mechanisms and the Anti-Bribery and Corruption Policy. Regular ethics and conduct reports enable the Board to monitor culture, compliance, and behaviour across the organisation.
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board ensures responsible corporate citizenship through structured oversight of ESG strategy, climate commitments, ethical conduct, and social impact. Oversight responsibilities are allocated across Board Committees, with quarterly reporting to the Board covering environmental and social risk, climate performance, culture, human capital and financial-crime matters. The Bank's responsible-citizenship agenda is guided by global and national frameworks, including the UN SDGs, Botswana's NDCs, the Paris Agreement, UNGPs on Business and Human Rights and GRI Topic Standards.
Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board integrates risk, opportunity, stakeholder input and sustainability considerations into strategy formulation and monitoring. It reviews strategic priorities annually and receives quarterly performance and risk reports to evaluate progress against KPIs across all value drivers.
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium, and long-term prospects.	The Board ensures the integrity and completeness of external reports, including the Integrated Report. It reviews key assumptions behind disclosures and applies the combined assurance model to validate the accuracy and reliability of information.
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Through the Corporate Governance Framework, the Board defines reserved matters, oversees risk appetite, approves strategy, and ensures accountability of executive management. Regular oversight of resource allocation, culture, and performance reinforces the Board's role as custodian of governance.
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.	The Board comprises a balanced mix of skills, experience, demographics and independence, supported by a formal skills-matrix review, diversity objectives, and annual succession reviews. Independence assessments and tenure considerations safeguard objective judgement.
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.	Delegation to Board Committees occurs via formally approved mandates reviewed annually. Each Committee provides specialised oversight; Audit, Credit, IT, Risk, and Nomination & Remuneration, ensuring deep scrutiny of key governance areas. Committee Chairs report after every meeting to maintain alignment and control.

ANNEXURE 11 (Continued)

Governance Checklist (Continued)

Principle	Commentary
Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	A formal annual evaluation assesses the Board, Committees, the Chair, individual directors, the CEO and the Company Secretary. The 2025 evaluation identified strong governance culture and defined clear improvement priorities, including succession planning and enhanced stakeholder engagement.
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 appoints the CEO and oversees a structured delegation-of-authority framework, reviewed annually for relevance. Succession plans for key management are monitored, and the CEO remains accountable for implementing strategy within defined authority limits.
Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The Board defines risk appetite, approves key risk policies and receives forward-looking risk reports covering liquidity, macroeconomic conditions, AML/ CFT, cyber risk, and operational resilience. The Risk Committee provides additional independent oversight.
Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board oversees technology and information via structured reporting on system stability, cyber-security maturity, data-governance compliance, and progress of strategic IT programmes. The IT Committee ensures alignment between digital transformation and strategic objectives.
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 receives quarterly updates on regulatory examinations, compliance monitoring, remedial actions and legislative changes. Emphasis is placed on AML/ CFT maturity, Data Protection Act implementation, consumer-protection compliance and readiness for evolving supervision.
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.	Through the Corporate Governance Framework, the Board defines reserved matters, oversees risk appetite, approves strategy, and ensures accountability of executive management. Regular oversight of resource allocation, culture, and performance reinforces the Board's role as custodian of governance.
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 applies a coordinated combined-assurance approach across internal audit, external audit, risk and compliance to ensure a robust control environment and integrity of all internal and external reporting. It monitors findings, remediation and assurance effectiveness.
Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.	The Board adopts a stakeholder-inclusive approach that ensures material stakeholder needs, concerns and expectations inform strategy, risk oversight and decision-making. Stakeholder engagement is structured, values-led and aligned to Purpose, supported by periodic stakeholder mapping and prioritisation based on influence and interest.
Principle 17: The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.	This principle does not apply; the Bank is not classified as an institutional investor.



STANBIC BANK (BOTSWANA) LIMITED
(Incorporated in the Republic of Botswana on 19 July
1991 and re-registered as a public company limited
by shares on 9 September 2019)
(Registration number BW000732198)

INITIAL PUBLIC OFFER FOR SALE OF STANBIC BANK (BOTSWANA) LIMITED SHARES AT AN OFFER PRICE OF BWP4.30 PER SHARE

Sponsor: Imara Capital Securities (Pty) Ltd | Receiving Bank: Stanbic Bank (Botswana) Limited |
Transfer Secretaries: CSDB

IMPORTANT

This Application Form is issued in connection with the Initial Public Offer (“the Offer”) of ordinary shares in Stanbic Bank (Botswana) Limited and must be read together with the Prospectus (“the Prospectus”) to which this Application Form is attached. This Application Form does not constitute a prospectus, and applications may only be made on the basis of the full Prospectus. If you are in any doubt as to the action you should take, please consult your stockbroker, banker, legal practitioner, accountant or other professional adviser without delay.

APPLICATION FORM FOR INDIVIDUALS

A. HOW TO APPLY

1. Applications must be for a minimum of 250 Offer Shares and thereafter in multiples of 10 Offer Shares. Applications for fewer than 250 Offer Shares will not be accepted.
2. Each applicant must hold, or must open prior to submitting this Application Form, an account with the Central Securities Depository Botswana Limited (“CSDB”) through a licensed stockbroking member of the Botswana Stock Exchange (“stockbroker”), being either Imara Capital Securities (Pty) Ltd whose address is detailed at Section G below or Motswedi Securities (Pty) Ltd whose address is Plot 113, Unit 30, Kgale Mews, Gaborone, P/Bag 00223, Gaborone, Botswana. Applicants who do not already hold a CSDB account must complete a CSDB account-opening form, obtainable from Imara Capital Securities or Motswedi Securities, and submit it together with this Application Form.
3. Payment of the full amount payable in respect of the Offer Shares applied for must be made by electronic funds transfer (EFT), in favour of “Stanbic Bank IPO”, to the stockbroker or the Receiving Bank account of Stanbic Bank (Botswana) Limited, details of which will be provided to you by your stockbroker. Cash will not be accepted.
4. Proof of payment (an original or legible copy of the EFT confirmation) reflecting the applicant’s name must be attached to this Application Form. Applications submitted without proof of payment will not be processed.
5. The completed Application Form, together with proof of payment and all supporting documents, must be submitted to Imara Capital Securities (Pty) Ltd, as Sponsor to the Offer, at the address given in Section G below, or at any of the Stanbic Bank sites listed in Section G, to be received no later than 27 November 2026 at 17:00 (“Closing Date”). Applications received after the Closing Date will not be considered.
6. Applications are irrevocable once submitted and may not be withdrawn or amended.
7. The Directors of the Company, in consultation with the Sponsor, reserve the right to accept, reject, or scale down any application, in whole or in part, without providing reasons, and in accordance with the allotment policy set out in the Prospectus.
8. All Offer Shares allotted will be credited electronically to the applicant’s CSDB account. No share certificates will be issued.

B. APPLICANT DETAILS

First (Sole/Principal) Applicant

Title (Mr/Mrs/Ms/Dr/Other):	Surname:	First Name(s):
Postal Address:	Passport No. (Non-citizens):	
Physical/Residential Address:	Nationality:	BURS Taxpayer ID No. (TIN):
Postal Address:		
Physical/Residential Address:		
Mobile/Telephone No.:	Email Address:	

C. CSDB ACCOUNT AND BROKER DETAILS

Existing CSDB Account Number (if held):
--

Broker through which the CSDB account is/will be held (tick one):

- ☐ Imara Capital Securities (Pty) Ltd
- ☐ Motswedi Securities (Pty) Ltd
- ☐ I do not yet hold a CSDB account and enclose a completed CSDB account-opening form

D. SHARES APPLIED FOR AND PAYMENT DETAILS

Number of Offer Shares applied for (minimum 250, thereafter in multiples of 10)	
Total Amount Payable and Paid (No. of Shares × Offer Price of P4.30 per share)*	
Date of Payment:	

*Applicants must use their CSDB number or full name as the EFT payment reference to enable the Receiving Bank and Sponsor to match payment to this Application Form. Stanbic Bank (Botswana) Limited, the Sponsor and the Receiving Bank accept no responsibility for payments that cannot be matched to an Application Form due to an incorrect or omitted reference or where the Application Form is not received as per the instructions set out in this form.

E. BANK ACCOUNT DETAILS FOR REFUND PAYMENT

(To be completed to enable refund payments, if any, to be made directly into this account. Must be an account held in the applicant’s own name.)

Bank Name:	Branch Name:
Account Number:	Branch Code:
Account Holder Name:	

F. DECLARATION AND SIGNATURE

I, the applicant named in Section B above, having read and understood the Prospectus issued by Stanbic Bank (Botswana) Limited in respect of the Offer, hereby apply for the number of Offer Shares specified in Section D above, upon the terms and conditions set out in the Prospectus and this Application Form, and subject to the Constitution of the Company.

- 1. I enclose proof of payment for the full Total Amount Payable and authorise the Sponsor and the Receiving Bank to process this Application accordingly.
- 2. I agree to accept the number of Offer Shares that may be allotted to me, which may be fewer than the number applied for, in accordance with the allotment policy set out in the Prospectus, and agree that the Company's register of members shall be conclusive evidence of my entitlement to the Offer Shares so allotted.
- 3. I confirm that the information given in this Application Form is true and correct, and that I am not applying under any other Application Form in respect of the Offer.
- 4. I acknowledge that this Application Form is irrevocable and may not be withdrawn once submitted.

Signature of Applicant:	Date:	Place:
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G. LODGING OF APPLICATIONS

Completed Application Forms, together with proof of payment and all required supporting documents, must be hand-delivered, posted, or emailed to the Sponsor at the address below, to be received no later than 27 November 2026 at 17:00:

Imara Capital Securities (Pty) Ltd - Sponsor to the Offer	
Physical Address: Office 3A, Third Floor, Masa Centre, Plot 54353, New CBD, Gaborone	
Postal Address: PO Box 46699, Gaborone	
Telephone: +267 318 8886	Email: ipo@imara.com

In addition to the Sponsor's address above, Application Forms may be delivered by hand, in an envelope marked "Stanbic Bank IPO", at any of the following Stanbic Bank sites:

Bank Name:	Branch Name:
Stanbic Head Office, Gaborone	Plot 50672, Off Machel Drive, Fairgrounds, Gaborone
Stanbic Bank, Selebi Phikwe	Lot 2537, Phikwe Square The Mall, Block A, Selebi Phikwe
Stanbic Bank, Ghanzi	Plot 8624, Taung Mall, Unit 19, Ghanzi
Stanbic Bank, Palapye	Plot 27737, Palapye Junction Mall, Shop 15, Palapye
Stanbic Bank, Kazungula	Plot 1461, Duncan Fourways Junction Mall, Shops 16, 17 and portion of Shop 22, Kazungula
Stanbic Bank, Francistown	Plot 1471/2, Galo Shopping Centre, Shop Number 35-35, Francistown
Stanbic Bank, Maun	Plot 92, Mathiba Road, Maun

Applications may also be lodged with Motswedi Securities (Pty) Ltd for onward transmission to the Sponsor, provided they are received in sufficient time to reach the Sponsor before the Closing Date.

H. CHECKLIST OF DOCUMENTS TO BE ATTACHED

- ☐ Certified copy of applicant's Omang or passport
- ☐ Proof of payment (EFT confirmation)
- ☐ Completed CSDB account-opening form (if the applicant does not already hold a CSDB account)

FOR OFFICE USE ONLY - DO NOT COMPLETE			
Application No.:	Date/Time Received:	Received by:	Bank Stamp:
No. of Shares Applied For:	No. of Shares Allotted:	CSDB Account Confirmed:	



STANBIC BANK (BOTSWANA) LIMITED
(Incorporated in the Republic of Botswana on 19 July
1991 and re-registered as a public company limited
by shares on 9 September 2019)
(Registration number BW000732198)

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Sponsor: Imara Capital Securities (Pty) Ltd | Receiving Bank: Stanbic Bank (Botswana) Limited |
Transfer Secretaries: CSDB

IMPORTANT

This Application Form is issued in connection with the Initial Public Offer (“the Offer”) of ordinary shares in Stanbic Bank (Botswana) Limited and must be read together with the Prospectus (“the Prospectus”) to which this Application Form is attached. This Application Form does not constitute a prospectus, and applications may only be made on the basis of the full Prospectus. If you are in any doubt as to the action you should take, please consult your stockbroker, banker, legal practitioner, accountant or other professional adviser without delay.

APPLICATION FORM FOR ENTITIES (COMPANIES, TRUSTS, PARTNERSHIPS AND OTHER ORGANISATIONS)

A. HOW TO APPLY

1. Applications must be for a minimum of 250 Offer Shares and thereafter in multiples of 10 Offer Shares. Applications for fewer than 250 Offer Shares will not be accepted.
2. The Applicant (entity) must hold, or must open prior to submitting this Application Form, an account with the Central Securities Depository Botswana Limited (“CSDB”) through a licensed stockbroking member of the Botswana Stock Exchange (“stockbroker”), being either Imara Capital Securities (Pty) Ltd whose address is detailed at Section G below or Motswedi Securities (Pty) Ltd whose address is Plot 113, Unit 30, Kgale Mews, Gaborone, P/Bag 00223, Gaborone, Botswana. Applicants who do not already hold a CSDB account must complete a CSDB account-opening form, obtainable from Imara Capital Securities or Motswedi Securities, and submit it together with this Application Form.
3. Payment of the full amount payable in respect of the Offer Shares applied for must be made by electronic funds transfer (EFT), in favour of “Stanbic Bank IPO”, to the stockbroker or the Receiving Bank account of Stanbic Bank (Botswana) Limited, details of which will be provided to you by your stockbroker. Cash will not be accepted.
4. Proof of payment (an original or legible copy of the EFT confirmation) reflecting the Applicant’s registered name must be attached to this Application Form. Applications submitted without proof of payment will not be processed.
5. The completed Application Form, together with proof of payment and all supporting documents, must be submitted to Imara Capital Securities (Pty) Ltd, as Sponsor to the Offer, at the address given in Section G below, or at any of the Stanbic Bank sites listed in Section G, to be received no later than 27 November 2026 at 17:00 (“Closing Date”). Applications received after the Closing Date will not be considered.
6. Applications are irrevocable once submitted and may not be withdrawn or amended.
7. The Directors of the Company, in consultation with the Sponsor, reserve the right to accept, reject, or scale down any application, in whole or in part, without providing reasons, and in accordance with the allotment policy set out in the Prospectus.
8. All Offer Shares allotted will be credited electronically to the Applicant’s CSDB account. No share certificates will be issued.

B. APPLICANT (ENTITY) DETAILS

First (Sole/Principal) Applicant

Full Registered Name of Entity:

Nature of Entity (tick one):

- ☐ Public Company ☐ Private Company ☐ Close Corporation
☐ Trust ☐ Partnership ☐ Pension/Provident Fund ☐ Other (specify): _____

Certificate of Incorporation/Registration No.:	Date of Incorporation:	First Name(s):
Country/Place of Incorporation:	BURS Taxpayer ID No. (TIN):	First Name(s):
VAT Registration No. (if applicable):		
Registered Office Address:		
Postal Address:		
Contact Person (Name & Designation):	Telephone No.:	
Email Address:		

C. CSDB ACCOUNT AND BROKER DETAILS

Existing CSDB Account Number (if held):

Broker through which the CSDB account is/will be held (tick one):

- ☐ Imara Capital Securities (Pty) Ltd
☐ Motswedi Securities (Pty) Ltd
☐ We do not yet hold a CSDB account and enclose a completed CSDB account-opening form

D. SHARES APPLIED FOR AND PAYMENT DETAILS

Number of Offer Shares applied for (minimum 250, thereafter in multiples of 10)	
Total Amount Payable and Paid (No. of Shares × Offer Price of P4.30 per share)*	
Date of Payment:	

*Applicants must use their CSDB number or registered entity name as the EFT payment reference to enable the Receiving Bank and Sponsor to match payment to this Application Form. Stanbic Bank (Botswana) Limited, the Sponsor and the Receiving Bank accept no responsibility for payments that cannot be matched to an Application Form due to an incorrect or omitted reference or where the Application Form is not received as per the instructions set out in this form.

E. BANK ACCOUNT DETAILS FOR REFUND PAYMENTS

(To be completed to enable refund payments, if any, to be made directly into this account.)

Bank Name:	Branch Name:
Account Number:	Branch Code:
Account Holder Name:	

(Bank account must be held in the name of the Applicant entity.)

F. DECLARATION AND AUTHORISED SIGNATORIES

We, the duly authorised representatives of the Applicant named in Section B above, having read and understood the Prospectus issued by Stanbic Bank (Botswana) Limited in respect of the Offer, hereby confirm that the Applicant applies for the number of Offer Shares specified in Section D above, upon the terms and conditions set out in the Prospectus and this Application Form, and subject to the Constitution of the Company.

1. We enclose proof of payment for the full Total Amount Payable and authorise the Sponsor and the Receiving Bank to process this Application accordingly.
2. We agree to accept the number of Offer Shares that may be allotted to the Applicant, which may be fewer than the number applied for, in accordance with the allotment policy set out in the Prospectus, and agree that the Company's register of members shall be conclusive evidence of the Applicant's entitlement to the Offer Shares so allotted.
3. We confirm that the information given in this Application Form is true and correct, and that the Applicant is not applying under any other Application Form in respect of the Offer.
4. We acknowledge that this Application Form is irrevocable and may not be withdrawn once submitted.

Authorised Signatories (minimum of two, in accordance with the Applicant's constitutional documents/board resolution):

Full Name	Designation/ Capacity	Omang/Passport No.	Signature	Date

- ☐ Common Seal of the Applicant affixed (where the Applicant's constitution requires use of a seal)

G. LODGING OF APPLICATIONS

Completed Application Forms, together with proof of payment and all required supporting documents, must be hand-delivered, posted, or emailed to the Sponsor at the address below, to be received no later than 27 November 2026 at 17:00:

Imara Capital Securities (Pty) Ltd - Sponsor to the Offer	
Physical Address: Office 3A, Third Floor, Masa Centre, Plot 54353, New CBD, Gaborone	Postal Address: PO Box 46699, Gaborone
Telephone: +267 318 8886	Email: ipo@imara.com

In addition to the Sponsor's address above, Application Forms may be delivered by hand, in an envelope marked "Stanbic Bank IPO", at any of the following Stanbic Bank sites:

Bank Name:	Branch Name:
Stanbic Head Office, Gaborone	Plot 50672, Off Machel Drive, Fairgrounds, Gaborone
Stanbic Bank, Selebi Phikwe	Lot 2537, Phikwe Square The Mall, Block A, Selebi Phikwe
Stanbic Bank, Ghanzi	Plot 8624, Taung Mall, Unit 19, Ghanzi
Stanbic Bank, Palapye	Plot 27737, Palapye Junction Mall, Shop 15, Palapye
Stanbic Bank, Kazungula	Plot 1461, Duncan Fourways Junction Mall, Shops 16, 17 and portion of Shop 22, Kazungula
Stanbic Bank, Francistown	Plot 1471/2, Galo Shopping Centre, Shop Number 35, Francistown
Stanbic Bank, Maun	Plot 92, Mathiba Road, Maun

Applications may also be lodged with Motswedi Securities (Pty) Ltd for onward transmission to the Sponsor, provided they are received in sufficient time to reach the Sponsor before the Closing Date.

H. CHECKLIST OF DOCUMENTS TO BE ATTACHED

- ☐ Certified copy of the Applicant's Certificate of Incorporation / Registration
- ☐ Certified copy of the board or trustee resolution authorising the application and naming the authorised signatories
- ☐ Certified copies of the Omang/passport of each authorised signatory
- ☐ Certified copy of trust deed and letter of authority (Trusts only, where applicable)
- ☐ Proof of payment (EFT confirmation)
- ☐ Completed CSDB account-opening form (if the Applicant does not already hold a CSDB account)

FOR OFFICE USE ONLY - DO NOT COMPLETE			
Application No.:	Date/Time Received:	Received by:	Bank Stamp:
No. of Shares Applied For:	No. of Shares Allotted:	CSDB Account Confirmed:	

Notes

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Stanbic Bank

www.stanbicbank.com

Member of the Deposit Insurance Scheme of Botswana