

ANNUAL FINANCIAL STATEMENTS

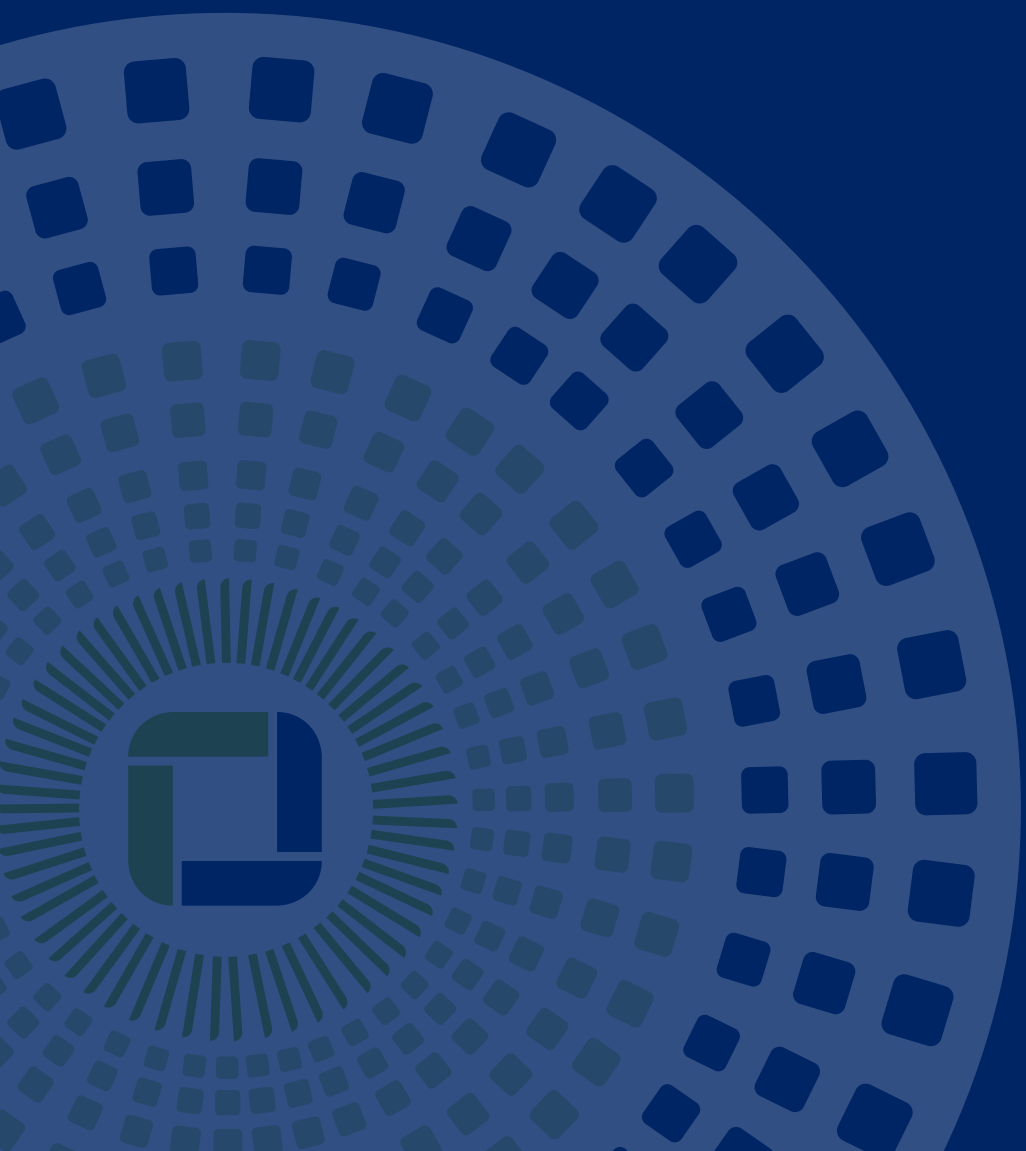
for the year ended
31 December 2025
prepared under Listing Rules
of Malawi Stock Exchange



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Contents



2 Directors' report



12 Statements of financial position



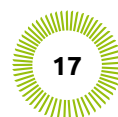
14 Statements of changes in equity



5 Directors' responsibilities



13 Statements of profit or loss and other comprehensive income



17 Statements of cash flows



6 Independent auditor's report



18 Notes to the financial statements

1	Reporting entity	18	19	Investment in joint venture	143	40	Foreign currency translation reserve	170
2	Basis of preparation	18	20	Investment property	144	41	Group subsidiaries	171
3	Adoption of new and revised International Financial Reporting Standards	20	21	Intangible assets	145	42	Net interest income	175
4	Segment reporting	24	22	Leases	146	43	Net fees and commissions	176
5	Significant accounting judgements, estimates and assumptions	28	23	Investments in subsidiary companies	147	44	Income from investments	177
6	Material accounting policies	31	24	Property and equipment	148	45	Net gains/(loss) on foreign exchange transactions	178
7	Risk management	52	25	Deferred tax	156	46	Other operating income	178
8	Fair value measurement	123	26	Balances due to other banks	157	47	Staff and training costs	178
9	Cash and balances with banks	134	27	Customer deposits	160	48	Premises and equipment costs	179
10	Money market investments	135	28	Other payables	160	49	Depreciation and amortisation	179
11	Loans and advances to customers	136	29	Loans payable	161	50	Administration and general expenses	180
12	Repurchase agreements	137	30	Subordinated debt	162	51	Impairment loss on financial assets	181
13	Derivative financial instruments	137	31	Financial guarantees, letters of credit and other undrawn commitments	163	52	Basic and diluted earnings per share	181
14	Current tax asset	138	32	Convertible preference shares	164	53	Contingent liabilities	182
15	Assets held for sale	140	33	Maturity analysis of assets and liabilities	165	54	Capital commitments	182
16	Other assets	140	34	Provisions	168	55	Related party transactions	183
17	Investments at fair value through profit or loss	141	35	Share capital	168	56	Events after the reporting date	187
18	Investments at fair value through other comprehensive income	142	36	Restructuring reserve	169	57	Exchange rates used for translating the Group's foreign operations	188
			37	Property revaluation reserve	169	58	Retirement benefit pension plan	189
			38	Loan loss reserve	170			
			39	Other reserves	170			



191 Abbreviations and acronyms



192 Where to find us



IBC Corporate information

Directors' report

for the year ended 31 December 2025

The Board of Directors of FMBcapital Holdings Plc (the Board or the Directors) are pleased to submit their report together with the audited consolidated and separate financial statements (the financial statements) of FMBcapital Holdings Plc (the Company) and its subsidiaries (the Group) for the year ended 31 December 2025.

Nature of business

The Company is a public limited liability company incorporated in Mauritius, registered as a Global Business Licence entity with the Financial Services Commission in Mauritius, and listed on the Malawi Stock Exchange.

The Company owns and manages a portfolio of direct and indirect subsidiary investments which are principally involved in the provision of commercial banking services. Details of Group subsidiaries, including their countries of domicile, are set out in Note 41 of the financial statements.

Directors' interests in the Company

As at 31 December 2025, the total direct and indirect interests of the Directors and parties related thereto in the issued ordinary share capital of the Company were as follows:

Name		2025		2024	
		Shares	%	Shares	%
Premier Capital (Mauritius) Limited	(i)	766 266 044	31.17	766 266 044	31.17
Prime Bank Limited	(ii)	262 500 000	10.68	262 500 000	10.68
Prime Capital Holdings Limited	(ii)	262 500 000	10.68	262 500 000	10.68
Magni Holdings Limited	(i)	232 000 000	9.44	232 000 000	9.44
Hitesh N. Anadkat	(i)	52 322 891	2.13	52 322 891	2.13
N. G. Anadkat Limited	(i)	32 932 289	1.34	31 817 289	1.29
Livingstone Exports Limited	(i)	18 300 887	0.74	19 415 887	0.79
Livingstone Holdings Limited	(i)	13 116 970	0.53	13 116 970	0.53
Thomas Kadantot	(iii)	1 587 600	0.06	1 587 600	0.06
Shaun Anadkat	(iv)	700 000	0.03	700 000	0.03
Sheena Anadkat	(iv)	500 000	0.02	500 000	0.02
Dillon Anadkat	(iv)	400 000	0.02	400 000	0.02

(i) Mr. Hitesh N. Anadkat and members of his immediate family have beneficial interests in Premier Capital (Mauritius) Limited, Magni Holdings Limited, N. G. Anadkat Limited, Livingstone Exports Limited, and Livingstone Holdings Limited.

(ii) Prime Bank Limited and Prime Capital Holding Limited are controlled by a common ultimate beneficial owner, who has a director seat with First Capital Bank Plc Malawi, a wholly owned subsidiary of the Company.

(iii) Mr. Thomas Kadantot is a director of First Capital Bank Plc Malawi, a wholly owned subsidiary of the Company.

(iv) Mr. Shaun Anadkat, Ms. Sheena Anadkat and Mr. Dillon Anadkat are immediate family members of Mr. Hitesh N. Anadkat.

The Board of Directors and Directors' remuneration

As at 31 December 2025, the Board comprised of:

	Role	Period
Terence Michael Davidson	Chairman	All year
Hitesh Natwarlal Anadkat	Director	All year
Busisa Moyo	Director	All year
Johannes Christoffel Els	Director	All year
Gavin Chapman	Director	All year
Mahendra Gursahani	Director	All year
Rajkamal Taposeea	Director	All year
Priscilla Balgobin-Bhojrul	Director	All year
Jaco Viljoen	Director	All year
Shaun Anadkat	Director	All year
Diana Cazacu-Jamieson	Director	All year

The Board is responsible for directing the affairs of the Company in the best interests of its shareholders, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices.

The Company adopts and conforms to the main principles of modern corporate governance, and particularly those principles set out in the guidance for holders of a Global Business Licence in the National Code of Corporate Governance for Mauritius and the Malawi Code II (Code of Best Practice for Corporate Governance in Malawi).

Directors' report (continued)

for the year ended 31 December 2025

The Board of Directors and Directors' remuneration (continued)

The individual remuneration of the Directors is disclosed below:

USD	2025	2024
Directors' remuneration		
Terence M. Davidson	62 500	60 000
Hitesh N. Anadkat	19 500	18 000
Busisa Moyo	19 500	18 000
Johannes C. Els	19 500	18 000
Mahendra Gursahani	19 500	18 000
Priscilla Balgobin-Bhojru	19 500	18 000
Rajkamal Taposeea	19 500	18 000
Shaun Anadkat	19 500	9 000
Diana Cazacu	19 500	–
Susanne Alfs	–	9 000
	218 500	186 000

Dividend

No final dividend was declared in respect of the financial year ended 31 December 2024, following a resolution by the Directors in June 2025 to defer the declaration pending clarity on the Group's capital requirements. Following a reassessment in July 2025, the Directors declared an interim dividend of USD 10 625 148 (0.43 US cents per ordinary share), which was paid on 15 August 2025. Although classified as an interim dividend, this distribution related to the financial performance for the year ended 31 December 2024.

For the financial year ended 31 December 2025, total dividends declared amounted to USD 17 999 898, equivalent to 0.73 US cents per share. In addition, the Directors have proposed a final dividend of USD 16 470 275 (0.67 US cents per ordinary share), bringing total dividends in respect of the 2025 financial year to USD 34 470 173, equivalent to 1.40 US cents per share, subject to shareholder approval. The proposed final dividend is expected to be paid in July 2026.

Financial risk factors

The consideration of major financial risks impacting on the Group's operations has been set out in Note 7 of the financial statements.

Donations

During the year, no donation for political purposes was made by the Company or any of its subsidiaries. As part of its Social Responsibility Strategy, the Company and its subsidiaries continue to engage in corporate social investment for causes including, but not limited to, disaster relief, healthcare advancement, education, culture, youth and sports.

Ethical standards

The Board is fully committed to ensuring that the Group's affairs are conducted with integrity and that the highest ethical standards are maintained. All employees of the Group are required to abide by a code of conduct containing detailed guidelines governing ethics and integrity in the workplace. The Company has launched refreshed cultural values aligned to the FMBCH Group strategy, "Growth is our business". These values reinforce the Board's commitment to ethical conduct in all aspects of the Group's dealings.

Special resolutions during the year ended 31 December 2025

In accordance with the Malawi Stock Exchange requirements, FMBcapital Holdings Plc ("the Company") discloses special resolutions passed at Extra-Ordinary General Meetings of its subsidiaries in this Directors' Report.

During the year under review, the following special resolution was passed:

- First Capital Bank Mozambique – At its 36th Extraordinary General Meeting held on 30 April 2025, the Bank formalised the appointment of a Statutory Auditor following the dissolution of the Fiscal Council. The Statutory Auditor, elected on 13 October 2023, assumed office on 16 January 2024 upon approval by the Bank of Mozambique.

Directors' report (continued)

for the year ended 31 December 2025

Auditor's report and financial statements

The constitution of the Company provides for the appointment of a firm of auditors to fulfil the role of statutory auditor to audit the financial statements of the Company in accordance with the Mauritius Companies Act 2001. The Directors evaluate the independence and effectiveness of the external auditor on an ongoing basis before making recommendations to the Board on their appointment and remuneration.

The fee payable to the external auditors are as follows:

	Consolidated		Separate	
	2025 USD	2024 USD	2025 USD	2024 USD
Audit fee (excluding VAT and disbursements)	1 146 216	1 049 117	445 045	393 300

No non-audit services were provided by external auditors.

EY Mauritius have been external auditors of the Company and the Group since the year ended 31 December 2023.

The independent auditor's report is set out on pages 6 to 11.

Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. The going concern assessment was performed through a review of the economic conditions in which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources, as well as sources of sustainable deposits, and other funding, which are well diversified. The Group is, therefore, able to address short-term as well as medium-term stress factors within reasonable parameters. The Board includes such considerations in its rigorous Internal Capital Adequacy Assessment Planning (ICAAP) process, which forms a robust basis to use in the going concern assessment.

The Group's ability to continue as a going concern was also considered in the context of varied socio-economic and macroeconomic factors, as well as their impact on the Group's future results. All these factors were managed and responded to adequately through Groupwide governance, strategy and execution, and no unmitigated material risks to the sustainability of the Group's financial results, position and cash flows were noted by the Directors.

On behalf of the Board



Terence Davidson
Director



Busisa Moyo
Director

Directors' responsibilities

for the year ended 31 December 2025

The Directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of FMBcapital Holdings Plc, comprising the consolidated and separate statements of financial position as at 31 December 2025 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 December 2025, and the notes to the financial statements which include a summary of accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), except that IAS 29 Financial Reporting in Hyperinflationary Economies has not been applied to the Malawi-incorporated companies within the Group, nor to the Group as a whole. This follows the Directive on the Application of IAS 29, issued by the Institute of Chartered Accountants in Malawi (ICAM) under Notice No. PN-2024-12. The ICAM directive prohibits the application of IAS 29 to entities incorporated in Malawi as well as to multinational entities listed on the Malawi Stock Exchange with subsidiaries operating in Malawi, including FMBcapital Holdings Plc Group.

ICAM, following its own assessment, concluded that Malawi did not meet the criteria for classification as a hyperinflationary economy for financial reporting purposes as at 31 December 2025. The Group aligns with this assessment and has therefore not applied IAS 29 in the preparation of the financial statements.

The consolidated and separate financial statements are also prepared in line with the requirements of the listing rules of the Malawi Stock Exchange, which require listed companies to comply with the ICAM directive. Furthermore, the Directors are responsible for preparing the Directors' Report in accordance with the relevant requirements.

The Directors are also responsible for ensuring that the Group and Company maintain proper accounting records that provide, with reasonable accuracy, an up-to-date view of the financial position of the Group and Company, and that the financial statements comply with the Listing Rules of the Malawi Stock Exchange.

In preparing the consolidated and separate financial statements, the Directors accept responsibility for the following:

- Maintenance of proper accounting records
- Selection of suitable accounting policies and applying them consistently
- Making judgements and estimates that are reasonable and prudent
- Compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the consolidated and separate financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume the Company will continue to operate for the foreseeable future.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors confirm that they have complied with the above requirements in preparing the consolidated and separate financial statements.

Approval of financial statements

The consolidated and separate financial statements of FMBcapital Holdings Plc as identified in the first paragraph, were approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:



Terence Davidson
Director



Busisa Moyo
Director



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FNBCAPITAL HOLDINGS PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of FNBCapital Holdings Plc (the "Company") and its subsidiaries (the "Group") and Company set out on pages 12 to 190 which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 December 2025, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters applies only to the audit of the consolidated financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FMBCAPITAL HOLDINGS PLC**

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Expected credit losses (ECL) on loans and advances to customers</p> <p>The Group recognised gross loans and advances to customers as at 31 December 2025 of USD 923,257,625 (2024: 787,783,912) with related expected credit losses of USD 17,612,279 at the same date (2024: USD 15,606,067). The Group's net loans and advances represented 36% (2024: 37%) of the Group's total assets and the ECL contributed 2% (2024: 2%) of the Group's gross loans and advances to customers.</p> <p>In arriving at the reported expected credit losses, management applied judgements and made assumptions which, by their very nature, are subjective due to the significant uncertainty associated with them. The main inputs with increased complexity in respect of the timing and measurement of ECL include:</p> <ul style="list-style-type: none"> • Modelled ECL allowance - The Group's loans and advances portfolio is mainly disaggregated into two sections- Corporate loan book and Retail loan book. The ECL allowance is calculated using a modelled approach. The development and execution of the model requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters. • Staging - The determination of what constitutes significant increase in credit risk ("SICR") and consequent timely allocation of these financial assets to the appropriate stage in accordance with IFRS 9. This assessment incorporates judgement and estimation by management. 	<p>Our audit procedures in assessing the ECL included the following:</p> <p>We have obtained an understanding of the Group's processes and tested the design effectiveness of the Group's internal controls over credit origination, credit monitoring and credit remediation, as well as the governance process over the approval and review of the Group's ECL models, including management adjustments.</p> <p>Modelled ECL allowance</p> <p>With the assistance of our internal specialists:</p> <ul style="list-style-type: none"> • We assessed the conceptual soundness of the model construct and statistical/mathematical techniques applied as well as the reasonableness underpinning significant assumptions applied with reference to the requirements of IFRS 9 - Financial instruments, in determining the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) parameters included in the models. • We independently reperformed the ECL calculations as per model documentation (model build steps and independently recomputed the PD, EAD and LGD parameters using the model build steps and management's inputs, to assess the reasonableness of the ECL model outputs. • Where exceptions were noted, our internal specialists developed challenger model(s) to evaluate the impact using independently derived parameters while leveraging from internal and external data. • We evaluated the sensitivity of the model outputs for possible changes in the forward-looking information benchmarked against external sources. • We assessed the data inputs used in the ECL models by reconciling the data inputs to the core banking system, customer agreements and collateral valuation reports. • We tested the Group's legal right to the collateral for a sample of exposures by inspecting legal agreements and valuation reports supporting the collateral valuations included in the Group's ECL models.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FMBCAPITAL HOLDINGS PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
<ul style="list-style-type: none"> Macroeconomic forecasts incorporated in impairment models - The Group incorporates forward looking information through macroeconomic variables. These require management judgement, given the uncertain macroeconomic environment and the complexity of incorporating these scenario forecasts and probability weightings into the estimation of ECL. The calculation of ECL relating to loans and advances to customers was identified as a key audit matter considering the significance to the consolidated financial statements and the high degree of estimation uncertainty due to significant judgements and assumptions applied in the calculation which required increased audit effort and the use of specialists. 	<ul style="list-style-type: none"> We assessed the competency and independence of a sample of the specialists appointed by the Group to determine the value of the collateral by reviewing the specialists' qualifications, credentials and registrations to professional bodies and the engagement contracts agreed with these specialists. We reviewed on a sample basis, the valuation reports obtained from these specialists and benchmarked the discount rates and asset valuations reported by these specialists against discount rates and asset valuations for similar assets obtained from our own internal valuation specialists and other valuation specialists for similar assets in the same geographical areas. <p>Staging</p> <ul style="list-style-type: none"> We assessed the appropriateness of the Group's SICR methodologies and tested the stage allocation of loans and advances to customers to stage 1, 2 or 3 in accordance with IFRS 9. Our procedures included obtaining and testing loan arrears reports, verifying that balances are classified in the appropriate stage based on the days past due and credit risk assessments performed and risk ratings determined for individual accounts. We assessed the risk ratings for a sample of accounts by reviewing the financial statements received from customers, comparing the risk ratings to the Group's credit watchlist, and reviewing the payment behaviour for the selected accounts. We compared the risk ratings for these selected accounts to management's SICR assessment. <p>Macro-economic forecasts</p> <ul style="list-style-type: none"> We obtained an understanding of how the economic forecasts, as part of forward-looking information, are derived and incorporated in the models; and We evaluated the adequacy and completeness of economic assumptions used in the models by benchmarking macroeconomic variables against external sources, including both historical observations and forward-looking forecasts.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FMB CAPITAL HOLDINGS PLC**

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
<p>The disclosures associated to Expected credit losses (ECL) on loans and advances are set out in the financial statements in the following notes:</p> <p>Note 11 - Loans and advances to customers. Note 51 - Impairment loss on financial assets. Note 7.1 - Credit risk.</p>	<p>We assessed the presentation of the Expected Credit Loss and the appropriateness of the accounting policies as well as the adequacy of disclosures by comparing these to the requirements of IFRS 9 - Financial instruments.</p>

Other matter

The accompanying financial statements have been prepared in accordance with the requirement of the Malawi Stock Exchange, applying IFRS Accounting Standards as issued by the International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi. The Company prepared another set of consolidated and separate financial statements under IFRS Accounting Standards as issued by the International Accounting Standards Board for statutory purposes under the requirement of Companies Act 2001 in Mauritius on which a distinct opinion will be issued.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 190 - page document titled "FMB Capital Holdings Plc Annual Financial Statements for the year ended 31 December 2025 prepared under Listing Rules of Malawi Stock Exchange", which includes the Directors' Report and the Directors' Responsibilities. The other information does not include the consolidated or these separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FMBCAPITAL HOLDINGS PLC**

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements (Continued)

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FMBCAPITAL HOLDINGS PLC**

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Use of our report

This report is made solely to the Company's members. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

David Ng Man Chuen

DAVID NG MAN CHUEN,
F.C.C.A. Licensed by FRC

Date: 27 March 2026

Statements of financial position

as at 31 December 2025

USD	Notes	Consolidated		Separate	
		2025	2024	2025	2024
ASSETS					
Cash and balances with banks	9	966 313 686	651 669 255	11 940 310	5 175 409
Money market investments	10	435 600 973	470 925 545	–	–
Loans and advances to customers	11	905 645 346	772 177 845	–	–
Repurchase agreements	12	–	5 026 164	–	–
Derivative financial assets	13	17 373 969	15 929 929	–	–
Current tax assets	14	4 951 877	2 339 446	–	–
Assets held for sale	15	13 967 202	–	–	–
Other assets	16	47 213 669	28 552 614	19 002 719	9 797 007
Investments at fair value through profit or loss	17	39 094 247	10 496 502	–	–
Investments at fair value through other comprehensive income	18	6 202 863	4 412 979	–	–
Investment in joint venture	19	–	13 897 469	–	–
Investment property	20	4 264 759	3 880 996	–	–
Intangible assets	21	9 082 705	7 933 505	1 531 862	1 871 326
Right-of-use assets	22	6 206 600	7 345 708	35 766	35 766
Investments in subsidiary companies	23	–	–	138 910 342	138 910 342
Property and equipment	24	82 361 107	67 649 575	3 926 379	803 402
Deferred tax assets	25	2 042 209	4 411 479	–	–
Total assets		2 540 321 212	2 066 649 011	175 347 378	156 593 252
LIABILITIES AND EQUITY					
Liabilities					
Balances due to other banks	26	84 054 425	84 389 144	–	–
Customer deposits	27	1 860 527 257	1 514 618 262	–	–
Derivative financial liabilities	13	18 220 810	13 511 952	–	–
Other payables	28	65 909 585	46 732 478	1 074 971	878 928
Current tax liabilities	14	21 431 072	9 386 440	–	–
Lease liabilities	22	5 895 474	6 854 129	59 312	59 312
Loans payable	29	8 634 903	55 864 666	8 634 903	8 634 903
Subordinated debt	30	12 158 635	11 550 581	–	–
Convertible preference shares	32	10 786 747	10 786 747	10 786 747	10 786 747
Provisions	34	15 315 628	10 153 735	–	–
Deferred tax liabilities	25	11 668 188	7 867 364	–	–
Total liabilities		2 114 602 724	1 771 715 498	20 555 933	20 359 890
Equity					
Share capital	35	117 409 081	117 409 081	117 409 081	117 409 081
Restructuring reserve	36	(54 510 623)	(54 510 623)	–	–
Property revaluation reserve	37	12 128 763	12 879 448	–	–
Loan loss reserve	38	3 383 036	3 924 732	–	–
Other reserves	39	22 997 650	14 154 740	–	–
Foreign currency translation reserve	40	(85 105 263)	(90 266 296)	(176)	–
Retained earnings		273 753 189	186 197 073	37 382 540	18 824 281
Total equity attributable to equity holders of the company		290 055 833	189 788 155	154 791 445	136 233 362
Non-controlling Interest	41.2	135 662 655	105 145 358	–	–
Total equity		425 718 488	294 933 513	154 791 445	136 233 362
Total equity and liabilities		2 540 321 212	2 066 649 011	175 347 378	156 593 252

The consolidated and separate financial statements were approved for issue by the Company's Board of Directors on 27 March 2026 and were signed on its behalf by:



Terence Davidson
Director



Busisa Moyo
Director

Statements of profit or loss and other comprehensive income

for the year ended 31 December 2025

USD	Notes	Consolidated		Separate	
		2025	2024	2025	2024
Interest and similar income	42.1	296 085 837	229 374 799	350 083	379 144
Interest expense and similar charges	42.2	(73 761 472)	(62 856 352)	(1 718 988)	(2 217 485)
Net interest income/(expense)		222 324 365	166 518 447	(1 368 905)	(1 838 341)
Fee and commission income	43	73 384 249	55 625 730	1 029 879	–
Fee and commission expense	43	(12 058 992)	(7 006 393)	–	–
Income from investments	44	19 153 278	1 466 197	42 832 608	26 584 197
Net gains/(losses) on foreign exchange transactions	45	75 710 203	52 426 808	(26 446)	(13 267)
Net gains on derivative instruments	13	3 192 795	6 793 620	–	–
Fair value gain on investment property	20	293 742	7 221	–	–
Other operating income	46	3 479 113	2 470 167	9 986 016	10 044 532
Total non-interest income		163 154 388	111 783 350	53 822 057	36 615 462
Total operating income		385 478 753	278 301 797	52 453 152	34 777 121
Staff and training costs	47	(68 611 575)	(63 257 255)	(6 936 082)	(6 795 263)
Premises and equipment costs	48	(21 071 701)	(17 541 013)	(2 576 528)	(1 139 211)
Depreciation and amortisation	49	(11 344 827)	(11 540 281)	(863 819)	(1 223 596)
Administration and general expenses	50	(37 198 404)	(34 312 990)	(2 233 774)	(1 953 227)
Total expenses		(138 226 507)	(126 651 539)	(12 610 203)	(11 111 297)
Impairment loss on financial assets	51	(13 060 899)	(5 443 513)	–	–
Operating profit		234 191 347	146 206 745	39 842 949	23 665 824
Share of profit/(loss) in joint venture	19	69 733	(442 063)	–	–
Profit before income tax expense		234 261 080	145 764 682	39 842 949	23 665 824
Income tax expense	14.1	(81 965 529)	(42 248 406)	(3 284 792)	(2 030 590)
Profit for the year		152 295 551	103 516 276	36 558 157	21 635 234
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Revaluation (loss)/surplus on property	24,37	(753 782)	1 297 221	–	–
Deferred tax on revalued property	25,37	(397 887)	(2 318 055)	–	–
Fair value gain on investments at FVOCI	18	2 741 012	636 000	–	–
Deferred tax on fair value changes on investments	25	(621 894)	(305 000)	–	–
		967 449	(689 834)	–	–
Items that will be reclassified subsequently to profit or loss					
Fair value loss on FVOCI financial assets	10	(219 933)	(320 000)	–	–
Exchange differences on translating foreign operations		11 646 053	5 781 248	(176)	–
		11 426 120	5 461 248	(176)	–
Total other comprehensive income/(loss) for the year		12 393 569	4 771 414	(176)	–
Total comprehensive income for the year		164 689 120	108 287 690	36 557 981	21 635 234
Profit or loss attributable to:					
Owners of the parent		112 860 346	68 644 709	36 558 157	21 635 234
Non-controlling interest	41.2	39 435 205	34 871 567	–	–
Profit for the year		152 295 551	103 516 276	36 558 157	21 635 234
Total comprehensive income attributable to:					
Owners of the parent		118 267 576	71 428 898	36 557 981	21 635 234
Non-controlling interest		46 421 544	36 858 792	–	–
Total comprehensive income for the year		164 689 120	108 287 690	36 557 981	21 635 234
Basic earnings per share (US cents)	52	4.591	2.792		
Diluted earnings per share (US cents)	52	4.237	2.591		

Statements of changes in equity

for the year ended 31 December 2025

Consolidated

USD	Share capital	Restructuring reserve	Property revaluation reserve	Loan loss reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Equity attributable to owners	Non-controlling interest	Total equity
2025										
Balance at 1 January 2025	117 409 081	(54 510 623)	12 879 448	3 924 732	14 154 740	(90 266 296)	186 197 073	189 788 155	105 145 358	294 933 513
Profit for the year	-	-	-	-	-	-	112 860 346	112 860 346	39 435 205	152 295 551
Other comprehensive income										
Fair value gain on investments at FVOCI net of deferred tax	-	-	-	-	1 112 325	-	-	1 112 325	1 006 793	2 119 118
Fair value loss on FVOCI financial assets	-	-	-	-	(115 443)	-	-	(115 443)	(104 490)	(219 933)
Property revaluation	-	-	(639 283)	-	-	-	-	(639 283)	(114 499)	(753 782)
Deferred tax on revalued assets	-	-	(111 402)	-	-	-	-	(111 402)	(286 485)	(397 887)
Effects of changes in foreign exchange rates on consolidation of foreign subsidiaries	-	-	-	-	-	5 161 033	-	5 161 033	6 485 020	11 646 053
Total other comprehensive (loss)/income	-	-	(750 685)	-	996 882	5 161 033	-	5 407 230	6 986 339	12 393 569
Total comprehensive (loss)/income for the year	-	-	(750 685)	-	996 882	5 161 033	112 860 346	118 267 576	46 421 544	164 689 120
Transfers within reserves										
Transfer to non-distributable reserve	-	-	-	-	7 846 028	-	(7 846 028)	-	-	-
Net transfer from loan loss reserve	-	-	-	(541 696)	-	-	541 696	-	-	-
	-	-	-	(541 696)	7 846 028	-	(7 304 332)	-	-	-
Transactions with owners, recorded directly in equity										
Distribution to owners										
Dividends paid to owners	-	-	-	-	-	-	(17 999 898)	(17 999 898)	-	(17 999 898)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(15 904 247)	(15 904 247)
Total transactions with owners	-	-	-	-	-	-	(17 999 898)	(17 999 898)	(15 904 247)	(33 904 145)
Balance as at 31 December 2025	117 409 081	(54 510 623)	12 128 763	3 383 036	22 997 650	(85 105 263)	273 753 189	290 055 833	135 662 655	425 718 488
2024										
Balance at 1 January 2024	117 409 081	(54 510 623)	14 747 281	4 114 373	8 944 470	(94 912 544)	138 354 692	134 146 730	80 423 761	214 570 491
Profit for the year	-	-	-	-	-	-	68 644 709	68 644 709	34 871 567	103 516 276
Other comprehensive income										
Fair value gain on investments at FVOCI net of deferred tax	-	-	-	-	173 742	-	-	173 742	157 258	331 000
Fair value loss on FVOCI financial assets	-	-	-	-	(167 968)	-	-	(167 968)	(152 032)	(320 000)
Property revaluation	-	-	807 150	-	-	-	-	807 150	490 071	1 297 221
Deferred tax on revalued assets	-	-	(2 674 983)	-	-	-	-	(2 674 983)	356 928	(2 318 055)
Effects of changes in foreign exchange rates on consolidation of foreign subsidiaries	-	-	-	-	-	4 646 248	-	4 646 248	1 135 000	5 781 248
Total other comprehensive income	-	-	(1 867 833)	-	5 774	4 646 248	-	2 784 189	1 987 225	4 771 414
Total comprehensive income for the year	-	-	(1 867 833)	-	5 774	4 646 248	68 644 709	71 428 898	36 858 792	108 287 690
Transfers within reserves										
Transfer to non-distributable reserve	-	-	-	-	5 760 587	-	(5 760 587)	-	-	-
Net transfer from loan loss reserve	-	-	-	(189 641)	-	-	189 641	-	-	-
	-	-	-	(189 641)	5 760 587	-	(5 570 946)	-	-	-
Other movements										
Transfer to collective impairment allowance	-	-	-	-	(556 091)	-	556 091	-	-	-
	-	-	-	-	(556 091)	-	556 091	-	-	-
Transactions with owners, recorded directly in equity										
Distribution to owners										
Dividends paid to owners	-	-	-	-	-	-	(15 787 473)	(15 787 473)	-	(15 787 473)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(12 137 195)	(12 137 195)
Total transactions with owners	-	-	-	-	-	-	(15 787 473)	(15 787 473)	(12 137 195)	(27 924 668)
Balance as at 31 December 2024	117 409 081	(54 510 623)	12 879 448	3 924 732	14 154 740	(90 266 296)	186 197 073	189 788 155	105 145 358	294 933 513

Statements of changes in equity (continued)

for the year ended 31 December 2025

USD	Separate			Total equity
	Share capital	Foreign currency Translation reserve	Retained earnings	
2025				
Balance as at 1 January 2025	117 409 081	–	18 824 281	136 233 362
Profit for the year	–	–	36 558 157	36 558 157
Total comprehensive income	–	–	36 558 157	36 558 157
Other comprehensive income				
Effects of changes in foreign exchange rate on consolidation of foreign operations	–	(176)	–	(176)
Total other comprehensive loss	–	(176)	–	(176)
Total comprehensive (loss)/income for the year	–	(176)	36 558 157	36 557 981
Transactions with owners, recorded directly in equity				
Distribution to owners				
Dividends paid to owners	–	–	(17 999 898)	(17 999 898)
Total transactions with owners	–	–	(17 999 898)	(17 999 898)
Balance as at 31 December 2025	117 409 081	(176)	37 382 540	154 791 445
2024				
Balance as at 1 January 2024	117 409 081	–	12 976 520	130 385 601
Profit for the year	–	–	21 635 234	21 635 234
Total comprehensive income	–	–	21 635 234	21 635 234
Transactions with owners, recorded directly in equity				
Distribution to owners				
Dividends paid to owners	–	–	(15 787 473)	(15 787 473)
Total transactions with owners	–	–	(15 787 473)	(15 787 473)
Balance as at 31 December 2024	117 409 081	–	18 824 281	136 233 362

Statements of cash flows

for the year ended 31 December 2025

USD	Notes	Consolidated		Separate	
		2025	2024	2025	2024
Cash flows from operating activities					
Interest and fees received		429 157 436	323 197 878	350 083	379 144
Interest paid		(64 318 126)	(56 500 422)	(1 584 085)	(2 217 485)
Cash paid to suppliers and employees		(114 219 045)	(107 150 006)	(1 262 442)	–
Changes in mandatory reserves at central bank		(11 174 183)	(65 948 027)	–	–
		239 446 082	93 599 423	(2 496 444)	(1 838 341)
Increase in loans and advances		205 355 926	120 213 540	–	–
(Decrease)/increase in customer deposits		(49 477 153)	261 503 784	–	–
Cash generated from/(used in) operations		395 324 855	475 316 747	(2 496 444)	(1 838 341)
Dividends received from investments in subsidiaries		–	–	34 328 446	26 584 197
Income taxes paid	14.3	(67 066 101)	(49 634 624)	(3 284 792)	(2 030 590)
Cash generated from operating activities		328 258 754	425 682 123	28 547 210	22 715 266
Cash flows from investing activities					
Maturities/(purchases) of money market investments	10	56 879 048	(252 855 228)	–	–
Maturities/(purchases) of repurchase agreements		5 046 420	(193 292)	–	–
Receipts for currency swaps		703 871	1 338 541	–	–
Payments for currency swaps		–	(1 306 800)	–	–
Proceeds from sale of non-current asset held for sale		1 200 000	2 550 000	–	–
Proceeds from sale of investments at fair value through profit or loss	17	53 000	5 994 464	–	–
Purchase of investments at fair value through profit or loss	17	(7 808 035)	(1 601 132)	–	–
Proceeds from sale of equipment		17 396	277 594	–	–
Acquisition of property and equipment and intangible assets ¹	21,24	(23 254 616)	(19 172 653)	(3 647 332)	(833 664)
Purchase of digital gold coins	17	–	(2 616 294)	–	–
Dividends received from investments at FVOCI and FVPL		442 208	346 610	–	–
Net cash used in investing activities		33 279 292	(267 238 190)	(3 647 332)	(833 664)
Cash flows from financing activities					
Dividends paid to non-controlling interests ²		(13 814 592)	(12 137 195)	–	–
Dividends paid to owners		(17 999 898)	(15 787 473)	(17 999 898)	(15 787 473)
Proceeds from share issue		–	15	–	–
Interest paid on borrowings	26.2	(1 891 316)	(4 488 064)	–	–
Payments for lease liabilities	22	(3 188 505)	(2 270 500)	–	(20 039)
Proceeds from short and long term borrowings	26.2	8 036 487	88 687 120	–	–
Repayments of short and long term borrowings	26.2	(57 241 928)	(48 464 680)	(134 903)	(7 490 000)
Net cash generated (used in)/from financing activities		(86 099 752)	5 539 223	(18 134 801)	(23 297 512)
Net increase/(decrease) in cash and cash equivalents					
		275 438 294	163 983 156	6 765 077	(1 415 910)
Cash and cash equivalents at beginning of year		539 289 048	392 721 951	5 175 409	6 515 058
Effect of changes in exchange rate		27 987 782	(17 416 059)	(176)	76 261
Cash and cash equivalents at 31 December	9	842 715 124	539 289 048	11 940 310	5 175 409

1 For the year ended 31 December 2025, USD 140 391 (2024: USD 2 054 859) out of additions of USD 23 395 007 (2024: USD 21 227 512) for the Group pertain non-cash item and hence excluded from statement of cash flows.

2 In the current period dividends declared amounting to USD 2 089 655 by FCB Mozambique in respect of non-controlling interests, and included as part of total dividends to non-controlling interests in the consolidated Statement of Changes in Equity, have been excluded from the consolidated Statement of Cash Flows as they were not yet paid at the reporting date and therefore did not give rise to a cash outflow during the period.

Notes to the financial statements

for the year ended 31 December 2025

1 Reporting entity

FMBcapital Holdings Plc (the Company or FMBCH) was incorporated in the Republic of Mauritius under the name of FMB Capital Holdings Limited as a public company limited by shares under the Companies Act, 2001 and holds a Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007. The principal activity of the Company is to hold investments. The Company is listed on the Malawi Stock Exchange, with branch offices registered as foreign companies in Malawi and Zambia.

These consolidated and separate financial statements comprise the Company and its subsidiaries (collectively the Group). The Group is primarily involved in corporate, investment and retail banking.

2 Basis of preparation

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), except that IAS 29 Financial Reporting in Hyperinflationary Economies has not been applied to the Malawi-incorporated companies within the Group, nor to the Group as a whole. This follows the Directive on the Application of IAS 29, issued by the Institute of Chartered Accountants in Malawi (ICAM) under Notice No. PN-2024-12.

The ICAM Directive prohibits the application of IAS 29 to:

- Malawi-incorporated entities; and
- Multinational entities listed on the Malawi Stock Exchange (MSE) with subsidiaries operating in Malawi, including FMBcapital Holdings Plc Group.

As a result, and in the preparation of the Group Financial Statements, IAS 29 has not been applied to these subsidiaries incorporated and operated in Malawi and where the functional currency is the Malawi Kwacha.

ICAM, following its own assessment, concluded that Malawi does not meet the criteria of a hyperinflationary economy for financial reporting purposes, and this remained ICAM's official position as at 31 December 2025. This is a position with which the Group is aligned.

2.2 Basis of measurement

The consolidated and separate financial statements are prepared on the historical cost basis except for the following:

- properties which are revalued to fair value;
- financial instruments including derivatives that are carried at fair value through profit or loss (FVPL); and
- financial instruments at fair value through other comprehensive income (FVOCI).

The Group has prepared its consolidated financial statement on the basis that it will continue to operate as a going concern.

2.3 Significant changes in the current reporting period

2.3.1 Dissolution of Afcarne Zimbabwe (Private) Holdings Limited

In February 2025, Afcarne Zimbabwe (Private) Holdings Limited ("Afcarne"), the immediate holding company of First Capital Bank Zimbabwe ("FCB Zimbabwe"), was dissolved following approvals by the Afcarne and FCB Zimbabwe Boards and the relevant local regulators. The dissolution formed part of a Group restructuring initiative aimed at simplifying the ownership structure and enhancing operational efficiencies.

As a result of the dissolution, all shares previously held by Afcarne in FCB Zimbabwe were transferred to FMBcapital Holdings Plc ("the Group"), resulting in the Group obtaining direct ownership of FCB Zimbabwe during the year.

This restructuring qualifies as a common control transaction under IFRS 3 Business Combinations, as FMBcapital Holdings Plc exercised ultimate control over FCB Zimbabwe both before and after Afcarne's dissolution. In accordance with IFRS 3, such transactions fall outside the standard's scope. The Group has therefore accounted for the restructuring using the predecessor method, whereby assets and liabilities of FCB Zimbabwe continue to be recognised at their existing carrying amounts.

The transaction did not give rise to any gain, loss, or remeasurement adjustments in the consolidated financial statements, as it represents a reorganisation of entities under common control. The restructuring has no material impact on the Group's profit or total equity for the year ended 31 December 2025.

The Board has assessed all developments related to the restructuring and confirms that all effects arising from the dissolution and transfer of ownership have been appropriately recognised and disclosed within these financial statements.

Notes to the financial statements (continued)

for the year ended 31 December 2025

2 Basis of preparation (continued)

2.3 Significant changes in the current reporting period (continued)

2.3.2 Changes in the macroeconomic environment

During the year ended 31 December 2025, the macroeconomic environment continued to materially influence the operations of the FMBcapital Holdings Group across its banking businesses in Botswana, Malawi, Mozambique, Zambia and Zimbabwe. Economic conditions across the region remained mixed, characterised by uneven inflation trends, evolving monetary policy responses and varying degrees of currency volatility.

Although inflation moderated in some markets, monetary policy conditions remained relatively tight in several jurisdictions as authorities prioritised inflation containment and currency stability. Mozambique experienced policy rate reductions as inflationary pressures eased, which supported economic activity but placed downward pressure on asset yields. This required active management of interest rate risk, repricing dynamics and balance sheet positioning. Across several markets, tight foreign currency liquidity continued to influence funding strategies and liquidity management practices.

Botswana and Mozambique faced ongoing fiscal pressures and policy uncertainty following electoral cycles. Investor confidence in Mozambique was further affected by elevated sovereign risk on government securities, necessitating cautious management of exposures amid a lower interest rate environment.

In Zimbabwe, authorities intensified efforts to stabilise the economy and restore confidence in the monetary system through the ongoing transition to the Zimbabwe Gold (ZWG) currency. Despite these measures, inflationary pressures, currency volatility and elevated sovereign risk on government securities remained key risk factors, requiring adjustments to pricing models, liquidity management practices and credit risk frameworks.

The Zambian Kwacha strengthened against the United States Dollar during the year, supported by improving external sector conditions and stabilising monetary policy. This helped ease some import-related cost pressures, although prudent foreign currency and liquidity management remained important across the banking sector.

Malawi experienced a change in government during 2025, which influenced economic sentiment and policy direction. The country continued to contribute significantly to the Group's results, supported by strong foreign exchange trading income and robust equity market performance. During the year, new tax legislation introducing capital gains tax on the disposal of shares changed the taxation treatment of equity investments. The Group assessed the implications of this framework and reflected the impact, where applicable, in its tax positions and related financial statement disclosures. These developments occurred against a backdrop of increasing sovereign risk and heightened uncertainty surrounding government securities. The tax legislation was subsequently amended in February 2026; however, as the amendment occurred after the reporting date, it has been treated as a non-adjusting event for the year ended 31 December 2025 (refer to Note 56). Looking ahead, Malawi is expected to maintain a tight monetary policy stance, with the policy rate projected to remain around 26% in the first half of 2026, with potential easing later in the year depending on inflation dynamics.

Across the region, constrained foreign currency liquidity and elevated reserve requirements continued to influence funding conditions, pricing, and lending strategies. Higher borrowing costs moderated private sector credit demand in certain markets, while differing economic recovery trajectories affected asset quality trends across the Group's operating countries.

Debt sustainability also remains a key macroeconomic risk in the region. Zambia is nearing the completion of its sovereign debt restructuring process, while Mozambique faces an increased risk of domestic defaults due to rising repayment obligations.

The Group maintained proactive governance, supported by majority independent boards and experienced local management teams. Digital transformation remained a strategic priority, with ongoing investment in digital channels, customer experience and operational resilience, alongside continuous review of operating models and cost structures to support efficiency and long-term sustainability.

These macroeconomic, regulatory and fiscal developments informed the Group's strategic focus, capital allocation decisions and risk management considerations for the year ended 31 December 2025.

Notes to the financial statements (continued)

for the year ended 31 December 2025

3 Adoption of new and revised International Financial Reporting Standards

There are no new or amended standards that are effective for the current reporting that had a significant impact on the Group. The Group and Company also did not early adopt any amended standards during the current reporting period.

3.1 New and amended standards and interpretations

The following standards and amendments are effective for the first time for its annual reporting period commencing 1 January 2025.

Standard/ Interpretation	Content	Application for financial years beginning on or after
Amendments to IAS 21 in Lack of Exchangeability	<p>The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:</p> <p>(a) Specify when a currency is exchangeable into another currency and when it is not</p> <p>A currency is exchangeable when an entity can exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.</p> <p>(b) Specify how an entity determines the exchange rate to apply when a currency is not exchangeable</p> <p>When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. Require the disclosure of additional information when a currency is not exchangeable when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.</p> <p>The amendments did not have any impact on the Group's and the Company's consolidated and separate financial statements.</p>	1 January 2025

Notes to the financial statements (continued)

for the year ended 31 December 2025

3 Adoption of new and revised International Financial Reporting Standards (continued)

3.2 Standards issued but not yet effective

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

Standard/ Interpretation	Content	Application for financial years beginning on or after
Annual Improvements to IFRS Accounting Standards – Volume 11	<p>In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>, IFRS 7 <i>Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7</i>, IFRS 9 <i>Financial Instruments</i>, IFRS 10 <i>Consolidated Financial Statements</i> and IAS 7 <i>Statements of Cash Flows</i>.</p> <p>The directors are still assessing the impact of these improvements to IFRS Accounting Standards on the Group and Company.</p>	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	<p>In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - <i>Contracts Referencing Nature-dependent Electricity</i>. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:</p> <ul style="list-style-type: none"> • Clarify the application of the 'own-use' requirements for in-scope contracts • Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts • Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows <p>The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.</p> <p>The directors are still assessing the impact of these amendments on the Group and Company.</p>	1 January 2026

Notes to the financial statements (continued)

for the year ended 31 December 2025

3 Adoption of new and revised International Financial Reporting Standards (continued)

3.2 Standards issued but not yet effective (continued)

Standard/ Interpretation	Content	Application for financial years beginning on or after
Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7	<p>On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:</p> <ul style="list-style-type: none"> • clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). <p>The directors are still assessing the impact of these amendments on the Group and Company.</p>	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	<p>In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.</p> <p>As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.</p>	1 January 2027

Notes to the financial statements (continued)

for the year ended 31 December 2025

3 Adoption of new and revised International Financial Reporting Standards (continued)

3.2 Standards issued but not yet effective (continued)

Standard/ Interpretation	Content	Applicable for financial years beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statements	<p>In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS Presentation in Financial Statements. The standard introduces three key new requirements:</p> <p>(a) Defined Subtotals in the Statement of Profit or Loss</p> <p>IFRS 18 introduces two new defined subtotals to be presented in the statement of profit or loss: operating profit or loss and profit or loss before financing and income tax. Income and expenses will be classified into three new defined categories namely: operating, investing, and financing, providing a consistent structure to the statement of profit or loss.</p> <p>(b) Disclosure of Management-Defined Performance Measures (MPMs) Additional disclosures on specified alternative performance measures, termed MPMs, are required. MPMs are subtotals of income and expenses used in public communications to convey management's view of financial performance. A single disclosure note is required to explain why the MPM is reported, how it is calculated, any changes, and a reconciliation to the most directly comparable IFRS-defined subtotal. This information will be subject to audit as part of the financial statements.</p> <p>(c) Enhanced Requirements on Grouping of Information</p> <p>IFRS 18 includes enhanced requirements on the grouping of information in the financial statements, including aggregation and disaggregation. This involves presenting and disclosing operating expenses and determining if information should be included in the primary financial statements or disclosed in the notes.</p> <p>Additionally, it provides guidance on determining meaningful labels and information about items in the statement of profit or loss labelled as 'other'.</p> <p>The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required; therefore, the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18. The directors are still assessing the overall effect of the new standard on the Group and Company.</p>	1 January 2027

Notes to the financial statements (continued)

for the year ended 31 December 2025

4 Segment reporting

USD	Botswana	Malawi	Mauritius	Mozambique	Zambia	Zimbabwe	Adjustment ¹	Consolidated total
2025								
Interest and similar income	71 440 528	93 075 655	350 083	52 065 229	37 080 701	43 095 533	(1 021 892)	296 085 837
– External revenue	70 933 944	93 048 662	53 082	51 873 915	37 080 701	43 095 533	–	296 085 837
– Intersegmental revenue ¹	506 584	26 993	297 001	191 314	–	–	(1 021 892)	–
Interest expense and similar charges	(29 921 222)	(14 167 674)	(1 762 845)	(10 466 254)	(15 395 346)	(3 385 275)	1 337 144	(73 761 472)
Net interest income/(expense)	41 519 306	78 907 981	(1 412 762)	41 598 975	21 685 355	39 710 258	315 252	222 324 365
Fee and commission income	4 516 023	16 267 870	1 029 879	10 740 580	4 378 344	37 594 802	(1 143 249)	73 384 249
– External revenue	4 515 977	16 169 407	–	10 740 580	4 363 587	37 594 698	–	73 384 249
– Intersegmental revenue ¹	46	98 463	1 029 879	–	14 757	104	(1 143 249)	–
Fee and commission expense	(1 469 156)	(2 279 806)	–	(4 242 404)	(766 533)	(4 430 169)	1 129 076	(12 058 992)
Income/(loss) from investments	–	20 091 883	42 832 607	–	–	(938 605)	(42 832 607)	19 153 278
– External revenue	–	20 091 883	–	–	–	(938 605)	–	19 153 278
– Intersegmental revenue ¹	–	–	42 832 607	–	–	–	(42 832 607)	–
Net gains/(losses) on foreign exchange transactions	8 070 757	31 501 788	(102 632)	15 927 814	5 865 666	10 108 214	4 338 596	75 710 203
Net gains on derivative instruments	3 192 795	–	–	–	–	–	–	3 192 795
Fair value loss on investment property	73 742	–	–	–	–	220 000	–	293 742
Other operating income	392 555	394 991	16 617 217	1 811 266	374 894	676 159	(16 787 969)	3 479 113
– External revenue	392 555	394 991	–	1 811 266	374 894	676 159	(170 752)	3 479 113
– Intersegmental revenue ¹	–	–	16 617 217	–	–	–	(16 617 217)	–
Total non-interest income	14 776 716	65 976 726	60 377 071	24 237 256	9 852 371	43 230 401	(55 296 153)	163 154 388
Total operating income	56 296 022	144 884 707	58 964 309	65 836 231	31 537 726	82 940 659	(54 980 901)	385 478 753
Staff and training costs	(10 080 449)	(14 192 507)	(12 304 395)	(9 971 625)	(6 290 189)	(15 772 410)	–	(68 611 575)
Premises and equipment costs	(2 574 960)	(4 949 237)	(3 432 617)	(2 299 542)	(2 025 610)	(5 789 735)	–	(21 071 701)
Depreciation and amortisation	(1 276 308)	(2 028 919)	(1 079 338)	(1 870 587)	(1 456 935)	(3 632 740)	–	(11 344 827)
Administration and general expenses	(7 316 292)	(16 423 507)	(2 393 836)	(5 003 308)	(5 322 128)	(17 537 863)	16 798 530	(37 198 404)
Total expenses	(21 248 009)	(37 594 170)	(19 210 186)	(19 145 062)	(15 094 862)	(42 732 748)	16 798 530	(138 226 507)
Impairment loss on financial assets	(2 685 391)	(1 829 001)	–	(5 584 767)	384 718	(3 346 458)	–	(13 060 899)
Operating profit	32 362 622	105 461 536	39 754 123	41 106 402	16 827 582	36 861 453	(38 182 371)	234 191 347
Share of profit in joint venture	–	–	–	–	–	69 733	–	69 733
Profit before income tax expense	32 362 622	105 461 536	39 754 123	41 106 402	16 827 582	36 931 186	(38 182 371)	234 261 080
Income tax expense	(7 207 946)	(43 490 032)	(3 284 792)	(9 396 640)	(5 004 170)	(12 479 817)	(1 102 132)	(81 965 529)
Profit for the year	25 154 676	61 971 504	36 469 331	31 709 762	11 823 412	24 451 369	(39 284 503)	152 295 551
Segment assets	686 902 857	566 611 228	179 804 087	570 098 038	380 164 648	333 478 067	(176 737 713)	2 540 321 212
Segment liabilities	(601 373 266)	(465 305 417)	(22 419 540)	(483 731 540)	(335 839 571)	(242 405 877)	36 472 487	(2 114 602 724)
Other disclosures								
Investment in joint venture	–	–	–	–	–	–	–	–

No capital expenditures were made on the joint venture during the current period (2024: USD Nil).

¹ In the current period, the Group separately presented revenue from external customers and inter-segment revenue for the first time, in line with the requirements of IFRS 8.23. Comparative information has been amended to ensure consistency and comparability with the current period's presentation.

Notes to the financial statements (continued)

for the year ended 31 December 2025

4 Segment reporting (continued)

USD	Botswana	Malawi	Mauritius	Mozambique	Zambia	Zimbabwe	Adjustment	Consolidated total
2024								
Interest and similar income	60 936 497	55 831 273	379 144	46 638 699	31 580 653	35 688 385	(1 679 852)	229 374 799
– External revenue	60 303 857	55 206 459	–	46 595 445	31 580 653	35 688 385	–	229 374 799
– Intersegmental revenue	632 640	624 814	379 144	43 254	–	–	(1 679 852)	–
Interest expense and similar charges	(17 910 182)	(11 861 708)	(2 268 678)	(13 616 511)	(16 618 959)	(2 572 795)	1 992 481	(62 856 352)
Net interest income/(expense)	43 026 315	43 969 565	(1 889 534)	33 022 188	14 961 694	33 115 590	312 629	166 518 447
Fees and commission income	2 929 717	11 012 467	–	7 822 558	3 342 477	30 605 797	(87 286)	55 625 730
– External revenue	2 930 272	10 971 982	–	7 822 558	3 295 751	30 605 167	–	55 625 730
– Intersegmental revenue	(555)	40 485	–	–	46 726	630	(87 286)	–
Fees and commission expense	(746 717)	(1 638 280)	–	(1 421 116)	(1 252 520)	(2 028 979)	81 219	(7 006 393)
Income from investments	–	1 292 358	26 584 197	–	–	173 839	(26 584 197)	1 466 197
– External revenue	–	1 292 358	–	–	–	173 839	–	1 466 197
– Intersegmental revenue	–	–	26 584 197	–	–	–	(26 584 197)	–
Net losses/(gains) on foreign exchange transactions	(1 244 331)	20 617 823	95 907	17 145 907	5 546 691	10 531 448	(266 637)	52 426 808
Net gains on derivative instruments	6 793 624	–	(4)	–	–	–	–	6 793 620
Fair value gain on investment property	(162 779)	–	–	–	–	170 000	–	7 221
Other operating income	437 840	580 136	15 268 871	119 589	229 920	1 150 777	(15 316 966)	2 470 167
– External revenue	437 840	580 136	103 529	119 589	229 920	1 150 777	(151 624)	2 470 167
– Intersegmental revenue	–	–	15 165 342	–	–	–	(15 165 342)	–
Total non-interest income	8 007 354	31 864 504	41 948 971	23 666 938	7 866 568	40 602 882	(42 173 867)	111 783 350
Total operating income	51 033 669	75 834 069	40 059 437	56 689 126	22 828 262	73 718 472	(41 861 238)	278 301 797
Staff and training costs	(8 670 137)	(10 020 840)	(10 816 095)	(8 506 406)	(4 914 202)	(20 329 575)	–	(63 257 255)
Premises and equipment costs	(2 301 328)	(4 419 757)	(1 761 896)	(1 857 629)	(1 753 046)	(5 447 357)	–	(17 541 013)
Depreciation and amortisation	(1 061 428)	(1 776 372)	(1 517 679)	(1 623 016)	(910 198)	(4 651 588)	–	(11 540 281)
Administration and general expenses	(7 938 717)	(13 551 637)	(2 075 220)	(5 005 437)	(4 888 434)	(16 189 423)	15 335 878	(34 312 990)
Total expenses	(19 971 610)	(29 768 606)	(16 170 890)	(16 992 488)	(12 465 880)	(46 617 943)	15 335 878	(126 651 539)
Impairment loss on financial assets	(138 339)	(1 199 297)	–	(4 112 369)	162 497	(156 005)	–	(5 443 513)
Operating profit	30 923 720	44 866 166	23 888 547	35 584 269	10 524 879	26 944 524	(26 525 360)	146 206 745
Net monetary loss	–	–	–	–	–	–	–	–
Share of profit in joint venture	–	–	–	–	–	(442 063)	–	(442 063)
Profit before income tax expense	30 923 720	44 866 166	23 888 547	35 584 269	10 524 879	26 502 461	(26 525 360)	145 764 682
Income tax expense	(6 838 644)	(17 445 761)	(2 030 590)	(9 461 682)	(3 233 412)	(3 238 317)	–	(42 248 406)
Profit for the year	24 085 076	27 420 405	21 857 957	26 122 587	7 291 467	23 264 144	(26 525 360)	103 516 276
Segment assets	590 496 449	397 225 210	160 311 033	462 663 775	316 375 160	319 962 982	(180 385 598)	2 066 649 011
Segment liabilities	(521 830 517)	(334 558 360)	(21 443 024)	(397 557 092)	(291 886 581)	(225 983 324)	21 543 400	(1 771 715 498)
Other disclosures								
Investment in joint venture	–	–	–	–	–	13 897 469	–	13 897 469

Notes to the financial statements (continued)

for the year ended 31 December 2025

5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of income, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent assets and liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended 31 December 2024.

5.1 Expected credit losses (ECL) on financial assets

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk (SICR). In assessing whether the credit risk of an asset has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information.

The following are key estimations that have been used in the process of applying the Group's accounting policies:

- Establishing the number and relative weightings of forward-looking scenarios for each type of product and determining the forward-looking information relevant to each scenario: When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default (PD): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements.

Refer to note 7 for further information.

5.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 8 for further disclosures.

Notes to the financial statements (continued)

for the year ended 31 December 2025

5 Significant accounting judgements, estimates and assumptions (continued)

5.3 Financial assets at fair value through other comprehensive income

Equity instruments

The fair value of any unquoted equity investments was determined using the Discounted Cash Flow and earnings multiples.

Dividend growth in perpetuity was estimated using the weighted average cost of capital of the investment. Estimation of the cost of equity and future cash flows is an area of significant judgement.

The fair value of any listed equity investments was determined based on current market pricing, and therefore not subject to any assumptions or estimates.

Refer to note 18 for further information.

Treasury bills and bonds

These instruments are not actively traded despite the existence of potential secondary markets; hence the valuation inputs are unobservable. The unobservable inputs are generally determined based on inputs of similar nature or historical observations. Treasury bills are fair valued based on yields of recent treasury bill issues.

Refer to note 10 for further information.

5.4 Useful lives and residual values

The Group depreciates its property and equipment on a straight-line basis by allocating the depreciable amount (original cost less estimated residual value) equally over its estimated useful life. Residual values are estimated by considering the disposal values of similar assets if they were in the condition expected at the end of the asset's life, at the reporting date. Useful lives are also reviewed annually and are adjusted when it is evident that the economic benefits initially anticipated will not flow from the asset over the same duration or to the same extent.

Refer to note 24 for further information.

5.5 Owner occupied property

The fair value of property is based on the nature, location and condition of the asset. The fair value is calculated by reference to the price that would be received to sell the property in an orderly transaction at measurement date, or value determined by capitalisation of market rentals. Given the property pricing distortions in the market, sellers withholding properties for sale in local currency, unavailability of sales information and which currency sales are made in, the valuation of properties becomes a significant judgement area. Management uses one amongst a selection of valuation methods. These include an open market valuation, investment, or depreciated replacement cost approaches. The range of capitalisation rate estimates utilized in unobservable inputs range from 7% to 9% (2024: 7% to 9%).

Refer to notes 8 and 24.

5.6 Determination of lease term under IFRS 16

In determining the lease term, the Group considers all facts and circumstances. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the nature and enforceability of extension clause in the lease agreement, the value of leasehold improvements, penalties on termination, costs and business disruption required to replace the leased premises as factors to determine the lease term. Lease agreements for premises occupied by the Group may contain an extension option, where the Group has not considered extension options after analysing the above factors.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment is only revised if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group. During the financial year, the Group has not revised its assessment of lease term as no significant events or changes occurred.

Refer to note 22 for further information.

Notes to the financial statements (continued)

for the year ended 31 December 2025

5 Significant accounting judgements, estimates and assumptions (continued)

5.7 Control over subsidiaries with less than 50% majority

Note 41 lists entities that are consolidated into the Group. This includes certain entities that are consolidated despite the Group having less than 50% ownership interest. The Directors of the Company have assessed that the Group has control over these investee entities.

The Group has an effective holding of over fifty percent of voting rights in First Capital Bank Botswana, considering the terms attached to both the ordinary and preference shares held by the Company in that entity.

The Group determined that it had majority votes in First Capital Bank Zambia by virtue of one of its related parties acting as de facto agent. Management has applied judgment in determining whether the related party is actually acting as de facto agent by considering the nature of the relationship as well as its interaction with the Group and FCB Zambia.

Refer to note 41 for further information.

5.8 Operating segments

During 2025 and 2024 respectively, the Group has been organised into six operating segments based on six geographical locations as disclosed in note 4. The Group Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, along with the gross income and expense.

Transfer prices between operating segments are based on the Bank's internal pricing framework and deemed to be at arm's length as per OECD (Organisation for Economic Co-operation and Development) guidelines.

5.9 Investment property

The fair value of investment property is based on the nature, location and condition of the asset. The fair value is calculated by reference to the price that would be received to sell the property in an orderly transaction at measurement date or value determined by capitalization of market rentals. Given the property pricing distortions in the market, sellers withholding properties for sale in local currency, unavailability of sales information and which currency sales are made in, judgement needs to be applied to determine the fair value at reporting date.

5.10 Conversion of foreign currency transactions and balances at interbank exchanges rates

The Group used the interbank exchanges rates to translate foreign currency balances and transactions into USD reporting currency. The interbank exchanges rates were determined by management as appropriate for buying and selling foreign currency and where the Group made its own purchases, all of these were conducted at interbank rates.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

6.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (together referred to as the Group), namely First Capital Bank Plc (Malawi), First Capital Bank Limited (Zambia), First Capital Bank Limited (Botswana), First Capital Bank S.A. (Mozambique), First Capital Shared Services Limited and First Capital Bank Limited (Zimbabwe).

The Group established a foreign branch in Zambia during the year ended 31 December 2025. The branch is not a separate legal entity and is therefore not treated as a subsidiary. The assets, liabilities, income and expenses of the branch are included line by line in the financial statements of the Company from the date of establishment.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date control is transferred to the Group.

6.1.1 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, or the most representative currency in which to measure the results of entity's operations (the functional currency).

The consolidated financial statements of the Group are presented in United States Dollars (USD), which is the Group's presentation currency. The Company's functional currency is USD.

For consolidation purposes, assets and liabilities of foreign operations, including foreign subsidiaries and foreign branches established during the year, whose functional currency differs from USD, are translated at the closing exchange rates at the reporting date. Income and expenses are translated at exchange rates prevailing at the dates of the transactions or at average exchange rates where this approximates actual rates.

Exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

6.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee if it is exposed to, or, has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Uniform accounting policies have been applied throughout the Group.

6.1.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

6.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.1 Basis of consolidation (continued)

6.1.5 Common control transactions

Common Control Transactions are those in which all the entities involved are ultimately controlled by the same party or parties both before and after the transaction.

Common control transactions are recorded using the predecessor carrying amounts method. Under this method, assets and liabilities transferred are recognised at the carrying amounts recorded in the consolidated financial statements of the highest parent entity before the transaction.

In cases where shares of an entity are distributed as a dividend in specie, the transaction is recognised at the fair value of the shares on the date of the dividend declaration, as determined by their quoted market price.

The difference between the carrying amount of the transferred assets and the fair value of the shares issued is recorded in the restructuring reserve. A common control transaction relating to the dissolution of Afcarme Holdings (Private) Limited and the transfer of shareholding in FCB Zimbabwe to FMBcapital Holdings Plc is disclosed in Note 2.3.1.

6.2 Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method (see 6.2.1 below), after initially being recognised at cost in the consolidated statement of financial position.

6.2.1 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment annually.

6.3 Foreign currency

6.3.1 Transactions and balances of the Company

Transactions in foreign currencies are translated into USD at the exchange rate ruling at the date of the transaction.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into USD at the exchange rate (middle rate) at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated into USD using the exchange rate (middle rate) at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated into USD using the exchange rate at that date. Foreign currency differences arising on translation are generally recognised in profit or loss.

6.3.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rate (middle rate) ruling at the reporting date. The income and expenses of foreign operations are translated at average exchange rates during the year.

Exchange differences arising on the translation of the assets and liabilities of foreign operations are recognised directly in other comprehensive income and accumulated in equity in the translation reserve. When a foreign operation is disposed of in part or in full, the relevant amount in the translation reserve is transferred to profit or loss.

Foreign exchange gains or losses arising from monetary items receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future and which in substance is considered to form a part of the net investment in the foreign operation, are recognised directly in the foreign currency translation reserve.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.3 Foreign currency (continued)

6.3.3 Foreign operations' functional currency

The consolidated and separate financial statements are presented in United States Dollars (USD), which is the Group's presentation currency. The Board of Directors of each entity in the Group determines the functional currency, and items in the financial statements of each entity are measured using that functional currency.

6.4 Financial assets and liabilities

6.4.1 Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, that is, the date on which the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades, that is, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Group recognises balances due to customers when funds are transferred to the Group.

6.4.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 6.4.4. On initial recognition, financial assets, and financial liabilities at fair value through profit or loss are initially measured at their fair value (as defined in Note 6.4.5). The initial measurement of other financial instruments is based on their fair value but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

6.4.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred. The deferred amounts are recognised in profit or loss when there is a change in a factor (including time) that market participants would consider when pricing the asset or liability. On this basis, the Group has assessed that amortising the deferred amount on a straight-line basis is appropriate. Any outstanding amount is immediately recognised in profit or loss when the instrument is derecognised or when the input(s) becomes observable.

6.4.4 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in Note 6.4.6
- FVOCI, as explained in Note 6.4.6
- FVPL, as set out Note 6.4.6.

The Group classifies and measures its derivative and trading portfolio at FVPL, as explained in Note 6.4.6. The Group may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 6.4.6.

Financial liabilities, other than loan commitments and financial guarantee contracts, are measured either at amortised cost or at FVTPL. Financial liabilities are measured at FVTPL when they are held for trading, are derivative instruments, or are designated at fair value through profit or loss, as explained in Note 6.4.6.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.4 Measurement categories of financial assets and liabilities (continued)

Financial Instrument	Business model	IFRS 9 classification	IFRS 9 Subsequent measurement
<ul style="list-style-type: none"> Loans and advances to customers including finance lease receivable Placements with other banks Money market investments Cash and cash equivalents Repurchase agreements Other receivables 	Held to collect contractual cash flows	Financial assets at amortised cost	The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<ul style="list-style-type: none"> Money market investments 	Held to collect contractual cash flows and sell	Financial assets at FVOCI	<p>These assets are subsequently measured at fair value. Interest income impairment is recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.</p> <p>Certain Treasury Bill portfolios held in Zimbabwe are mandatorily classified as measured at fair value through other comprehensive income.</p>
<ul style="list-style-type: none"> Financial assets designated at FVOCI 	Not applicable	Financial assets at FVOCI	<p>These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.</p> <p>Certain Investments in equity instruments in Mozambique and Zimbabwe are designated at fair value through other comprehensive income.</p>
<ul style="list-style-type: none"> Investment securities (equity investments) Derivative financial instruments Digital gold coins 	Held for trading FVPL	Financial assets at FVPL	These are measured at fair value with net gains and losses recognised in profit or loss.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.4 Measurement categories of financial assets and liabilities (continued)

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

The analysis of fair value hierarchy for financial assets and liabilities is disclosed in Note 8 to these consolidated and separate financial statements.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation, are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at the reporting date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable inputs that are significant to the measurement as whole.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Group manages a group of financial assets and liabilities on the basis of its net market or credit risk exposure, the fair value of the Group of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

6.4.5 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.5 Determination of fair value (continued)

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price, and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

6.4.6 Classes of financial assets and liabilities

Cash and balances with banks, Loans and advances to customers, Money market investments at amortised

The Group measures cash and balances with banks, Loans and advances to customers, Money market investments and other financial investments at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.*
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.**

The details of these conditions are outlined below:

*Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of financial transactions from initial recognition to subsequent measurement and final realisation or settlement are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.6 Classes of financial assets and liabilities (continued)

Financial assets or financial liabilities held for trading

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

Equity instruments held for trading are included in this category; hence they are measured at fair value through profit or loss. Refer to note 17.

Debt instruments at FVOCI

The Group classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The ECL calculation for debt instruments at FVOCI is explained in Note 6.4.1. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Equity instruments at FVOCI

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32.

Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets measured at fair value through profit or loss (FVTPL) comprise instruments that are required to be measured at fair value with changes recognised in profit or loss in accordance with IFRS 9. For the Group, this category includes investments in equity instruments and digital gold coins, which are mandatorily classified and measured at FVTPL. These instruments are initially recognised at fair value and subsequently measured at fair value. Changes in fair value, including any realised or unrealised gains and losses, are recognised in profit or loss in the period in which they arise.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, considering any discount/premium and qualifying transaction costs being an integral part of an instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate, as explained in Note 6.21. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.6 Classes of financial assets and liabilities (continued)

Digital gold coins

Digital gold coins are held by FCB Zimbabwe and are issued by the Reserve Bank of Zimbabwe (RBZ) to expand the value preserving instruments in the economy of Zimbabwe, to enhance divisibility of the investment instruments and widen their access and usage by the public. These instruments have a vesting period of 180 days and redeemable at any time as physical gold. These instruments are available in local and foreign currency. The digital gold coins are classified as financial assets at fair value through profit or loss. The fair value of the digital gold coins is based on the price of physical gold per milligram. Where the bank holds gold on behalf of customers, this is accounted for as an off statement of financial position item.

Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

The Group issues financial guarantee contracts in return for fees. Under financial guarantee contracts, the Group undertakes to meet a customer's obligations under the terms of a debt instrument if the customer fails to do so. Financial guarantee contracts issued at below-market interest rates are initially recognised as liabilities at fair value, while financial guarantees issued at market rates are recorded off-balance sheet.

Subsequently, these instruments are measured at the higher of the expected credit loss provision, and the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers. The ECL allowances related to financial guarantee contracts are set out in Notes 7.7.1 and 7.7.7.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual values of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. Financial guarantees, letters of credit and loan commitments are accounted for as off-statement of financial position, unless it is probable that the Group will be required to make payments under these instruments, in which case they are recognised as provisions. The nominal values of these instruments together with the corresponding ECL are disclosed in Notes 7.7.7 and 31.

6.4.7 Modification of financial assets and liabilities

Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Group performs an assessment to determine whether the modifications result in the derecognition of that financial asset. For financial assets, this assessment is based on qualitative factors.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- Whether the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. The Group's accounting policy in respect of forbore loans is set out in Note 6.4.9.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.7 Modification of financial assets and liabilities (continued)

Modification of loans and advances

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans and advances to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.

The Group's policy is that any restructure of an account, even if not yet in Stage 3, where the obligor has not settled all arrears prior to the restructure, shall have the effect that the account shall be/continue to be classified as Stage 3 until a minimum applicable curing period provides confirmation that the account may be reclassified to Stage 2 following which a further minimum curing period shall apply prior to reclassification to Stage 1.

Restructured accounts are flagged and provided for at Stage 3 for at least a minimum period post restructure date subject to local regulations. If there is a restructure, which does not result in a derecognition (write off of the asset/creation of a new account), then the Group considers whether there is a modification gain or loss. The Group considers the new re-structured cash flow and discounts this back using the original effective interest rate and if that gives a higher carrying value than the Group currently holds, the Group will reflect this as a gain, or if it gives a lower carrying value then as a loss.

The Group will write off the difference between the previous and the restructured carrying amount in the event of a lower carrying amount for the restructured credit facility.

Modification of financial liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in profit or loss.

For financial liabilities, the Group considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

6.4.9 Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI).

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.9 Derecognition of financial assets and liabilities (continued)

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), when the following two conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without the Group imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.9 Derecognition of financial assets and liabilities (continued)

Forborne modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties, and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Committee. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

If modifications are substantial, the loan is derecognised. Once the terms have been renegotiated without this resulting in the derecognition of the loan, any impairment is measured using the original EIR as calculated before the modification of terms. The Group also reassesses whether there has been a significant increase in credit risk, and whether the assets should be classified as Stage 3. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contracts that are more than 30 days past due. Details of forborne assets are disclosed in Note 7.6.3.

6.4.10 Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Group seeks to use collateral where possible. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets, and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. Cash flows expected from credit enhancements, which are not required to be recognised separately by IFRS standards, and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. Details of the impact of the Group's various credit enhancements are disclosed in Note 7.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

Guarantees held are included in the measurement of loan ECL when either they are specified in the contractual terms of the loan or else are integral to the loan, in that they formed part of the basis on which the loan was extended.

Guarantees that are not integral to the loan's contractual terms are accounted as separate units of accounts subject to ECL.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.11 Post-model adjustments (Management overlays)

The Group measures expected credit losses (ECL) in accordance with IFRS 9 using models that incorporate historical credit experience, current conditions and forward-looking macroeconomic information.

In limited circumstances, management applies post-model adjustments (management overlays) where it is determined that the ECL models do not fully capture risks existing at the reporting date. Such adjustments are applied to ensure that ECL represents a reasonable and supportable estimate of expected credit losses.

Post-model adjustments may arise due to, among other factors, model limitations in reflecting rapidly changing economic conditions, portfolio-specific or geographic credit risks, data limitations, calibration constraints, or other emerging risks that are not yet observable in the underlying model inputs.

Management overlays are determined using reasonable and supportable information available at the reporting date and incorporate both quantitative analysis and management judgement where appropriate. The application of post-model adjustments is subject to the Group's established credit risk governance and approval processes and is reviewed at each reporting date. Adjustments are revised or reversed when the underlying risks become appropriately captured by the ECL models or are no longer considered relevant.

6.4.12 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group's policy.

In its normal course of business, the Group engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

6.4.13 Write-offs

Financial assets are written off either in their entirety or partially when the Group has no reasonable expectation of recovering the asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance the difference will be an additional impairment loss which is presented as an addition to the allowance applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

The following events represent examples of circumstances which could lead to a full or partial write-off:

- The borrower is declared bankrupt or insolvent especially in the case of unsecured exposures where the liquidator or administrator has indicated that there aren't sufficient resources available to satisfy the unsecured creditors;
- There is external evidence (for example third-party valuations) available that there has been an irreversible decline in expected cash flows and accordingly the Group has no reasonable expectation of recovery; or
- Individually assessed loans that are secured are generally written off after the receipt of the proceeds from the realisation of the security and there is no expectation that any further amounts will be recovered by any other means.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.13 Write-offs (continued)

Write-offs are also effected within time frames post-default of a financial asset as follows:

- Botswana – All clean or unsecured exposures may be written off after 6 months from date of classification as sub-standard assets. All exposures secured by the first residential or commercial premises mortgage, may be written off after 24 months from date of classification as sub-standard assets, or as agreed by the designated committee.
- Malawi – An unsecured facility shall be written off after 6 months. A secured facility shall be written off after 18 months.
- Mozambique – exposures are written off 450 days have elapsed since their classification in stage 3 if it is a facility without guarantee or with other guarantees (insurance, pledge, cash, etc.), and 990 days have elapsed days since its classification in stage 3 if it is a facility with a first property mortgage (residential or commercial).
- Zambia – All clean or unsecured exposures may be written off after 6 months from date of classification as sub-standard assets. All exposures secured by the first residential or commercial premises mortgage, may be written off after 24 months from date of classification as sub-standard assets.
- Zimbabwe – Exposures are written off 360 days past due across the different classes.

Collectively assessed portfolios such as retail exposures, business loans and other unsecured loans are typically written off within one year after default where there hasn't been a repayment or collection in the period. Revolving facilities such as overdrafts are typically written off within one year after default.

6.4.13 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by accounting standards.

6.4.14 Effective interest method

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by considering transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also considers the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial asset or liability cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/ expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.4 Financial assets and liabilities (continued)

6.4.15 Impairment of financial assets

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets, loans and advances carried at amortised cost and FVOCI and with the exposure arising from loan commitments, bank balances and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date.

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 – Financial instruments that are not credit impaired on initial recognition and with no significant increase in credit risk (SICR) evident.

Stage 2 – If SICR is identified the asset is moved to Stage 2.

Stage 3 – If the asset is credit impaired it is moved to Stage 3.

More information is on measurement of ECL is provided in note 7.2

6.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with central banks, balances and placements with other banks with original maturities of three months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

6.6 Other assets

Other assets are measured at amortised cost using the effective interest method less impairment losses. Other assets comprise prepayments, cheques in the course of collection, dividends receivable, stocks of consumable stationery and computer spares and other receivables.

6.7 Repurchase agreements

A repurchase agreement (repo) is defined as a contract where parties have agreed on the sale of securities and the subsequent repurchase of corresponding assets at a predetermined price. In a repo, the sold security remains on the statements of financial position, since the Group is exposed to the risk that the security will fluctuate in value before the repo expires. The payment received is recognised as a financial liability on the balance sheet based on the respective counterparty.

Securities sold subject to linked repurchase agreements (“repos”) are retained in the statement of financial position as Government securities and Treasury bills and the counterparty liability is included in amount due to other banks or deposits, as appropriate.

6.8 Investments in subsidiaries

Investments in subsidiaries are recognised at cost in the separate financial statements less any impairment losses. The investments are fully eliminated on consolidation.

6.9 Intangible assets

Intangible assets acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets mainly include computer software, website development, core banking software, switch software and licences. Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset it relates to. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives from the date that the asset is available for use. The effects of any changes in estimates are accounted for on a prospective basis. Intangible assets are amortised over periods up to five years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.10 Property and equipment

6.10.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except for freehold property and leasehold improvements which are measured at revalued amount less accumulated depreciation and impairment losses as described in Note 6.12.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and qualifying borrowing costs. Purchased software that is integral to the functionality of related equipment is capitalised as part of that equipment.

Where an item of property and equipment comprises of major components having different useful lives, they are accounted for as separate items of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other operating income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

6.10.2 Revaluation

Freehold properties and leasehold improvements are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Revaluation surpluses are recognised in other comprehensive income and accumulated in equity in a non-distributable property revaluation reserve. A revaluation surplus will be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

The revaluation surplus included in equity in respect of property and equipment is transferred directly to retained earnings when the asset is sold or disposed of. Revaluation gains are credited to revaluation reserve whilst losses reduce previously recognised gains to the extent of credits in the revaluation reserve. Any losses above previous revaluation credits are charged to profit or loss. Historical cost includes costs that are directly attributable to the acquisition of the items.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. When an asset is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. This method ensures that the revalued carrying amount reflects fair value without retaining historical depreciation.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

6.10.3 Subsequent costs

Subsequent expenditure is capitalised only when it is probable that future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.10 Property and equipment (continued)

6.10.4 Depreciation

Property and equipment are depreciated on a straight-line basis at rates that would reduce carrying amounts to their residual values, estimated at the date of purchase, over the initially anticipated useful lives of the assets. The Group reassesses the useful lives, the depreciation method, and the residual values of the assets at each reporting date. Any changes in the useful lives, depreciation method or estimated residual values are accounted for prospectively as a change in accounting estimate in accordance with IAS 8 Accounting Policies Changes in Accounting Estimates and Errors.

Depreciation is recognised in profit or loss. The depreciation rates for the current and comparative period are:

• Leasehold properties	2.5% (or period of lease if shorter)
• Freehold properties	2.5%
• Motor vehicles	20% – 25%
• Equipment, fixtures, and fittings	20%
• Corporate aircraft	6%

6.10.5 Capital work in progress

Capital work in progress represents costs spent to date in carrying out work of a capital nature relating to property and equipment. The work in progress is mainly attributed to renovation currently underway in various branches of the Group.

Capital work in progress is presented as part of property and equipment in the statement of financial position. If the project relating to capital work in progress is completed the expenditure is capitalised to the relevant items of property and equipment. Capital work in progress is not depreciated.

6.11 Investment properties

Investment properties, principally office buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an external independent valuer.

Investment properties are derecognised either when they have been disposed of (that is, at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant, and equipment up to the date of change in use.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.12 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and Groups of assets. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the units on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In performing impairment assessments, the Group determines the recoverable amount using either value in use or fair value less costs to sell, depending on which method is expected to provide the higher recoverable amount based on the circumstances of the asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists, net of depreciation or amortisation, if no impairment loss had been recognised. 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 only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined.

An impairment loss is recognised in profit or loss, unless it concerns non-financial assets carried at a revalued amount, in which case it is treated as a revaluation decrease. If the impairment loss exceeds the revaluation reserve in respect of the impaired asset, the excess is recognised in profit or loss. A reversal of an impairment loss is recognised in profit or loss, unless it relates to property carried at revalued amounts, in which case the excess of the reversal over the amount recognised in profit or loss is treated as a revaluation increase.

6.13 Customer deposits and balances due to other banks

Deposits and balances due to other banks are initially measured at fair value plus directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest method.

6.14 Other liabilities and subordinated debt

Other payables and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities as FVPL.

6.15 Share capital

6.15.1 Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

6.16 Employee benefits

6.16.1 Short-term employee benefits

Short-term employee benefit obligations (cash bonus or profit-sharing obligations, staff retention incentive and outstanding employee leave as presented in note 34) are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

6.16.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service, are discounted to their present value.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.17 Net interest income

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed net on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

The effective interest method requires the Group to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities. Due to the large number of products and types (both assets and liabilities), there are no individual estimates that are material to the results or financial position.

In its Interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 6.4.6.

Other interest income/expense includes interest on all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired (as set out in Note 6.4.15) and is therefore regarded as 'Stage 3', the Group calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

6.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

6.18.1 Group as lessee

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (that is, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Leasehold property 3 to 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to note 6.12 for impairment of non financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.18 Leases (continued)

6.18.1 Group as lessee (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

6.18.2 Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other operating income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6.19 Fees and commission income and expense

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income, including account activity fees, card-based transaction fees, guarantee fees, facility processing fees, insurance-based fees and commissions, and other fees and commissions 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.

Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. Fees and commissions are disaggregated into fees received at a point in time and fees received over time. Fees received at a point in time refer to one time fees which comprise insurance commissions, account activity fees, card-based transaction fees, cash deposit and withdrawal fees. Commission earned on bank guarantees and letters of credit and facility processing fees relate to fees received over time as a collection is made periodically over the life of the instrument.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

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

When the Group provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

6.20 Net gains on foreign exchange transactions

Net gains on foreign exchange transactions includes all gains and losses from changes in fair value and the related interest income or expense, and dividends for financial assets and financial liabilities held for trading.

6.21 Income from investments

Income from investments includes dividend income and increase in fair value of investments in listed companies. Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for held for trading securities. Increase in fair value of investments designated at FVPL includes all realised and unrealised fair value changes.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.22 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

6.22.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

6.22.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Additional taxes that arise from the distribution of dividends by the Group are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in profit or loss because they generally relate to income arising from transactions that were originally recognised in profit or loss.

Deferred tax for investment properties carried at fair value should generally be measured using the tax base and rate that are consistent with recovery entirely through sale and using capital gains tax rules (or other rules regarding the tax consequences of sale, such as rules designed to claw back any tax depreciation previously claimed in respect of the asset). If the presumption is rebutted, deferred tax should be measured reflecting the tax consequences of the expected manner of recovery.

6.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary Shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary Shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

6.24 Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

Notes to the financial statements (continued)

for the year ended 31 December 2025

6 Material accounting policies (continued)

6.25 Convertible preference shares

Convertible preference shares meet the definition of a financial liability in terms of IFRS 9 based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability is determined using a prevailing market rate. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The basis for initially recognising and subsequently measuring the convertible preference shares as a financial liability is disclosed in Note 32.

6.26 Derivative financial instruments

A derivative is a financial instrument whose value changes in response to an underlying variable, requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date.

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts and foreign currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

The classification of cash flows arising from derivative financial instruments is based on the objective of holding the instrument. Cash flows related to derivative contracts held for trading or dealing purposes are classified under operating activities, as these transactions form part of the Group's core business operations.

The Group evaluates the nature and purpose of each derivative financial instrument to ensure appropriate classification within the statement of cash flows, thereby providing a true and fair view of the Group's cash flows.

6.27 Amounts due from related parties

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

6.28 Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in Note 15.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management

The Group is faced with a variety of risks including credit, liquidity, interest rate, foreign exchange, price, operational, compliance/regulatory, reputation, strategic risks and other emerging risks. The Group is committed to effectively managing these risks with a view to achieving a balance between acceptable exposure and reward.

The Board and senior management actively oversee the risk management process and implement adequate policies, procedures, comprehensive internal controls and limits that are set to mitigate risks. The Group companies have a risk management framework which covers risk identification, risk measurement, risk monitoring and risk control in respect of the significant risks.

The Board of the Group companies have a risk committee which meets regularly and receives reports from the Risk and Compliance function on risk assessment and levels of risks that the Group is facing. Stress testing is done quarterly, and the results are discussed with the Risk Committee. There have been no changes to objectives, policies and processes for managing the risk and the methods used to measure the risk since the previous reporting period. There have been no changes to risks arising from financial instruments (credit, liquidity and market risks) or changes to the risk management strategies, policies or objectives since the previous reporting period.

7.1 Credit risk

7.1.1 Credit risk management

Credit risk is the risk of financial loss should the Group companies' customers, clients or market counterparties fail to fulfil their contractual obligations to the Group companies. The Group companies actively seek to originate and manage credit risk in such a way as to achieve sustainable asset growth and risk adjusted returns in line with Board-approved risk parameters. The credit risk that the Group companies face arises mainly from loans and advances, and counterparties credit risk arising from derivative contracts entered into with our clients. Other sources of credit risk arise from treasury bills, government bonds, settlement balances with counterparties and bank balances with central banks and other banks.

Credit risk management objectives are:

- Supporting the achievement of sustainable asset and revenue growth in line with our risk parameters;
- Operating sound credit granting processes and monitoring credit risk using appropriate models to assist decision-making;
- Ensure credit risk taking is based on sound credit risk management principles and controls; and
- Continually improving collection and recovery.

7.1.2 Risk limits and mitigation policies

The Group companies use a range of policies and practices to mitigate credit risk. These include credit scoring, marking limits against counterparties, monitoring cash flows and utilisation against limits, covenants and collateral.

Principal collateral types used for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as inventory, accounts receivable and moveable assets;
- Guarantees; and
- Cash cover.

The Legal and Credit departments are responsible for conducting sufficient legal review to confirm that the approved collateral is legally effective. The ratio of loan value to security value is assessed on grant date and continuously monitored.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.1 Credit risk (continued)

7.1.3 Credit risk grading

Retail exposures

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural based internal credit rating. Any other known information about the borrower which impacts their creditworthiness such as unemployment and previous delinquency history is also incorporated into the behavioural internal credit rating.

These ratings are reflected on the following delinquency categories:

- Performing loans – 0 day to 30 days past due.
- Doubtful loans – 31 days to 89 days past due.
- In default loans – 90 days+ past due.

Corporate exposures

The Group uses an internal application credit risk scoring tool that reflects its assessment of the probability of default of individual counterparties. This internal application credit risk scoring tool assigns a rating with using a 22-grade rating scale. The Group companies use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (turnover and industry type for wholesale exposures) is fed into this rating model.

This is supplemented with external data such as credit bureau scoring information and external rating where available from ratings agencies, on individual borrowers. In addition, the models enable expert judgement to be incorporated into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

Payment and other behavioural aspects of the borrower are monitored on an ongoing basis in conjunction with collateral values and event driven factors to develop an internal behavioural credit rating. Exposures are monitored by grading customers in an early warning/ongoing monitoring list in order to identify those customers who are believed to be facing a SICR, and/or are believed to be facing difficulties. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.2 ECL measurement

ECLs are measured on either a 12-month or lifetime basis depending on whether a SICR has occurred since initial recognition or whether the asset is considered credit impaired. ECLs are a probability weighted discounted product of PD, LGD and EAD.

Credit losses are measured as the present value of all cash shortfalls (the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the portfolio.

The maximum period considered when estimating ECLs is the maximum contractual period (including extensions) over which the Group is exposed to credit risk. For revolving facilities such as loans with an undrawn commitment component or overdrafts, the period over which to estimate ECLs is the period over which the Group is exposed to credit risk and for which ECLs will not be mitigated by credit risk management actions – even if this period extends beyond the maximum contractual period.

The Group uses a combination of a portfolio-based approach and individual assessment to the calculation of ECLs.

- Portfolio assessment is performed by way of the ECL model to support the modelling of PD, LGD and EAD.
- Individual assessment is performed on all customer loans and advances after having defined a minimum exposure threshold.

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

12-month ECLs (Stage 1 – no increase in credit risk)

ECLs measured at an amount equal to the portion of Lifetime ECLs that result from default events possible within the next 12 months.

The 12-month ECL is calculated for the following exposures:

- Corporate exposures which do not exhibit SICR.
- Retail loans less than 30 days past due.
- Debt securities, loans to banks and bank balances which are not past due. These are a product of, 12 months PD, LGD and EAD.

Lifetime ECLs (Stage 2 – SICR)

These are ECLs that result from all possible default events over the expected life of a financial instrument. These ECLs are measured on assets with a SICR since initial recognition.

- Corporate loans which have shown SICR.
- Retail loans in 30 days to 89 days past due.
- Debt securities, loans to banks and bank balances where the credit risk has significantly increased since initial recognition.

These are a product of Lifetime PD, Lifetime LGD and EAD.

Lifetime ECLs (Stage 3 – default)

The Group companies consider a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

These ECLs are measured on all credit impaired/in default credit exposures.

- All credit impaired/in default corporate and retail loans and advances to banks and other debt securities in default.
- These are corporates which have/are credit impaired or retail loans in default/90 and above days past due.
- Exposures which are 90 days+ past due.

These are a product of default PD, Lifetime LGD and EAD.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.2 ECL measurement (continued)

7.2.1 Probability of default

The Probability of Default (PD) is the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" below), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PDs are modelled using historic data into 12M PD and Lifetime PDs. Where data is not available, proxies which resemble the risk of default characteristics of the exposure are used.

The PDs are determined individually or below threshold at portfolio level (below internal thresholds for customer exposures) and segmented into various categories using tenor, currency, product or low-risk classification.

PDs modelled using historical data may then be adjusted for forward-looking factors. PDs are mapped into IFRS 9 stages and Basel II Credit Risk Guideline grades as follows:

Corporate exposure

Stage 1 – 12-Month PD Basel II Credit Risk classification Pass;

Stage 2 – Lifetime PD Basel II Credit Risk classification Standard;

Stage 3 – Default PD Basel II Credit Risk classification: Substandard, Doubtful, Loss/90+ days past due.

Retail exposure

Stage 1 – 12-Month PD Basel II Credit Risk classification Pass/<30 days past due;

Stage 2 – Lifetime PD Basel II Credit Risk classification Standard/30 to 89 days;

Stage 3 – Default PD Basel II Credit Risk classification, Substandard, Doubtful, Loss/90+ days past due.

For debt securities in the treasury portfolio and interbank exposures, performance of the counterparty is monitored for any indication of default. PDs for such exposures are determined based on benchmarked national ratings mapped to external credit rating agencies grade. For other bank balances where there are external credit ratings PDs are derived using those external credit ratings.

7.2.2 Exposure at default (EAD)

Exposure at default (EAD) – is the amount the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (Lifetime EAD). The Group uses separate approaches for amortising items (on-balance sheet) and revolving products (including off-balance sheet items). The amortisation schedule approach is used for amortising items (on balance sheet), while for revolving products (including off-balance sheet items), the Group uses Credit Conversion factors and behavioural term estimates, to estimate future EADs.

Amortising products (on-balance sheet facilities)

The amortisation modelling approach for EAD reflects three factors that determine the portfolio's exposure to a borrower for each month from the present to maturity. The Group utilises the loan amortisation schedule (scheduled contractual repayments), prepayments and interest accrued to default to arrive at the EAD.

Revolving and off-balance sheet facilities

For revolving products and off-balance sheet items, the Group makes use of Credit Conversion Factors approach. The Credit Conversion Factor approach is applied to both revolving facilities and off-balance sheet items. The Credit Conversion Factor represents the amount of additional undrawn limit that is utilised before default and should factor in accrued interest at point of default. The approach also uses a behavioural term to determine the length of the EAD cash flows to be used in the ECL calculation. The behavioural term defines the behavioural maturity of the product.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.2 ECL measurement (continued)

7.2.3 Loss given default

Loss given default (LGD) – represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

LGD is modelled based on the expected rate of recovery of collateral and the relationship between this and the amount of the loan. LGD is calculated using parameters LGD1 and LGD2. LGD1 is calculated as the pre-default historical recovery rate whilst LGD2 is the post-default recovery rate and applies to Stage 3 accounts. The LGD2 is time dependent with the parameter increasing as the account stays longer in default. The final LGD is a probability weighted value for the loss rates under the scenarios of liquidation, restructure, and cure.

7.3 Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The assessment of SICR incorporates forward-looking information and is performed on a monthly basis at a portfolio level for all retail loans, as well as portfolio level below internal thresholds. The use of the rebuttable presumption of significant increase in risk means that an account is categorised as Stage 2 when the days past due (DPD) is > 30 days and < 90 days. In addition to the Rebuttable Presumption the Group companies will also consider the output of its multi factor early warning/risk monitoring analysis as a qualitative measure for corporate and treasury exposures. Customer loans and advances exceeding internal thresholds and low-risk financial instrument exposures are assessed on a monthly and quarterly basis by the Credit Department, Bank Management and the Loans Review Committee. The assessment of SICR incorporates forward-looking information and is performed on a monthly basis at a portfolio level for all retail loans. Corporate and treasury exposures are assessed individually through the Early Warning list which is reviewed monthly and monitored by an independent team in Credit Risk department, together with quarterly reviews by the Impairment Committee of exposures against performance criteria.

7.3.1 SICR – quantitative measures

- Corporate loans – if the loan is 30 days past due or has had a rating downgrade from origination of more than two grades using the Group's internal rating tool.
- Corporate loans – External risk grade drops by 8 notches (2 grades) if was investment grade at inception or drops by 4 notches (1 grade) if non-investment grade. If the exposure is in a non-investment grade, a move of 4 or more notches from this grade or below at inception therefore meets Stage 2 criteria. Any external rating above this grade requires an 8 notch drop between inception and reporting.
- Retail loans – if the loan is reclassified from <30 days past due to 30 to 89 days past due.
- Treasury exposures which are past due.

7.3.2 SICR – qualitative measures – Retail

- Extension of credit terms.
- Retrenchment/dismissal of employee.
- Employer facing financial difficulties.
- Salary diversion.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.3 Significant increase in credit risk (continued)

7.3.3 SICR – qualitative measures – Corporate and Treasury

- Borrower is on Basel II Credit Risk Classification Standard/Internal Category 2.
- Significant adverse changes in business, financial or economic conditions in which the borrower operates.
- Actual or expected forbearance or restructuring of debt.
- Early signs of cash flow/liquidity problems such as delay in servicing debt.
- Significant decline in account turnover.
- Breach of significant debt covenants.
- Qualifying modified loans.
- Delay in settlement of obligations.

7.4 Benchmarking ECL

7.4.1 Corporate

Portfolio assessment is performed by way of a collective assessment semi-empirical IFRS 9 model (the ECL Model) developed in consultation with external consultants using available historic information to support the modelling of PD, LGD and EAD. Individual assessment is performed on all customer loans and advances after having defined a minimum exposure threshold. The Group companies elected to use a country rating by sovereign debt approach, which forms the basis of calculating the PD's of all financial assets within scope of IFRS 9 guidelines. The sovereign debt PD is adjusted by individual corporate PD rates based on external rating provider S&Ps information.

LGDs of individually assessed customer loans and advances have been determined in terms of:

- Stages 1 and 2: an internal benchmark applied to a net exposure after application of future realisable cash flows, predominantly collateral held.
- Stage 3: net exposure after application of future realisable cash flows, predominantly collateral held. LGDs on various financial assets/low-risk financial instruments, with the exception of customer loans and advances, have been determined in terms of:
 - Basel II & III Guidelines: the treatment of sovereign exposures in the banking book.
 - Basel II Guidelines: applied under foundation IRB and observed in the Committee's study on Banks.
 - Internal benchmark on Securities & Derivatives engaged with corporate counterparties. EAD is determined as below:
 - For customer loans and advances: outstanding exposures plus undrawn limits.
 - For other financial assets/low-risk financial instruments: outstanding exposures.

7.4.2 Treasury

ECL for Treasury exposures is based on benchmarked PDs and LGDs due to lack of historical data.

7.4.3 Retail

ECL for Retail exposures are based on model output with no benchmarking comparative since enough historical default data was available when designing the calculation model.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models

Forward-looking information

The calculation of ECLs incorporates forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio for each Banking entity in the Group.

Historical and forecasts of these economic variables (the base economic scenario) are sourced from Central Banks Monetary Policy, Fiscal updates, World Bank/IMF and BMI Research economic forecast and provide the best estimate view of the economy over the next five years. Key economic variables are statistical and modelled using econometric techniques which are employed to build predictive regression functions. These variables are then extrapolated to a 15-year forecast horizon. The impact of the projected default levels is then applied to the PD through scalars. Forward-looking indicators for scenarios and related probabilities considered in determining the Group's forward-looking assumptions for the purposes of its ECLs, noting the wide range of possible scenarios and macroeconomic outcomes. Various scenarios are also considered to reflect the Base case, Better case, Good case, Bad case and Worst-case scenarios. This is line with IFRS 9 provisions to arrive at an ECL estimation that is an unbiased and probability weighted estimate of future losses.

After five years, in order to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, meaning that economic variables tend to a long run average growth rate such as gross domestic product over a period of two to five years. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates. Forward-looking indicators for scenarios and related probabilities are considered in determining the Group's forward-looking assumptions for the purposes of its ECLs, noting the wide range of possible scenarios and macroeconomic outcomes, these scenarios represent reasonable and supportable forward-looking views as at reporting date.

Main macroeconomic factors affecting Corporate ECL allowances

The Group conducts scenario sensitivity analysis to assess the potential impact of changes in economic conditions on the carrying value of material loans and advances. This analysis is a key component of the Group's risk management strategy and helps ensure the robustness of our financial position under varying economic scenarios. Changes in macroeconomic environment are disclosed in note 2.3.2.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Sensitivity Analysis Methodology

The sensitivity analysis is performed using a range of macroeconomic scenarios that reflect plausible future economic profiles. These scenarios are developed in consultation with economic experts and include both baseline and stressed conditions. The table below shows the loss allowance on loans and advances to corporate customers assuming each forward-looking scenario (base, good, better, bad and worse case). The scenarios were determined by applying scenario probability weights across the three scenarios that are reflected in the financial statements.

Forward-looking information

The Group applies a regression-based macroeconomic model to incorporate forward-looking information into its credit impairment estimation process. This model leverages macroeconomic variables provided by the International Monetary Fund (IMF) and links them to a historical Cyclical Index (CI). The CI represents credit-impaired loans, transformed through an inverse normal function and subsequently fitted to a Gumbel distribution to capture its asymmetry.

The base case CI is determined by applying the macroeconomic model to the latest IMF forecast variables, providing a central outlook.

The selection of CIs for the four alternative (non-base case) scenarios follows a two-step process:

- **Segmenting the Distribution:** The Gumbel distribution is divided into upside and downside segments relative to the base case, recognising that the base case does not necessarily lie at the centre of the distribution. This segmentation ensures upside scenarios reflect lower CI values (indicating lower credit risk), while downside scenarios reflect higher CI values (indicating higher credit risk).
- **Normalisation and Scenario Selection:** Each segment is normalised so that its cumulative probability equals one, allowing appropriate selection of scenarios from each segment based on defined confidence intervals.

The selected CI for each scenario is then used to derive a macro-scalar, which adjusts individual client Probability of Default (PD) estimates. These scenario-dependent PDs are subsequently incorporated into the Expected Credit Loss (ECL) computation, ensuring the ECL reflects the forward-looking macroeconomic outlook across a range of possible economic conditions.

Since the weightings assigned to each scenario are dependent on the macro model as described which have been revised from last year and are also time dependant on the IMF forecast which are dynamic as per the bi-annual World Economic Outlook Report Update, the assigned weightings to each scenario have changed.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

The tables presented below relate to Group only as the credit risk exposure of the company is immaterial.

Corporate advances
2025

Macro-economic factors	Assigned Country	ECL Scenario	Assigned Weighting (%) (averages)	Actual	Forecast (%)				Long term rate
				2025	2026	2027	2028	2029	
All Items, Consumer Price Index (CPI), Period Average, Percentage Change	Malawi	Base case	58.33%	0.32%	0.30%	0.26%	0.24%	0.23%	0.22%
		Good case	16.78%	0.32%	0.26%	0.24%	0.22%	0.21%	0.21%
		Better case	7.19%	0.32%	0.24%	0.22%	0.21%	0.21%	0.20%
		Bad case	12.39%	0.32%	0.37%	0.34%	0.33%	0.33%	0.33%
		Worse case	5.31%	0.32%	0.41%	0.38%	0.38%	0.37%	0.37%
Expenditure, General Government, Percentage of GDP	Malawi	Base case	58.33%	29.48%	29.40%	31.13%	31.89%	32.33%	32.65%
		Good case	16.78%	29.48%	31.22%	32.04%	32.54%	32.86%	33.09%
		Better case	7.19%	29.48%	31.92%	32.54%	32.92%	33.18%	33.39%
		Bad case	12.39%	29.48%	27.02%	28.11%	28.37%	28.49%	28.52%
		Worse case	5.31%	29.48%	25.41%	26.41%	26.67%	26.73%	26.79%
Gross Domestic Product, Constant Prices	Zimbabwe	Base case	58.33%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
		Good case	6.25%	0.09%	0.12%	0.12%	0.12%	0.12%	0.12%
		Better case	2.68%	0.09%	0.13%	0.13%	0.13%	0.13%	0.13%
		Bad case	22.92%	0.09%	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)
		Worse case	9.82%	0.09%	(0.06%)	(0.06%)	(0.06%)	(0.06%)	(0.06%)
Current Account Balance government net debt	Zimbabwe	Base case	58.33%	1.02%	2.40%	2.54%	2.50%	2.59%	2.59%
		Good case	6.25%	1.02%	4.30%	4.44%	4.39%	4.44%	4.44%
		Better case	2.68%	1.02%	5.34%	5.44%	5.44%	5.44%	5.44%
		Bad case	22.92%	1.02%	(4.86%)	(4.82%)	(4.82%)	(4.82%)	(4.82%)
		Worse case	9.82%	1.02%	(8.85%)	(8.80%)	(8.80%)	(8.80%)	(8.80%)
Gross domestic product (GDP) – constant prices (expressed as a percent change)	Botswana	Base case	58.33%	(2.99%)	(1.99%)	(2.21%)	(1.65%)	(2.25%)	(3.32%)
		Good case	8.42%	(2.99%)	(0.33%)	(0.15%)	0.19%	(0.15%)	(0.71%)
		Better case	3.61%	(2.99%)	1.00%	0.87%	1.13%	0.87%	0.49%
		Bad case	20.74%	(2.99%)	(7.46%)	(7.59%)	(7.29%)	(7.63%)	(8.27%)
		Worse case	8.89%	(2.99%)	(10.71%)	(10.79%)	(10.54%)	(10.84%)	(11.44%)
Gross capital formation, Percent of GDP(Lag)	Botswana	Base case	58.33%	37.23%	37.60%	37.39%	37.93%	37.35%	36.31%
		Good case	8.42%	37.23%	39.52%	39.39%	39.72%	39.39%	38.85%
		Better case	3.61%	37.23%	40.52%	40.39%	40.64%	40.39%	40.02%
		Bad case	20.74%	37.23%	32.26%	32.14%	32.43%	32.10%	31.47%
		Worse case	8.89%	37.23%	29.10%	29.01%	29.26%	28.97%	28.39%
Gross Domestic Product (GDP), Constant prices, Domestic currency Billions (Lag)	Mozambique	Base case	58.33%	0.02%	0.02%	0.03%	0.04%	0.03%	0.07%
		Good case	23.04%	0.02%	0.06%	0.06%	0.06%	0.06%	0.08%
		Better case	9.87%	0.02%	0.07%	0.07%	0.07%	0.07%	0.08%
		Bad case	6.13%	0.02%	(0.00%)	0.00%	0.01%	0.01%	0.03%
		Worse case	2.63%	0.02%	(0.02%)	(0.01%)	(0.01%)	(0.01%)	0.01%
Rate, Domestic currency per international Dollar in PPP terms, ICP benchmarks 2017-2021 Units (Lag)	Mozambique	Base case	58.33%	0.04%	0.04%	0.03%	0.02%	0.02%	(0.02%)
		Good case	23.04%	0.04%	(0.01%)	(0.01%)	(0.01%)	(0.01%)	(0.03%)
		Better case	9.87%	0.04%	(0.02%)	(0.02%)	(0.02%)	(0.02%)	(0.04%)
		Bad case	6.13%	0.04%	0.07%	0.07%	0.06%	0.06%	0.03%
		Worse case	2.63%	0.04%	0.10%	0.09%	0.08%	0.09%	0.06%

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Corporate advances (continued)

2025

Macro-economic factors	Assigned Country	ECL Scenario	Assigned Weighting (%) (averages)	Actual	Forecast (%)				Long term rate
				2025	2026	2027	2028	2029	
Primary net lending (+)/net borrowing (-), General government, Domestic currency, Billions percent change	Zambia	Base case	58.33%	(0.54%)	0.37%	(0.04%)	(0.11%)	(0.08%)	0.02%
		Good case	12.76%	(0.54%)	0.49%	0.27%	0.24%	0.25%	0.29%
		Better case	5.47%	(0.54%)	0.56%	0.39%	0.37%	0.37%	0.41%
		Bad case	16.41%	(0.54%)	(0.26%)	(0.47%)	(0.53%)	(0.52%)	(0.43%)
		Worse case	7.03%	(0.54%)	(0.57%)	(0.77%)	(0.82%)	(0.81%)	(0.73%)
Imports of goods and services, Volume, Cost insurance freight (CIF), Percentage change, Units	Zambia	Base case	58.33%	8.54%	4.01%	8.99%	9.82%	9.55%	8.30%
		Good case	12.76%	8.54%	2.62%	5.25%	5.67%	5.53%	4.98%
		Better case	5.47%	8.54%	1.79%	3.87%	4.01%	4.01%	3.59%
		Bad case	16.41%	8.54%	11.62%	14.26%	14.95%	14.81%	13.70%
		Worse case	7.03%	8.54%	15.36%	17.86%	18.41%	18.27%	17.30%
Primary net lending (+)/net borrowing (-), General government, Percent of GDP, Units	Zambia	Base case	58.33%	1.29%	1.76%	1.80%	1.88%	0.05%	1.89%
		Good case	13.86%	1.91%	2.36%	2.39%	2.43%	2.44%	2.44%
		Better case	5.94%	2.17%	2.67%	2.68%	2.72%	2.72%	2.72%
		Bad case	15.30%	0.37%	0.17%	0.20%	0.23%	0.22%	0.22%
		Worse case	6.56%	(0.23%)	(0.78%)	(0.75%)	(0.73%)	(0.73%)	(0.73%)
Gross domestic product (GDP), Per capita, purchasing power parity (PPP) international dollar, ICP benchmarks 2017-2021, Units percentage change	Zambia	Base case	58.33%	0.06%	0.07%	0.05%	0.05%	0.05%	0.06%
		Good case	12.76%	0.06%	0.07%	0.06%	0.06%	0.06%	0.06%
		Better case	5.47%	0.06%	0.07%	0.07%	0.07%	0.07%	0.07%
		Bad case	16.41%	0.06%	0.05%	0.04%	0.04%	0.04%	0.04%
		Worse case	7.03%	0.06%	0.04%	0.03%	0.03%	0.03%	0.03%
Rate, Domestic currency per international dollar in PPP terms, ICP benchmarks 2017-2021, Units percent change	Zambia	Base case	58.33%	0.09%	0.07%	0.08%	0.08%	0.08%	0.08%
		Good case	12.76%	0.09%	0.06%	0.07%	0.07%	0.07%	0.07%
		Better case	5.47%	0.09%	0.06%	0.07%	0.07%	0.07%	0.06%
		Bad case	16.41%	0.09%	0.09%	0.10%	0.10%	0.10%	0.09%
		Worse case	7.03%	0.09%	0.10%	0.11%	0.11%	0.11%	0.10%

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Corporate advances (continued)

2024

Macro-economic factors	Assigned Country	ECL Scenario	Assigned Weighting (%) (averages)	Actual		Forecast (%)			Long term rate
				2024	2025	2026	2027	2028	
GDP Constant Prices Percent change	Malawi	Base case	58.33%	28.80%	30.62%	18.56%	17.27%	16.73%	17.34%
		Good case	18.44%	28.80%	30.62%	19.85%	18.18%	17.57%	18.33%
		Better case	7.90%	28.80%	30.62%	22.36%	19.78%	18.94%	20.00%
		Bad case	10.73%	28.80%	30.62%	29.97%	29.06%	28.83%	29.06%
		Worse case	4.60%	28.80%	30.62%	34.31%	33.48%	33.32%	33.55%
Volume of Exports of goods and services Percent change	Malawi	Base case	58.33%	28.36%	29.31%	30.30%	31.43%	31.80%	31.33%
		Good case	18.44%	28.36%	29.31%	31.40%	32.13%	32.40%	32.07%
		Better case	7.90%	28.36%	29.31%	31.97%	32.53%	32.76%	32.50%
		Bad case	10.73%	28.36%	29.31%	26.97%	27.37%	27.47%	27.37%
		Worse case	4.60%	28.36%	29.31%	25.08%	25.44%	25.51%	25.41%
GDP Constant Prices	Zimbabwe	Base case	58.33%	4.387%	5.69%	5.76%	5.69%	5.69%	5.76%
		Good case	10.32%	4.387%	9.67%	9.67%	9.67%	9.67%	9.74%
		Better case	4.42%	4.387%	11.52%	11.59%	11.52%	11.52%	11.59%
		Bad case	18.85%	4.387%	(2.94%)	(2.87%)	(2.87%)	(2.87%)	(2.80%)
		Worse case	8.08%	4.387%	(8.22%)	(8.22%)	(8.22%)	(8.22%)	(8.15%)
Current Account Balance government net debt	Zimbabwe	Base case	58.33%	3.83%	0.620%	0.69%	0.62%	0.630%	0.69%
		Good case	10.32%	3.83%	4.56%	4.56%	4.56%	4.56%	4.63%
		Better case	4.42%	3.83%	6.40%	6.47%	6.40%	6.40%	6.47%
		Bad case	18.85%	3.83%	(7.95%)	(7.89%)	(7.89%)	(7.89%)	(7.81%)
		Worse case	8.08%	3.83%	(13.18%)	(13.18%)	(13.18%)	(13.18%)	(9.76%)
Gross domestic product (GDP) – constant prices (expressed as a percent change)	Botswana	Base case	58.33%	2.73%	4.21%	5.08%	5.47%	5.43%	6.17%
		Good case	9.66%	2.73%	6.52%	7.04%	7.3%	7.3%	7.78%
		Better case	4.14%	2.73%	7.69%	8.08%	8.3%	8.26%	8.65%
		Bad case	19.51%	2.73%	(2.05%)	(1.62%)	(1.44%)	(1.49%)	(1.23%)
		Worse case	8.36%	2.73%	(5.79%)	5.40%	(5.23%)	(5.23%)	(5.01%)
Total Investment as percent of GDP	Botswana	Base case	58.33%	30.32%	33.2%	34.5%	34.63%	34.59%	35.30%
		Good case	9.66%	30.32%	35.63%	36.13%	36.38%	36.38%	36.84%
		Better case	4.14%	30.32%	36.76%	37.13%	37.34%	37.30%	37.68%
		Bad case	19.51%	30.32%	27.41%	27.82%	27.99%	27.95%	28.2%
		Worse case	8.36%	30.32%	23.82%	24.19%	24.36%	24.36%	24.57%
GDP per capita % Current prices	Mozambique	Base case	58.33%	0.08%	0.09%	0.084%	0.09%	0.10%	0.10%
		Good case	4.54%	0.08%	0.13%	0.13%	0.13%	0.14%	0.14%
		Better case	1.94%	0.08%	0.15%	0.15%	0.15%	0.15%	0.15%
		Bad case	24.63%	0.08%	0.04%	0.03%	0.04%	0.05%	0.05%
		Worse case	10.56%	0.08%	0.00%	(0.00%)	0.00%	0.01%	0.01%

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Corporate advances

2024

Macro-economic factors	Assigned Country	ECL Scenario	Assigned Weighting (%) (averages)	Actual		Forecast (%)			Long term rate
				2024	2025	2026	2027	2028	
General government gross debt	Mozambique	Base case	58.33%	93.89%	95.98%	96.81%	94.70%	84.85%	84.85%
		Good case	4.54%	93.89%	95.98%	66.79%	66.08%	62.33%	62.33%
		Better case	1.94%	93.89%	95.98%	55.76%	55.29%	52.95%	52.95%
		Bad case	24.63%	93.89%	95.98%	129.18%	127.30%	119.80%	119.80%
		Worse case	10.56%	93.89%	95.98%	151.70%	150.06%	142.78%	142.78%
Domestic GDP	Zambia	Base case	58.33%	5.40%	2.30%	4.25%	4.17%	4.72%	4.72%
		Good case	0.57%	5.40%	2.30%	4.47%	4.42%	4.89%	4.89%
		Better case	0.25%	5.40%	2.30%	4.64%	4.56%	5.00%	5.00%
		Bad case	28.59%	5.40%	2.30%	0.14%	0.14%	0.14%	0.14%
		Worse case	12.25%	5.40%	2.30%	(1.29%)	(1.29%)	(1.29%)	(1.29%)
General government revenue as a percent of GDP	Zambia	Base case	58.33%	93.89%	21.84%	22.37%	22.32%	22.67%	22.67%
		Good case	0.57%	93.89%	21.84%	22.52%	22.48%	22.78%	22.78%
		Better case	0.25%	93.89%	21.84%	22.62%	22.57%	22.85%	22.85%
		Bad case	28.59%	93.883	21.84%	19.78%	19.78%	19.78%	19.78%
		Worse case	12.25%	93.89%	21.84%	18.88%	18.88%	18.88%	18.88%

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Main macroeconomic factors affecting Corporate ECL allowances

Analysis of inputs to the ECL model under multiple economic scenarios

In line with IFRS 9 – Financial Instruments, the Group's Expected Credit Loss (ECL) computation incorporates a range of forward-looking macroeconomic scenarios to reflect potential economic outcomes and their associated credit risks. The five scenarios applied are as follows:

- **Base Case:** The Base Case represents the most likely macroeconomic outlook for each of the markets in which the Group operates. This scenario is aligned to consensus economic forecasts, primarily based on the latest projections from the International Monetary Fund (IMF), combined with internally assessed views on key economic variables such as GDP growth, inflation, exchange rates, and interest rates. The Base Case serves as the central reference point in the ECL model.
- **Good Case:** The Good Case reflects a moderate improvement in economic conditions compared to the Base Case. This scenario assumes faster-than-expected economic recovery, improved foreign currency liquidity, lower inflation, and a more favourable interest rate environment, supporting stronger credit quality and lower default risk.
- **Better Case:** The Better Case reflects a significantly improved economic outlook, representing a scenario where economic growth exceeds expectations, inflation is subdued, currency exchange rates are stable or appreciating, and business confidence rises sharply. Under this scenario, credit risk improves materially, with lower non-performing loans and stronger borrower repayment capacity.
- **Bad Case:** The Bad Case reflects deteriorating economic conditions relative to the Base Case. This scenario incorporates weaker economic growth, higher inflation, currency depreciation, and rising interest rates. These adverse factors lead to increased credit risk, weaker borrower repayment capacity, and higher default rates.
- **Worse Case:** The Worse Case represents a severe downside scenario, reflecting material economic contraction, persistently high inflation, sharp currency depreciation, and tight monetary conditions. This scenario assumes heightened credit stress, with widespread borrower distress and significantly higher default rates across both retail and corporate lending portfolios.

The principal macroeconomic drivers used in the estimation of ECL are reviewed annually and may differ by country and reporting period, depending on the variables identified as most predictive of credit risk in the respective portfolios. As a result, the key macroeconomic indicators used in the models may change from year to year to reflect evolving economic conditions and improvements in model performance. The tables above present the principal macroeconomic drivers applied for each country in the current and comparative periods. Where changes in key drivers have occurred, these reflect updates to the model inputs and variables considered most relevant in explaining credit risk behaviour in the respective markets.

The Group applies a separate macroeconomic scenario framework for its retail portfolio, which reflects the different risk drivers impacting retail credit performance, compared to the corporate portfolio.

Main macroeconomic factors affecting Retail ECL allowances

For the retail ECL model, three macroeconomic scenarios are applied, each representing a distinct potential economic outcome:

- **Base Case:** The Base Case reflects the most likely economic outlook, aligned to the latest IMF macroeconomic forecasts and supplemented with internal economic assessments across the Group's operating markets. This scenario incorporates the expected evolution of key indicators such as GDP growth, inflation, employment rates, and interest rates, providing a balanced outlook for consumer credit risk.
- **Up Case:** The Up Case reflects a more optimistic scenario, where economic conditions improve faster than anticipated. This assumes stronger economic growth, lower inflation, improved employment prospects, and more favourable credit conditions. In this scenario, household disposable incomes increase, supporting stronger repayment capacity and a reduction in default rates.
- **Down Case:** The Down Case represents an adverse economic scenario, where macroeconomic conditions deteriorate beyond the Base Case outlook. This scenario assumes weaker economic growth, higher inflation, rising unemployment, and tightening credit conditions, all of which negatively impact household finances and increase the likelihood of default.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Main macroeconomic factors affecting Retail ECL allowances (continued)

Once a strong causal relationship is established between a loan book's behaviour and one or more macroeconomic factors, we incorporate forecasted macroeconomic factors into the model. This is done by comparing historic and future macroeconomic data together with the loan book behaviour to identify quantitative relationships. If a correlation structure exists between historic macroeconomic data and the loan book behaviour, then this provides a good basis for incorporating FLI by means of forecasted macroeconomic data. The base case forecast is derived for the relevant macroeconomic factors and is used as is. The Up and Down scenarios are created from the Base scenario by building a statistical tolerance interval around the Base scenario.

Three macroeconomic variables were applied, namely lending rate, unemployment rate and foreign exchange rate. The sensitivity table below summarises the principal macroeconomic indicators included in the economic scenarios used as at 31 December 2025 for the years 2025 to 2029. This scenario analysis was performed for the Retail portfolio in Botswana, which carries the most material, and empirically correlated performance history against macroeconomic variables.

It is anticipated that the below relationships would apply to the developing Retail portfolios in Malawi, Mozambique, and Zimbabwe; however, causal macroeconomic relationships will be established in each country's Retail portfolio upon sufficient experiential data being accumulated. The Group will continue to assess the representativeness of scenarios and their stressed outcomes as each Retail business matures in these markets.

Three scenarios have been used for the retail framework: – Base Case – Up Case – Down Case. Once a strong causal relationship is established between a loan book's behaviour and one or more macroeconomic factors, we incorporate forecasted macroeconomic factors into the model.

This is done by comparing historic and future macroeconomic data together with the loan book behaviour to identify quantitative relationships.

Three scenarios have been used for the retail framework: – Base Case – Up Case – Down Case. Once a strong causal relationship is established between a loan book's behaviour and one or more macroeconomic factors, we incorporate forecasted macroeconomic factors into the model.

This is done by comparing historic and future macroeconomic data together with the loan book behaviour to identify quantitative relationships.

If a correlation structure exists between historic macroeconomic data and the loan book behaviour, then this provides a good basis for incorporating FLI by means of forecasted macroeconomic data. The Base Case forecast is derived for the relevant macroeconomic factors and is used as is. The Up and Down scenarios are created from the Base scenario by building a statistical tolerance interval around the Base scenario.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Main macroeconomic factors affecting Retail ECL allowances (continued)

2025

Key drivers	Country	ECL Scenario	Assigned Weighting (%)	Actual	Forecast (%)					Long term rate
				2025	2026	2027	2028	2029		
Lending Rate (transformed state, first difference method)	Botswana	Down	20	6.59	8.11	7.41	7.24	7.13	6.73	
		Base	60	6.59	6.78	6.5	6.5	6.5	6.5	
		Up	20	6.59	5.44	5.59	5.76	5.87	6.27	
GDP (nominal USD billions)	Botswana	Down	20	19.27	18.83	20.76	22.62	24.73	44.9	
		Base	60	19.27	19.95	21.52	23.23	25.26	45.9	
		Up	20	19.27	21.06	22.28	23.85	25.79	45.28	
CPI % Difference	Botswana	Down	20	0.008	0.014	0.014	0.014	0.013	0.001	
		Base	60	0.008	0.010	0.011	0.011	0.011	0.000	
		Up	20	0.008	0.006	0.008	0.009	0.009	0.001	
Lending rate (nominal state)	Mozambique	Down	20	18.28	19.65	19.29	19.14	19.05	18.84	
		Base	60	18.28	18.50	18.50	18.50	18.50	18.50	
		Up	20	18.28	17.35	17.71	17.86	17.95	18.16	
CPI (Transformed state percentage difference method)	Mozambique	Down	20	0.01	0.02	0.02	0.02	0.02	0.02	
		Base	60	0.01	0.01	0.01	0.01	0.01	0.01	
		Up	20	0.01	0.00	0.01	0.01	0.01	0.01	
GDP (transformed state, percentage difference method)	Mozambique	Down	20	0.02	0.01	0.01	0.01	0.02	0.03	
		Base	60	0.02	0.02	0.02	0.02	0.03	0.03	
		Up	20	0.02	0.03	0.02	0.02	0.03	0.03	
Unemployment Rate (nominal state) Unemployment Rate	Zimbabwe	Down	20	7.17	7.81	8.11	8.25	8.37	9.55	
		Base	60	7.17	7.51	7.91	8.09	8.23	9.46	
		Up	20	7.17	7.22	7.70	7.92	8.09	9.37	
Lending Rate (transformed state first difference method)	Zimbabwe	Down	20	1.28	7.45	3.89	3.41	2.57	2.78	
		Base	60	1.28	(1.92)	(2.50)	(1.75)	(1.88)	0.00	
		Up	20	1.28	(11.29)	(8.89)	(6.91)	(6.32)	(2.78)	
GDP (Transformed state)	Zimbabwe	Down	20	49.15	53.31	52.03	54.71	57.10	96.96	
		Base	60	49.15	53.31	55.43	57.46	59.47	98.44	
		Up	20	49.15	53.31	58.83	60.20	61.83	99.92	

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Main macroeconomic factors affecting Retail ECL allowances (continued)

2024

Key drivers	Country	ECL Scenario	Assigned Weighting (%)	Actual	Forecast (%)				Long term rate
				2024	2025	2026	2027	2028	
Gross Domestic Product (GDP) (expressed as a transformed state using percentage difference)	Botswana	Down	20	(2.03)	0.77	1.56	1.42	1.47	.99
		Base	60	1.15	1.52	2.11	1.87	1.87	1.25
		Up	20	4.33	2.27	2.65	2.32	2.26	1.52
Exchange rate- BWP/USD (untransformed state)	Botswana	Down	20	13.42	13.97	12.31	13.20	13.14	13.00
		Base	60	13.42	13.21	11.76	12.74	12.74	12.74
		Up	20	13.42	12.45	11.21	12.28	12.34	12.48
Unemployment Rate (transformed state, first difference method)	Mozambique	Down	20	6.85	08.48	22.16	11.93	9.03	0.39
		Base	60	6.85	7.16	21.26	11.20	8.40	0.00
		Up	20	6.85	5.83	20.35	10.47	07.77	0.39
GDP (transformed state, percentage difference method)	Mozambique	Down	20	1.74	1.04	0.94	0.91	2.38	0.226
		Base	60	1.74	2.18	1.71	1.54	2.92	2.59
		Up	20	1.74	3.32	24.9	2.16	3.46	2.93
CPI (transformed state, percentage difference method)	Zimbabwe	Down	20	18.81	27.43	12.10	9.72	8.55	5.82
		Base	60	18.81	12.03	01.60	1.24	1.24	1.24
		Up	20	18.81	03.38	(8.91)	(7.24)	6.06	(3.33)
Unemployment Rate (transformed state, first difference method)	Zimbabwe	Down	20	16.83	10.12	13.22	5.91	5.52	0.73
		Base	60	7.66	07.66	11.55	4.56	4.36	0.00
		Up	20	(1.52)	05.20	09.87	3.20	3.19	(0.73)
GDP (transformed state, percentage difference method)	Zimbabwe	Down	20	0.5	(0.08)	(0.9)	(0.03)	(0.3)	0.2
		Base	60	0.5	0.7	0.2	0.6	0.4	0.6
		Up	20	0.5	2.2	1.2	1.4	1.1	1.1

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.5 Forward-looking information incorporated in the ECL models (continued)

Main macroeconomic factors affecting Retail ECL allowances (continued)

For the retail model, in the case of Malawi, Mozambique and Zimbabwe, in which the Group has retail portfolios, the experiential and causal data available was statistically limiting for the purpose of determining viable scenarios.

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments

The following table outlines the impact of applying multiple economic scenarios on the Group's ECL allowance on all financial instruments. The table compares the probability-weighted ECL derived from applying all five macroeconomic scenarios, to the ECL that would have resulted from applying a 100% weighting to the Base Case scenario, as reported at 31 December 2025 (with prior year comparative for 31 December 2024):

The tables presented below relate to Group only as the credit risk exposure of the company is immaterial.

	2025		2024	
	Total ECL Provision USD	Total income statement charge USD	Total ECL Provision USD	Total income statement charge USD
As reported	31 773 072	13 060 899	21 026 150	5 443 513
Scenarios				
Base case	31 863 250	13 151 077	20 139 301	4 458 202
Good case	30 802 271	12 090 098	18 641 052	2 524 455
Better case	30 351 745	11 639 572	17 534 390	982 297
Bad case	34 358 650	15 646 477	22 827 278	7 827 834
Worse case	36 361 056	17 648 883	25 340 407	11 022 620

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.6 ECL model governance

The models used for PD, EAD and LGD calculations are governed day to day through the internal Impairments Committee. This committee comprises of senior managers in Risk, Finance and the Business. Decisions and key judgements made by the Impairments Committee relating to the impairments and model overrides will be taken to Board Risk, Board Credit and Board Audit Committee. Credit risk processes from origination to monitoring and other operational processes around impairments now take into cognisance IFRS 9 requirements.

7.6.1 Maximum exposure to credit risk by credit quality grade before credit enhancements

The Group has an internal rating scale which is mapped into the Basel II grading system. The internal rating is broadly classified into, performing loans, standard monitoring and non-performing.

1) Performing loans

Loans and advances not past due and which are not part of renegotiated loans are considered to be performing assets; these are graded as per the S&P credit rating scale as grade 1 – 3.

2) Standard monitoring grade

These are loans and advances which are less than 90 days past due and in some cases not past due, but the business has significant concern on the performance of that exposure, as per the S&P credit rating scale these are grade 4 – 7.

3) Non-performing grade

These are loans and overdrafts on which interest is no longer accrued or included in income unless the customer pays. These non-performing (past due) assets include balances where the principal amount and/or interest is due and unpaid for 90 days or more, as per the S&P credit rating scale these are grade 8 – 10.

4) Loans and advances renegotiated

No significant modifications of financial assets were implemented in the financial year, thereby resulting in no significant modification gains or losses for the year. Exposures on which relief has been offered have been assessed to determine whether the requirement for relief is expected to be temporary or permanent in nature. Where the requirement for relief is expected to be temporary in nature and as such qualified as a non-distressed restructure, the staging of the exposure prior to the restructure has been maintained, and adjustments have been made to coverage to allow for incremental credit risk and potential masking of normal arrears. Where the requirement for relief is not expected to be temporary in nature, the exposure has been treated as a distressed restructure and staging and coverage has been adjusted in line with normal practice.

Collateral held includes immovable and moveable assets. The Group's policy is to pursue the timely realisation of the collateral in an orderly manner. The Group does not use any non-cash collateral for its own operations.

7.6.2 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions, cash or securities
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees
- For retail lending, mortgages over residential properties

The Group also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In its normal course of business, the Group engages external agents to recover funds from repossessed properties or other assets in its retail portfolio, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.6 ECL model governance (continued)

7.6.2 Collateral and other credit enhancements (continued)

The tables below present an analysis of the fair value of collateral held and other credit enhancements in respect of Stage 3 exposures. The level of expected credit losses (ECL) recognised for these exposures is influenced by the value and recoverability of the underlying collateral.

Where the discounted recoverable value of collateral exceeds the exposure at default (EAD), the resulting individual ECL may be low. However, individual ECL allowances are not reduced to nil as the Group applies minimum loss given default (LGD) floors irrespective of the level of collateral held. As a result, the recognised ECL reflects both the estimated realisable value of collateral and the Group's internal LGD parameters. The measurement of ECL incorporates forward-looking information and considers the expected value of collateral under multiple economic scenarios, including assumptions about recovery costs and the timing of collateral realisation. Uncollateralised on-balance sheet exposures relating to loans and advances subject to credit risk amounted to USD 334 049 923 (2024: USD 302 231 883). Uncollateralised off-balance sheet exposures amounted to USD 187 110 987 (2024: USD 186 618 741).

Consolidated

Type of collateral or credit enhancement	Fair value of collateral and credit enhancements held						Fair value of collateral and credit enhancements held				
	Maximum exposure to credit risk	Cash	Securities	3rd party/ gov guarantees	Property	Other	Surplus collateral	Total collateral	Net exposure	% collateral value to exposure	Associated ECL
USD											
2025											
Loans and advances to customers											
Term loans	692 794 846	12 694 644	42 061 808	41 098 229	200 435 764	63 717 083	–	360 007 528	332 787 398	52.0%	15 058 500
Mortgages	11 185 929	21 803	–	70 000	74 702 489	–	–	74 794 292	–	668.6%	198 534
Overdraft	205 924 744	36 566 420	–	31 228 373	103 504 403	35 997 215	–	207 296 411	–	100.7%	2 220 299
Finance leases	13 352 106	155 213	–	7 673	745 909	11 180 786	–	12 089 581	1 262 525	90.5%	134 946
Total	923 257 625	49 438 080	42 061 808	72 404 275	379 388 565	110 895 084	–	654 187 812	334 049 923	70.9%	17 612 279
Total on balance sheet	923 257 625	49 438 080	42 061 808	72 404 275	379 388 565	110 895 084	–	654 187 812	334 049 923	70.9%	17 612 279
Guarantees and letters of credit											
Guarantees	219 633 818	49 796 875	–	42 010	58 691 407	13 649 525	–	122 179 817	97 454 001	55.6%	1 580 544
Letters of credit	83 484 572	23 032 522	–	–	17 701 313	–	–	40 733 835	42 750 737	48.8%	673 180
Undrawn commitments	46 906 245	–	–	–	–	–	–	–	46 906 245	0.0%	10 315
Total	350 024 635	72 829 397	–	42 010	76 392 720	13 649 525	–	162 913 652	187 110 983	74.0%	2 264 039

Exposure to credit risk for the Company is immaterial.

There has been no significant changes in the quality of collateral or credit enhancement as a result of deterioration or changes in the collateral policies of the entity during the reporting period.

The uncollateralised loans are mainly with government employees guaranteed by the government.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.6 ECL model governance (continued)

7.6.2 Collateral and other credit enhancements (continued)

Consolidated

Type of collateral or credit enhancement	Fair value of collateral and credit enhancements held						Fair value of collateral and credit enhancements held				
	Maximum exposure to credit risk	Cash	Securities	3rd party/ gov guarantees	Property	Other	Surplus collateral	Total collateral	Net exposure	% collateral value to exposure	Associated ECL
USD											
2024											
Loans and advances to customers											
Term loans	577 120 469	16 949 111	3 965 622	58 764 009	192 665 499	52 287 384	–	324 631 625	252 488 844	56.3%	12 179 171
Mortgages	30 007 846	16 409	–	–	62 431 325	–	(32 439 888)	30 007 846	–	100.0%	493 294
Overdraft	169 707 003	18 743 218	528 917	7 118 135	179 602 039	55 820 839	(72 332 800)	189 480 348	–	111.7%	2 706 226
Finance leases	10 948 594	983	–	29 341	785 251	9 277 819	–	10 093 394	855 200	92.2%	227 376
Total	787 783 912	35 709 721	4 494 539	65 911 485	435 484 114	117 386 042	(104 772 688)	554 213 213	253 344 044	70.4%	15 606 067
Total on balance sheet	787 783 912	35 709 721	4 494 539	65 911 485	435 484 114	117 386 042	(104 772 688)	554 213 213	253 344 044	70.4%	15 606 067
Guarantees and letters of credit											
Guarantees	249 776 864	35 368 348	150 835	42 010	92 694 737	24 864 072	–	153 120 002	96 656 862	61.3%	1 483 029
Letters of credit	64 201 276	26 371 057	–	–	18 522 355	610 677	–	45 504 089	18 697 187	70.9%	275 610
Undrawn commitments	71 264 692	–	–	–	–	–	–	–	71 264 692	0.0%	52 470
Total	385 242 832	61 739 405	150 835	42 010	111 217 092	25 474 749	–	198 624 091	186 618 741	51.6%	1 811 109

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.6 ECL model governance (continued)

7.6.2 Collateral and other credit enhancements (continued)

The table below sets out the carrying amount of identifiable collateral held against loans and advances to customers classified as Stage 3 and measured at amortised cost. Stage 3 loans represent credit-impaired financial assets where there is objective evidence of impairment, and the Group considers collateral an important credit risk mitigation tool in managing potential losses. The valuation of collateral is based on the most recent assessments, adjusted where necessary to reflect prevailing market conditions. The recoverability of these assets depends on various factors, including the enforceability of collateral, legal processes, and economic conditions in the respective markets.

USD	Consolidated		
	Gross carrying amount	Collateral	Net exposure/ (uncollateralised)
2025			
Term loans	21 585 894	15 749 532	5 836 362
Mortgage loans	730 756	1 741 183	–
Overdraft	5 585 657	4 399 787	1 185 870
Finance leases	324 535	352 498	–
Total	28 226 842	22 243 000	7 022 232
2024			
Term loans	14 920 732	13 024 642	1 896 090
Mortgage loans	709 887	2 073 326	–
Overdraft	4 451 666	11 696 358	–
Finance leases	494 573	802 097	–
Total	20 576 858	27 596 423	1 896 090

Collateral for Stage 3 loans and advances is disclosed for the first time in the current year. Comparative information has also been presented to enhance comparability.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.6 ECL model governance (continued)

7.6.3 Overview of modified and forbore loans

Loan modifications and forbearance occur when the Group grants concessions to borrowers experiencing financial difficulties. These concessions may include extensions of repayment terms, temporary payment holidays, or amendments to contractual interest rates. Such modifications are undertaken with the objective of maximising recovery while supporting borrowers experiencing temporary financial distress.

Where the modification of contractual cash flows does not result in derecognition of the financial asset in terms of IFRS 9 Financial Instruments, the gross carrying amount of the financial asset is recalculated as the present value of the modified contractual cash flows discounted using the asset's original effective interest rate. Any difference between the previous carrying amount and the recalculated amount is recognised in profit or loss as a modification gain or loss.

From a risk management perspective, once a loan has been modified due to the financial difficulties of the borrower, the exposure is classified as forbore and is subject to enhanced monitoring by the Group's Risk function. The exposure remains under forbearance until it demonstrates sustained repayment performance over a defined monitoring period or until it is fully derecognised.

Loans that have been modified due to borrower financial difficulty are generally classified as Stage 2 or Stage 3 and remain under probationary monitoring before they can return to Stage 1.

USD	Consolidated	
	2025	2024
Financial assets modified during the period		
Amortised cost before modification	6 510 297	9 250 234
Net modification loss	113 112	1 184 026

The net modification loss represents the impact recognised in profit or loss arising from the remeasurement of the modified financial assets using the original effective interest rate.

The table below presents the gross carrying amount of financial assets that were previously modified and for which the loss allowance changed during the reporting period from lifetime expected credit losses to 12-month expected credit losses, indicating an improvement in the credit risk of the borrower.

USD	Consolidated	
	2025	2024
Financial assets modified since initial recognition		
Gross carrying amount of financial assets previously modified for which loss allowance has changed during the period to an amount equal to 12-month ECL from life time	–	80 445

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk

The Group's exposure to credit risk principally comprises of loans and advances to customers, finance lease receivables, repurchase agreements and money market investments. The Banks in the Group have an internal rating scale which is mapped into the Basel II Credit Risk grading system. The internal rating is broadly classified into Standard (Performing), Substandard (past due but not impaired) and Non-performing (impaired).

7.7.1 Performing loans

These are loans and securities for which are neither past due nor impaired and which are not part of restructured loans.

7.7.2 Past due but not impaired loans

These are loans and securities where contractual interest or principal payments are past due but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

7.7.3 Impaired loans and securities

These are loans and securities for which the Group has determined that there is probability that it will be unable to collect all principal and/or interest due according to the contractual terms of the loan/securities agreements.

7.7.4 Distribution of credit risk exposure by sector for loans and advances to customers

The Group monitors concentration of credit risk by sector. Economic sector risk concentrations within the customer loan and finance lease portfolio at 31 December 2025 and 31 December 2024 were as follows:

Credit risk exposure by sector

USD	Consolidated	
	2025	2024
Agriculture	88 879 745	56 209 177
Mining	32 919 602	32 153 803
Financial Services	8 939 425	16 313 730
Construction	34 781 188	26 161 526
Energy/Electricity/Gas/Water	8 528 945	10 453 799
Manufacturing	119 892 226	106 472 252
Wholesale and Retail	121 817 406	86 392 068
Individual/Households	420 075 091	337 416 160
Real Estate	25 759 676	41 951 991
Tourism and Leisure	2 869 968	2 745 238
Transport and Communication	32 420 300	39 102 004
Others	26 374 053	32 412 164
Total credit risk exposure (Note 11)	923 257 625	787 783 912

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.5 Credit quality per class of financial assets

The table below shows maximum exposure to credit risk without considering any collateral. The maximum exposure is presented gross, before effect of mitigation through the use of collateral agreements.

USD	Notes	Consolidated		Separate	
		2025	2024	2025	2024
Gross maximum exposure:					
Balances with central banks	9	317 167 085	281 301 419	–	–
Balances with other banks	9	121 804 964	108 322 541	4 940 310	1 388 521
Placements with other banks	9	483 073 064	214 792 441	7 000 000	3 786 888
Cheques in the course of clearing	9	570 642	53 108	–	–
Money market investments	10	441 695 787	474 312 521	–	–
Repurchase agreements	12	–	5 046 420	–	–
Loans and advances	11	923 257 625	787 783 912	–	–
Other assets	16	32 312 660	19 345 803	17 255 589	9 523 147
Total recognised financial assets		2 319 881 827	1 890 958 165	29 195 899	14 698 556
Letters of credit	31	83 484 572	64 201 276	–	–
Financial guarantees	31	219 633 818	249 776 864	50 000 000	10 000 000
Other undrawn commitments to lend	31	46 906 245	71 264 692	–	–
Off-balance sheet exposures		350 024 635	385 242 832	50 000 000	10 000 000
Total credit risk exposure		2 669 906 462	2 276 200 997	79 195 899	24 698 556

All of the financial assets related to the Company are classified in Stage 1 under IFRS 9 and are uncollateralised.

The maximum exposure to credit risk as demonstrated above includes balances and placements with other banks and other assets. The Balances and placement with other banks are highly liquid and are held with reputable banks with good credit rating resulting in low credit risk.

Other assets relate to interest receivable on preference shares from FCB Botswana and intercompany receivables from subsidiaries. The credit risk on other assets is considered to be low as the balances are fully recoverable from the subsidiaries.

Based on the above, expected credit losses on the above financial assets, and off balance sheet exposures are considered to be immaterial.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.6 Credit quality by internal rating grades

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system, 12-month Basel PD range and year-end stage classification.

The amounts presented are gross of allowance for ECL. Details of the Group's internal grading system are explained in Note 7 and the Group's impairment assessment and measurement approach is set out in Note 6.

Consolidated

USD Internal rating grade	Gross carrying amount				Expected credit losses				
	12 month Basel PD range	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2025									
Loans and advances to customers									
Performing									
High grade	0.00% – 0.50%	18 635 245	–	191 837	18 827 082	9 681	–	54 422	64 103
Standard grade	0.50% – 11.7%	812 596 902	45 586 896	1 114 419	859 298 217	4 855 989	437 778	252 946	5 546 713
Sub-standard grade	11.7% – 29.50%	3 377 652	11 027 554	5 463 177	19 868 383	27 102	679 064	778 167	1 484 333
Low grade	29.5% – 100%	14 058	3 792 476	11 212 180	15 018 714	80	1 169 415	7 472 940	8 642 435
Non-performing									
Individually impaired	100.00%	–	–	10 245 229	10 245 229	–	–	1 874 695	1 874 695
Total		834 623 857	60 406 926	28 226 842	923 257 625	4 892 852	2 286 257	10 433 170	17 612 279
Coverage ratio		0.586%	3.785%	36.962%					
Cash and balances with banks									
Performing									
High grade	0.00% – 0.50%	821 249 704	–	–	821 249 704	47 433	–	–	47 433
Standard grade	0.50% – 11.7%	101 366 051	–	–	101 366 051	201 902	–	–	201 902
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		922 615 755	–	–	922 615 755	249 335	–	–	249 335
Coverage ratio		0.027%	–	–					
Money market investments									
Performing									
High grade	0.00% – 0.50%	175 679 611	–	–	175 679 611	538 524	–	–	538 524
Standard grade	0.50% – 11.7%	257 095 095	–	–	257 095 095	5 031 811	–	–	5 031 811
Sub-standard grade	11.7% – 29.50%	8 921 081	–	–	8 921 081	524 478	–	–	524 479
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		441 695 787	–	–	441 695 787	6 094 813	–	–	6 094 814
Coverage ratio		1.380%	–	–					

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.6 Credit quality by Internal rating grades (continued)

Consolidated

USD Internal rating grade	Gross carrying amount				Expected credit losses				
	12 month Basel PD range	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2025									
Other assets									
Performing									
High grade	0.00% – 0.50%	9 760 543	–	–	9 760 543	4 929 009	–	–	4 929 009
Standard grade	0.50% – 11.7%	21 449 207	1 102 910	–	22 552 117	622 927	670	–	623 597
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		31 209 750	1 102 910	–	32 312 660	5 551 936	670	–	5 552 606
Coverage ratio		17.789%	0.061%	–					
Guarantees, letters of credit and other commitments to lend									
Performing									
High grade	0.00% – 0.50%	35 256 456	–	–	35 256 456	51 034	–	–	51 034
Standard grade	0.50% – 11.7%	294 348 290	1 495 635	19 525	295 863 450	1 886 435	9 163	4 160	1 899 758
Sub-standard grade	11.7% – 29.50%	18 892 848	2 683	–	18 895 531	312 803	32	–	312 835
Low grade	29.5% – 100%	–	1 533	7 665	9 198	–	29	383	412
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		348 497 594	1 499 851	27 190	350 024 635	2 250 272	9 224	4 543	2 264 039
Coverage ratio		0.646%	0.615%	16.708%					

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.6 Credit quality by Internal rating grades (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system, 12-month Basel PD range and year-end stage classification. The amounts presented are gross of allowance for ECL. Details of the Group's internal grading system are explained in Note 7 and the Group's impairment assessment and measurement approach is set out in Note 6.

USD Internal rating grade	12 month Basel PD range	Gross carrying amount			Expected credit losses				
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consolidated									
2024									
Loans and advances to customers									
Performing									
High grade	0.00% – 0.50%	13 719 673	574 847	–	14 294 520	10 638	1 162	–	11 800
Standard grade	0.50% – 11.7%	690 628 979	39 245 520	1 998 225	731 872 724	4 866 526	204 441	520 538	5 591 505
Sub-standard grade	11.7% – 29.50%	6 618 620	14 454 013	1 711 572	22 784 205	81 209	1 097 513	490 070	1 668 792
Low grade	29.5% – 100%	1 914	1 963 488	8 455 708	10 421 110	9 659	613 580	5 571 787	6 195 026
Non-performing									
Individually impaired	100.00%	–	–	8 411 353	8 411 353	–	–	2 138 944	2 138 944
Total		710 969 186	56 237 868	20 576 858	787 783 912	4 968 032	1 916 696	8 721 339	15 606 067
Coverage ratio		0.699%	3.408%	42.384%					
Cash and balances with banks									
Performing									
High grade	0.00% – 0.50%	327 833 506	–	–	327 833 506	61 551	–	–	61 551
Standard grade	0.50% – 11.7%	276 636 003	–	–	276 636 003	85 496	–	–	85 496
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		604 469 509	–	–	604 469 509	147 047	–	–	147 047
Coverage ratio		0.024%	–	–					
Money market investments									
Performing									
High grade	0.00% – 0.50%	167 470 292	–	–	167 470 292	542 935	–	–	542 935
Standard grade	0.50% – 11.7%	306 842 229	–	–	306 842 229	2 844 041	–	–	2 844 041
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		474 312 521	–	–	474 312 521	3 386 976	–	–	3 386 976
Coverage ratio		0.714%	–	–					

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.6 Credit quality by Internal rating grades (continued)

		Consolidated							
		Gross carrying amount			Expected credit losses				
USD	12 month Basel PD range	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2024									
Repurchase agreements									
Performing									
High grade	0.00% – 0.50%	5 046 420	–	–	5 046 420	20 256	–	–	20 256
Standard grade	0.50% – 11.7%	–	–	–	–	–	–	–	–
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		5 046 420	–	–	5 046 420	20 256	–	–	20 256
Coverage ratio		0.401%	–	–					
Other assets									
Performing									
High grade	0.00% – 0.50%	12 326 437	457 516	49 609	12 833 562	21 478	7 803	22 324	51 605
Standard grade	0.50% – 11.7%	6 512 241	–	–	6 512 241	3 089	–	–	3 089
Sub-standard grade	11.7% – 29.50%	–	–	–	–	–	–	–	–
Low grade	29.5% – 100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		18 838 678	457 516	49 609	19 345 803	24 567	7 803	22 324	54 694
Coverage ratio		0.130%	1.706%	45.000%					
Guarantees, letters of credit and other commitments to lend									
Performing									
High grade	0.00% – 0.50%	44 210 211	4 839 508	–	49 049 719	289 677	29 779	6 639	326 095
Standard grade	0.50% – 11.7%	330 671 173	1 826 742	231 876	332 729 791	1 166 442	186	–	1 166 628
Sub-standard grade	11.7% – 29.50%	16 867	297 055	4 192	318 114	15 892	4 137	2 729	22 758
Low grade	29.5% – 100%	–	–	7 087	7 087	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	3 138 121	3 138 121	–	–	295 628	295 628
Total		374 898 251	6 963 305	3 381 276	385 242 832	1 472 011	34 102	304 996	1 811 109
Coverage ratio		0.393%	0.490%	9.020%					

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.7 Maximum credit risk exposure

Reconciliation of amounts arising from ECLs

The Group's maximum exposure to credit risk and ECLs are analysed and reconciled as follows:

USD	Consolidated				Consolidated			
	Gross carrying amount				Expected credit losses			
	Loans and advances				Loans and advances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2025								
Balance as at 1 January 2025	710 969 186	56 237 868	20 576 858	787 783 912	4 968 032	1 916 696	8 721 339	15 606 067
New assets originated ¹	507 429 821	22 016 171	5 646 005	535 091 997	3 366 605	2 119 412	2 711 014	8 197 031
Payments and assets derecognised	(393 078 473)	(44 471 380)	(10 618 196)	(448 168 049)	(2 403 523)	(564 562)	(2 577 838)	(5 545 923)
Net Transfer from stage 1	(49 782 960)	43 784 834	5 998 126	–	(693 755)	490 376	203 379	–
Net Transfer from stage 2	13 959 973	(23 221 788)	9 261 815	–	715 542	(1 761 297)	1 045 755	–
Net Transfer from stage 3	600 168	1 538 785	(2 138 953)	–	147 639	32 285	(179 924)	–
Subsequent changes in ECL	–	–	–	–	(670 149)	180 888	3 139 106	2 649 845
Impaired accounts written off	(969 329)	(221 788)	(2 764 699)	(3 955 816)	(969 329)	(221 788)	(2 764 699)	(3 955 816)
Effects of changes in exchange rates	45 495 471	4 744 224	2 265 886	52 505 581	431 790	94 247	135 038	661 075
Balance as at 31 December 2025	834 623 857	60 406 926	28 226 842	923 257 625	4 892 852	2 286 257	10 433 170	17 612 279

¹ Stage 3 includes loans advances originated during the year but moved to stage 3.

The Group's expected credit losses (ECLs) increased slightly in 2025, despite significant growth in the gross carrying amount of loans and advances, reflecting an overall improvement in credit quality. This was evidenced by net transfers to Stage 2. Write-offs were primarily in the Consumer Lending segment, while repayments, derecognitions, and targeted write-offs mitigated the potential impact on ECLs in Stage 3, despite an increase in both gross balances and ECLs for this stage. ECL balances were also influenced by updates to model risk parameters, including refinements to probability of default and loss given default estimates, as well as foreign currency translation effects, particularly the appreciation of the Zambian Kwacha and Botswana Pula, while Mozambique and Malawi Kwacha rates remained stable.

ECL for cash and balances with banks, money market investments, repurchase agreements and other assets were not material for both 2025 and 2024.

USD	Consolidated				Consolidated			
	Gross carrying amount				Expected credit losses			
	Loans and advances				Loans and advances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2024								
Balance as at 1 January 2024	668 269 341	44 307 726	23 748 376	736 325 443	6 230 010	2 042 198	11 645 651	19 917 859
New assets originated or purchased ¹	479 312 827	30 291 951	2 263 269	511 868 047	3 526 657	3 783 305	2 263 269	9 573 231
Payments and assets derecognised	(391 389 274)	(31 883 533)	(10 700 489)	(433 973 296)	(2 642 042)	(1 239 429)	(1 332 784)	(5 214 255)
Net Transfer from stage 1	(38 167 888)	32 324 895	5 842 993	–	(47 200)	19 688	27 512	–
Net Transfer from stage 2	12 242 274	(20 098 722)	7 856 448	–	293 096	(2 474 664)	2 181 568	–
Net Transfer from stage 3	159 818	2 697 401	(2 857 219)	–	126 088	171 606	(297 694)	–
Subsequent changes in ECL	–	–	–	–	(1 664 353)	(137 440)	448 559	(1 353 234)
Impaired accounts written off	(1 178 494)	(267 110)	(6 794 777)	(8 240 381)	(746 869)	(217 959)	(4 871 890)	(5 836 718)
Other movements	–	–	–	–	–	–	(530 839)	(530 839)
Effects of changes in exchange rates	(18 279 418)	(1 134 740)	1 218 257	(18 195 901)	(107 355)	(30 609)	(812 013)	(949 977)
Balance as at 31 December 2024	710 969 186	56 237 868	20 576 858	787 783 912	4 968 032	1 916 696	8 721 339	15 606 067

¹ Stage 3 includes loans advances originated during the year but moved to stage 3.

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2025 but remain subject to enforcement activity is USD 3 955 816 (2024: USD 8 240 381). These amounts represent loans and other financial assets that have been derecognized from the statement of financial position but are still being pursued through legal or recovery processes. The Group continues to make efforts to recover these amounts through various enforcement mechanisms, including collateral realization and legal proceedings.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.7 Maximum credit risk exposure (continued)

The Group's maximum exposure to credit risk and expected credit losses (ECLs) are analysed as follows:

The maximum exposure to credit risk represents the gross carrying amount of financial assets subject to credit risk before considering any collateral or other credit enhancements.

USD	Maximum credit risk exposure				Expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2025								
Loans and advances to customers								
Term loans	627 440 695	43 768 257	21 585 894	692 794 846	3 971 510	2 212 834	8 874 156	15 058 500
Mortgage loans	9 806 942	648 231	730 756	11 185 929	95 769	1 054	101 711	198 534
Overdraft	185 206 779	15 132 308	5 585 657	205 924 744	804 196	57 896	1 358 207	2 220 299
Finance leases	12 169 441	858 130	324 535	13 352 106	21 377	14 473	99 096	134 946
Total	834 623 857	60 406 926	28 226 842	923 257 625	4 892 852	2 286 257	10 433 170	17 612 279
Cash and balances with banks								
Deposits with Central Banks	317 167 085	–	–	317 167 085	231 728	–	–	231 728
Balances with other banks	121 804 964	–	–	121 804 964	3 953	–	–	3 953
Placements with other banks	483 073 064	–	–	483 073 064	13 654	–	–	13 654
Balances in the course of clearing with other banks	570 642	–	–	570 642	–	–	–	–
Total	922 615 755	–	–	922 615 755	249 335	–	–	249 335
Money market investments								
Held at Amortised cost								
Treasury Bills	161 365 186	–	–	161 365 186	1 796 101	–	–	1 796 101
Placements with other banks	35 728 111	–	–	35 728 111	3 053	–	–	3 053
Treasury Notes	193 923 176	–	–	193 923 176	3 143 242	–	–	3 143 242
Savings Bonds	–	–	–	–	–	–	–	–
Multilateral Bank Bonds	4 981 490	–	–	4 981 490	7 615	–	–	7 615
Government Stocks	25 192 068	–	–	25 192 068	–	–	–	–
Held at fair value through other comprehensive income								
Treasury Bills	20 505 756	–	–	20 505 756	1 144 802	–	–	1 144 802
Total	441 695 787	–	–	441 695 787	6 094 813	–	–	6 094 813
Other assets	31 209 750	1 102 910	–	32 312 660	5 551 936	670	–	5 552 606
Total	31 209 750	1 102 910	–	32 312 660	5 551 936	670	–	5 552 606
Total on balance sheet	2 209 639 393	82 015 592	28 226 842	2 319 881 827	15 644 134	3 431 729	10 433 170	29 509 033
Guarantees and letters of credit								
Guarantees	218 629 883	976 745	27 190	219 633 818	1 568 120	7 881	4 543	1 580 544
Letters of credit	83 484 572	–	–	83 484 572	673 180	–	–	673 180
Other undrawn commitments to lend	46 383 139	523 106	–	46 906 245	8 972	1 343	–	10 315
Total	348 497 594	1 499 851	27 190	350 024 635	2 250 272	9 224	4 543	2 264 039

At the Company level, credit risk is considered low. The Company is exposed to credit risk on cash and balances with other banks amounting to USD 11 940 310 (2024: 5 175 409), and other assets totaling USD 17 255 589 (2024: USD 9 523 147). Other assets primarily comprise USD 3 300 000 (2024: USD 3 300 000) in subordinated debt, a dividend receivable of USD 7 695 738 (2024: Nil), both relating to FCB Mozambique, and a preference share investment in FCB Botswana of USD 2 475 355 (2024: USD 2 475 355), with the remaining balance consisting mainly of short-term intergroup receivables, as further disclosed in Note 7.7.5.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.7 Disclosure on credit risk (continued)

7.7.7 Maximum credit risk exposure (continued)

USD	Maximum credit risk exposure				Expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2024								
Loans and advances to customers								
Term loans	530 659 548	31 540 189	14 920 732	577 120 469	3 837 104	1 808 093	6 533 974	12 179 171
Mortgage loans	28 191 025	1 106 934	709 887	30 007 846	144 025	31 912	317 357	493 294
Overdraft	142 654 220	22 601 117	4 451 666	169 707 003	933 590	59 804	1 712 832	2 706 226
Finance leases	9 464 393	989 628	494 573	10 948 594	53 313	16 887	157 176	227 376
Total	710 969 186	56 237 868	20 576 858	787 783 912	4 968 032	1 916 696	8 721 339	15 606 067
Cash and balances with banks								
Deposits with Central Banks	281 301 419	–	–	281 301 419	142 902	–	–	142 902
Balances with other banks	108 322 541	–	–	108 322 541	1 499	–	–	1 499
Placements with other banks	214 792 441	–	–	214 792 441	2 646	–	–	2 646
Balances in the course of clearing with other banks	53 108	–	–	53 108	–	–	–	–
Cash and balances	–	–	–	–	–	–	–	–
Total	604 469 509	–	–	604 469 509	147 047	–	–	147 047
Money market investments								
Held at Amortised cost								
Treasury Bills	200 726 648	–	–	200 726 648	1 009 084	–	–	1 009 084
Placements with other banks	45 276 616	–	–	45 276 616	50 266	–	–	50 266
Treasury Notes	191 049 771	–	–	191 049 771	1 637 899	–	–	1 637 899
Multilateral bank bonds	5 052 130	–	–	5 052 130	29 745	–	–	29 745
Government Bonds	9 743 105	–	–	9 743 105	659 982	–	–	659 982
Government Stocks	18 010 726	–	–	18 010 726	–	–	–	–
Held at fair value through other comprehensive income								
Treasury Bills	4 453 525	–	–	4 453 525	–	–	–	–
Total	474 312 521	–	–	474 312 521	3 386 976	–	–	3 386 976
Repurchase agreements								
Repurchase agreements	5 046 420	–	–	5 046 420	20 256	–	–	20 256
Total	5 046 420	–	–	5 046 420	20 256	–	–	20 256
Other assets								
Total	18 838 678	457 516	49 609	19 345 803	24 567	7 803	22 324	54 694
Total on balance sheet	1 813 636 314	56 695 384	20 626 467	1 890 958 165	8 546 878	1 924 499	8 743 663	19 215 040
Guarantees and letters of credit								
Guarantees	244 496 648	2 114 049	3 166 167	249 776 864	1 151 219	29 543	302 267	1 483 029
Letters of credit	63 485 072	716 204	–	64 201 276	275 189	421	–	275 610
Other undrawn commitments to lend	66 916 531	4 133 052	215 109	71 264 692	45 603	4 138	2 729	52 470
Total	374 898 251	6 963 305	3 381 276	385 242 832	1 472 011	34 102	304 996	1 811 109

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.8 Market risk

Market risk is the risk of the bank's earnings or capital being reduced due to the bank being impacted by changes in the level of volatility of prices affecting the positions in its trading books or due to the repricing mismatch in the bank's assets and liabilities. The fluctuation in market variables includes, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations. The Group separates exposures to market risk into trading and non-trading portfolios (banking book).

Management of Market Risk

The Group uses sensitivity-based measures to monitor the market risk positions within each risk type, for example, for interest rate risk in the banking book, the net Interest sensitivity and for foreign currency risk, the Net Open Position (NOP) to capital. Sensitivity limits are set for portfolios, products and risk types, with risk both across and within asset classes.

Overall authority for market risk is vested in each entity's Asset and Liability Committee (ALCO). Group Risk is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

7.8.1 Currency risk

The table below indicates the net open positions in various currencies to which the Group had significant exposure at the end of the reported periods on its non-trading monetary assets and liabilities. The analysis calculates the effect of a possible 10% appreciation and depreciation of the currency rate against the United States Dollar (all other variables being constant) on the statement of profit or loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities).

The net open foreign currency position (NOP) of the Group is set out below:

(USD) Currency	Consolidated			
	NOP	Risk position	Stress factor	Risk measure
2025				
EUR	1 104 633	1 104 633	7%	78 898
GBP	3 224 447	3 224 447	8%	256 366
USD	(1 062 598)	(1 062 598)	4%	(46 756)
ZAR	4 007 823	4 007 823	7%	285 590
Others	(6 260 914)	(6 260 914)	16%	(1 019 554)
Total	1 013 391	1 013 391		445 456
2024				
EUR	980 513	980 513	6%	60 106
GBP	996 695	996 695	6%	61 716
USD	14 811 053	14 811 053	5%	801 319
ZAR	1 997 484	1 997 484	8%	160 867
Others	1 484 065	1 484 065	7%	103 521
Total	20 269 810	20 269 810		1 187 529

Others as a currency group comprises mainly of the Zimbabwean Gold (ZWG), as well as the Zambian Kwacha (ZMW), Japanese Yen (JPY), and Indian Rupee (INR).

(USD) Currency	Separate			
	NOP	Risk position	Stress factor	Risk measure
2025				
Others	(6 260 914)	(6 260 914)	16%	(1 019 554)
Total	(6 260 914)	(6 260 914)		(1 019 554)
2024				
Others	1 484 065	1 484 065	7%	103 521
Total	1 484 065	1 484 065		103 521

1 Currency volatility was calculated as daily standard deviation of currency rates for a year, over seven years. The worst standard deviation was considered as the daily stress measure that is, worst daily volatility. The stress factor was then defined to be a stress even whereby positions are held for a period of 40 days.

2 Risk measure represents the potential foreign currency gain/loss if the NOP position was held for 40 days.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.8 Market risk (continued)

7.8.2 Foreign exchange risk

Foreign exchange risk relates to the exposure of the Group's foreign exchange position to adverse movements in foreign exchange rates. These movements may impact on the Group's future cash flows.

Foreign Exchange Risk Management

The Group manages this risk by adhering to internally set limits and those set by the Regulators in respective jurisdictions.

The business generally uses sensitivity-based measures to monitor market risk positions with Net Open Position (NOP) to capital sensitivity for foreign exchange risk. In respect of monetary assets and liabilities in foreign currency, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate.

A movement in each of the currencies below against the United States Dollar would have resulted in an equivalent but opposite impact. A negative amount in the table reflects a potential net reduction in the income statement or equity, while a positive amount reflects a net potential increase.

Appreciation of the USD

Foreign currency risk sensitivity in USD equivalents

Consolidated

	EUR	GBP	USD	ZAR	Others	Total
2025						
Total net long/(short position)	1 104 633	3 224 447	(1 062 598)	4 007 823	(6 260 914)	1 013 391
Sensitivity (USD equivalent)	10	10	10	10	10	
Impact on profit or loss/(equity)	110 463	322 445	(106 260)	400 782	(626 091)	101 339

Foreign currency risk sensitivity in USD equivalents

Consolidated

	EUR	GBP	USD	ZAR	Others	Total
2024						
Total net long/(short position)	980 513	996 695	14 811 053	1 997 484	1 484 065	20 269 810
Sensitivity (USD equivalent)	10	10	10	10	10	
Impact on profit or loss/(equity)	98 051	99 670	1 481 105	199 748	148 407	2 026 981

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.9 Interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rates gaps and by having pre-approved limits for repricing bands.

7.9.1 Interest rate gap analysis

The tables below summarise the exposure to interest rate risk as at 31 December 2025 and 31 December 2024. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

Consolidated

USD	Non interest sensitive	Overnight	0 – 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	Over 12 months	Total
2025									
Assets									
Cash and balances with banks	365 891 066	138 966 066	451 392 405	10 064 149	–	–	–	–	966 313 686
Money market investments	–	–	61 614 981	38 917 522	56 141 385	51 334 052	37 547 285	190 045 748	435 600 973
Loans and advances to customers	23 335 339	154 429 779	35 998 545	201 428 407	39 437 799	47 697 210	29 954 666	373 363 601	905 645 346
Derivative financial assets	4 694 156	–	–	5 048 807	872 948	–	6 758 058	–	17 373 969
Other assets	16 387 646	–	–	–	15 298 430	–	–	–	31 686 076
Total assets	410 308 207	293 395 845	549 005 931	255 458 885	111 750 562	99 031 262	74 260 009	563 409 349	2 356 620 050
Liabilities									
Balances due to other banks	34 291	–	69 071 991	19 194	–	–	1 267 011	13 661 938	84 054 425
Customer deposits	154 624 538	470 668 331	556 093 185	315 034 455	127 946 171	100 055 335	64 518 798	71 586 444	1 860 527 257
Derivative financial liabilities	5 039 659	–	–	5 147 560	809 903	–	7 223 688	–	18 220 810
Subordinated debt	123 746	–	2 529 453	1 149 751	–	–	–	8 355 685	12 158 635
Convertible preference shares	–	–	–	–	–	–	–	10 786 747	10 786 747
Lease liabilities	363 467	–	29 826	173 289	522 991	596 932	711 386	3 497 583	5 895 474
Loan payable	–	–	–	134 903	–	6 500 000	–	2 000 000	8 634 903
Other payables	63 409 112	–	–	–	–	–	–	–	63 409 112
Total liabilities	223 594 813	470 668 331	627 724 455	321 659 152	129 279 065	107 152 267	73 720 883	109 888 397	2 063 687 363
Total on-balance sheet interest sensitivity gap	186 713 394	(177 272 486)	(78 718 524)	(66 200 267)	(17 528 503)	(8 121 005)	539 126	453 520 952	292 932 687
Off-balance sheet exposures									
Financial guarantees	218 053 274	–	–	–	–	–	–	–	218 053 274
Letters of credit	82 811 392	–	–	–	–	–	–	–	82 811 392
Other undrawn commitments to lend	46 895 930	–	–	–	–	–	–	–	46 895 930
	347 760 596	–	–	–	–	–	–	–	347 760 596
Total on and off-balance sheet interest sensitivity gap	(161 047 202)	(177 272 486)	(78 718 524)	(66 200 267)	(17 528 503)	(8 121 005)	539 126	453 520 952	(54 827 909)

The interest rate gap analysis reflects an asset-sensitive balance sheet, where assets reprice faster than liabilities. This results in positive gaps in the immediate time buckets and negative gaps in the medium-term time buckets. The negative pricing gap is actively managed through ongoing monitoring and analysis of the contractual interest rate gap. This ensures that the exposure remains within the Group's risk appetite, aligning with the Group's overall interest rate risk management strategy.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.9 Interest rate risk (continued)

7.9.1 Interest rate gap analysis (continued)

Consolidated

USD	Non interest sensitive	Overnight	0 – 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	Over 12 months	Total
2024									
Assets									
Cash and balances with banks ¹	419 495 103	82 352 465	79 371 928	70 449 759	–	–	–	–	651 669 255
Money market investments	–	–	45 956 390	98 150 404	51 950 667	83 137 169	28 740 558	162 990 357	470 925 545
Loans and advances to customers	9 407	143 434 255	80 651 422	199 529 945	25 434 852	31 729 652	16 411 242	274 977 070	772 177 845
Derivative financial assets	–	–	3 611 023	11 558 939	379 983	379 984	–	–	15 929 929
Repurchase agreements	–	–	–	5 026 164	–	–	–	–	5 026 164
Other financial assets	15 039 999	–	–	–	4 251 110	–	–	–	19 291 109
Total assets	434 544 509	225 786 720	209 590 763	384 715 211	82 016 612	115 246 805	45 151 800	437 967 427	1 935 019 847
Liabilities									
Balances due to other banks	–	15 983 699	36 007 381	21 241 449	11 156 615	–	–	–	84 389 144
Customer deposits	118 504 922	368 528 601	357 431 719	299 593 491	155 634 237	75 176 719	56 995 222	82 753 351	1 514 618 262
Derivative financial liabilities	1 683 348	–	527 169	11 301 435	–	–	–	–	13 511 952
Subordinated debt	–	–	2 458 169	1 093 454	7 998 133	–	–	825	11 550 581
Convertible preference shares	–	–	–	–	–	–	–	10 786 747	10 786 747
Lease liabilities	–	–	65 074	91 018	145 604	95 378	297 873	6 159 182	6 854 129
Loan payable	–	–	–	13 206 780	26 177 437	7 979 972	–	8 500 477	55 864 666
Other payables	37 506 137	–	–	–	–	–	635 295	802 056	38 943 488
Total liabilities	157 694 407	384 512 300	396 489 512	346 527 627	201 112 026	83 252 069	57 928 390	109 002 638	1 736 518 969
Total on-balance sheet interest sensitivity gap	276 850 102	(158 725 580)	(186 898 749)	38 187 584	(119 095 414)	31 994 736	(12 776 590)	328 964 789	198 500 878
Off-balance sheet exposures									
Financial guarantees	248 293 835	–	–	–	–	–	–	–	248 293 835
Letters of credit	63 925 666	–	–	–	–	–	–	–	63 925 666
Other undrawn commitments to lend	71 212 222	–	–	–	–	–	–	–	71 212 222
	383 431 723	–	–	–	–	–	–	–	383 431 723
Total on and off-balance sheet interest sensitivity gap	(106 581 621)	(158 725 580)	(186 898 749)	38 187 584	(119 095 414)	31 994 736	(12 776 590)	328 964 789	(184 930 845)

¹ Cash and balances with banks, previously disclosed in the Group financial statements within the 0–6 months (USD 5.2 million) and 9–12 months (USD 1.3 million) time bands, have been reclassified to the 1–3 months time band to reflect the appropriate interest rate repricing profile for the purposes of the interest rate gap analysis. repricing category.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.9 Interest rate risk (continued)

7.9.1 Interest rate gap analysis (continued)

USD	Separate								Total
	Non-interest sensitive	Overnight	0 – 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	Over 12 months	
2025									
Assets									
Cash and balances with banks	–	–	9 440 310	2 500 000	–	–	–	–	11 940 310
Other assets	11 480 234	–	–	–	–	–	–	5 775 355	17 255 589
Total assets	11 480 234	–	9 440 310	2 500 000	–	–	–	5 775 355	29 195 899
Liabilities									
Convertible preference shares	–	–	–	–	–	–	–	10 786 747	10 786 747
Loan payable	–	–	–	134,903	–	–	–	8 500 000	8 634 903
Lease liabilities	–	–	–	–	–	–	59 312	–	59 312
Other payables	1 074 971	–	–	–	–	–	–	–	1 074 971
Total liabilities	1 074 971	–	–	134 903	–	–	59 312	19 286 747	20 555 933
Total interest sensitivity gap	10 405 263	–	9 440 310	2 365 097	–	–	(59 312)	(13 511 392)	8 639 966

USD	Separate								Total
	Non-interest sensitive	Overnight	0 – 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	Over 12 months	
2024									
Assets									
Cash and balances with banks	–	–	5 175 409	–	–	–	–	–	5 175 409
Other assets	–	–	–	–	–	–	–	5 775 355	5 775 355
Total assets	–	–	5 175 409	–	–	–	–	5 775 355	10 950 764
Liabilities									
Convertible preference shares	–	–	–	–	–	–	–	10 786 747	10 786 747
Loan payable	–	–	–	134 903	–	6 500 000	–	2 000 000	8 634 903
Lease liabilities ¹	–	–	–	–	–	–	–	59 312	59 312
Other payables	–	–	–	–	–	–	–	862 216	862 216
Total liabilities	–	–	–	134 903	–	6 500 000	–	13 708 275	20 343 178
Total interest sensitivity gap	–	–	5 175 409	(134 903)	–	(6 500 000)	–	(7 932 920)	(9 392 414)

¹ Prior period has been restated for consistency and comparability with the current period.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to both standard and non-standard interest rate scenarios. The Group has established an Interest Rate Risk in the Banking Book (IRRBB) policy, which guides the management of interest rate risk in the banking book. IRRBB represents the current or prospective risk to the Group's capital and earnings arising from adverse movements in interest rates affecting the Group's banking book positions. Changes in interest rates impact the present value and timing of future cash flows.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.9 Interest rate risk (continued)

7.9.1 Interest rate gap analysis (continued)

The effective interest rates for the principal financial assets and liabilities at 31 December 2025 and 31 December 2024 were:

%	Separate	
	2025 Interest rate percentage range	2024 Interest rate percentage range
ASSETS		
Government securities	3 – 35	16 – 35
Deposits with banking institutions	1.25 – 26	16 – 35
Loans and advances to customers	3.94 – 60	23.6 – 25.2
LIABILITIES		
Customer deposits	0 – 20	0 – 22.75
Loans payable	1 – 9.2	1 – 9.2
Preference shares	5 – 9	5 – 9

Exposure to Interest Rate Risk in the Banking Book (IRRBB)

IRRBB refers to the current or prospective risk to a bank's capital and to its earnings, arising from the impact of adverse movements in interest rates on its banking book. The principal tool used to measure and control Interest Rate Risk exposure within the Group's Banking Book portfolio is Net Interest Income (NII). NII is the difference between revenues generated by interest-bearing assets and the cost of servicing (interest-burdened) liabilities.

NII as a measure of IRRBB is calculated for a change in the interest rates and provides us with net interest income/loss over the next 12 months due to the shift in the interest rates. The Banks within the Group uses the standardised framework to calculate NII as outlined in the Basel Committee IRRBB Standards to the extent that it does not conflict with local regulation for the management of IRRBB.

An aggregation of countries' NII stress impact was adopted as the Group's stress measure. This is reflecting that countries' balance sheets are being managed separately and shock parameters were applied differently depending on respective economic fundamentals.

NII measures the sensitivity of annual earnings to changes in interest rates. NII sensitivity is calculated at change intervals (increase or decrease) 500 basis points in the interest rate.

USD	2025		2024	
	Change in NII	% contribution	Change in NII	% contribution
NII Impact per country				
Botswana	(731 059)	(17%)	4 846 977	41%
Malawi	425 633	10%	3 772 793	32%
Mozambique	704 698	17%	839 557	7%
Zambia	1 729 786	41%	1 972 768	17%
Zimbabwe	2 066 399	49%	249 096	2%
Total	4 195 457	100%	11 681 191	100%

An increase in interest rates by 500 basis points would increase the NII by USD 4 195 457 (2024: USD 11 681 191) and a decrease in interest rates by 500 basis points would have an equal and opposite effect on NII. The impact is both on equity and profit or loss.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.10 Equity risk

The value of investments in equity instruments held by FCB Malawi and carried at FVTPL as at 31 December 2025 and December 2024 were as follows:

Investments at FVPL

USD	Consolidated	
	2025	2024
Fair value of investments at FVTPL	39 094 247	10 496 502
Increase in fair value during the year	20 842 821	1 265 769
Impact on profit and equity of		
Increase of share price by 10%	3 909 425	1 049 650
Decrease of share price by 10%	(3 909 425)	(1 049 650)

The value of investments in equity instruments held by FCB Zimbabwe and FCB Mozambique carried at FVOCI as at 31 December 2025 and December 2024 were as follows:

Investments at FVOCI

USD	Consolidated	
	2025	2024
Fair value of investments at FVOCI	6 202 863	4 412 979
(Decrease)/increase in fair value during the year	2 741 012	636 000
Impact on equity of		
Increase of investment value by 10%	620 286	441 298
Decrease of investment value by 10%	(620 286)	(441 298)

The Company is not exposed to equity risk.

7.11 Liquidity risk

Liquidity risk is the risk that business units are unable to meet their payment obligations when they fall due and to replace funds when they are withdrawn, the consequences of which may be the failure to meet obligations to repay depositors and to fulfil commitments to lend. Liquidity risk, more generally, is the risk that the business unit(s) will be unable to continue operating as a going concern owing to a lack of funding. Liquidity risk is inherent in all the Group's banking operations.

Liquidity risk management

Liquidity risk is managed by using a two-pronged approach whereby the liquidity position is managed both from a business as usual (BAU) as well as a stressed perspective. BAU liquidity risk management refers to the management of the cash inflows and outflows of the business unit(s) in the ordinary course of business, whereas stress liquidity risk management refers to the management of liquidity risk during times of unexpected outflows arising from bank specific, market specific and combined stress events. This is all done at Business Unit level with the support of Group Treasury.

Contingency funding plan

Contingent Funding and Liquidity Plan has been designed to protect depositors, creditors and shareholders during adverse liquidity conditions. The plan includes early warning indicators and sets out the crisis response strategy addressing sources of stress funding, strategies for crisis avoidance/minimisation and the internal and external communication strategy. Liquidity simulation exercises are conducted regularly to test the robustness of the plan and to ensure that key stakeholders remain up to date on liquidity matters.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.11 Liquidity risk (continued)

Liquidity risk measurement

The following tools are used to assess and measure liquidity risk:

- Liquidity gap analysis with balance sheet behaviouralisation
- Liquidity Ratio analysis (Key Risk Indicators)
- Stress Testing

The contractual liquidity gap shows the mismatch before any adjustments are made for product and customer behavioural assumptions. Monitoring of liquidity risk using structural gaps is facilitated by the adoption of limit appetite triggers. Should there be breaches and the liquidity situation tightens, ALCO triggers the contingency funding plan to raise additional funding. ALCO reviews the product and customer behavioural assumptions when there is indication that there is a shift in one or more of the variables.

The tables below summarise the maturity profile of the Group's financial assets and liabilities, presenting the undiscounted cash flows of financial assets and liabilities as at 31 December 2025, and as at 31 December 2024.

The Group's off-balance sheet commitments and financial guarantees are presented as off-balance sheet exposures for liquidity risk management purposes. Each undrawn loan commitment is included in the time called band containing the earliest date on which the commitment can be drawn. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Consolidated

USD	Carrying amount	Gross nominal amount	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 12 months	Total
2025								
Assets								
Cash and balances with banks	966 313 686	978 306 844	968 213 251	10 093 593	–	–	–	978 306 844
Money market investments	435 600 973	552 411 542	69 693 027	64 690 110	33 271 268	102 204 548	282 552 589	552 411 542
Derivative financial assets	17 373 969	22 594 705	7 222 887	7 160 638	–	8 211 180	–	22 594 705
Loans and advances to customers	905 645 346	1 186 223 314	63 939 445	125 491 957	97 768 319	136 082 041	762 941 552	1 186 223 314
Investments at fair value through other comprehensive income	6 202 863	6 203 114	–	–	–	–	6 203 114	6 203 114
Investments at fair value through profit or loss	39 094 247	39 094 246	2 154 890	–	–	–	36 939 356	39 094 246
Other assets	26 760 054	32 510 654	27 971 093	74 250	1 008 266	433 975	3 023 070	32 510 654
Total undiscounted assets	2 396 991 138	2 817 344 419	1 139 194 593	207 510 548	132 047 853	246 931 744	1 091 659 681	2 817 344 419
Liabilities								
Balances due to other banks	84 054 425	89 665 825	73 460 366	22 444	316 976	1 540 898	14 325 141	89 665 825
Derivative financial liabilities	18 220 810	20 080 838	4 900 830	6 397 626	181 413	8 600 969	–	20 080 838
Customer deposits	1 860 527 257	1 890 311 862	1 202 996 820	220 044 785	167 628 987	235 829 368	63 811 902	1 890 311 862
Other payables	63 409 112	63 216 234	60 425 485	1 118 964	–	1 671 785	–	63 216 234
Lease liabilities	5 895 474	6 176 225	196 134	138 547	559 802	1 767 786	3 513 956	6 176 225
Subordinated debt	12 158 635	15 355 989	310 211	130 373	20 440	457 642	14 437 323	15 355 989
Loan payable	8 634 903	8 634 903	688 338	134 903	–	5 811 662	2 000 000	8 634 903
Convertible preference shares	10 786 747	13 699 168	–	970 807	970 807	970 807	10 786 747	13 699 168
Total undiscounted liabilities	2 063 687 363	2 107 141 044	1 350 550 342	224 872 404	182 780 161	240 063 068	108 875 069	2 107 141 044
On balance sheet liquidity gap	333 303 775	710 203 375	(211 355 749)	(17 361 856)	(50 732 308)	6 868 676	982 784 612	710 203 375
Cumulative on-balance sheet liquidity gap	333 303 775	710 203 375	(211 355 749)	(228 717 605)	(279 449 913)	(272 581 237)	710 203 375	
Off-balance sheet exposures								
Financial guarantees	218 053 274	221 658 285	22 156 312	67 253 005	69 500 029	32 917 983	29 830 956	221 658 285
Letters of credit	82 811 392	83 484 572	28 213 523	26 800 607	23 213 688	5 256 754	–	83 484 572
Other undrawn commitments to lend	46 895 930	46 882 245	7 315 090	5 990 713	9 476 023	16 889 238	7 211 181	46 882 245
Total off-balance sheet exposures	347 760 596	352 025 102	57 684 925	100 044 325	102 189 740	55 063 975	37 042 137	352 025 102

The negative gaps up to 12 months are primarily due to the short-term nature of the Group's deposits based on contractual maturities. Management continues to manage this gap by monitoring and analysing liquidity requirements, ensuring intraday and day-to-day anticipated obligations can be met, and maintaining contingency funding lines to draw upon where necessary. The Group also performs and monitors a behavioural analysis on liquidity and conducts stress testing which is in line with Group's liquidity management framework.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.11 Liquidity risk (continued)

USD	Consolidated							Total
	Carrying amount	Gross nominal amount	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 12 months	
2024								
Assets								
Cash and balances with banks	651 669 255	651 669 255	595 570 274	56 360 638	–	–	–	651 930 912
Money market investments	470 925 545	623 903 443	71 650 003	75 945 363	42 098 878	134 686 179	299 523 020	623 903 443
Derivative financial assets	15 929 929	16 063 476	3 013 399	11 950 917	236 034	791 192	71 934	16 063 476
Repurchase agreement	5 026 164	9 231 134	1 227 188	6 976 720	236 034	791 192	–	9 231 134
Loans and advances to customers	772 177 845	971 495 738	119 872 650	62 490 873	66 656 431	104 142 492	618 333 292	971 495 738
Investments at fair value through other comprehensive income	4 412 979	4 412 979	–	–	–	–	4 412 979	4 412 979
Investments at fair value through profit or loss	10 496 502	10 496 502	–	–	–	–	10 496 502	10 496 502
Other assets	19 291 109	19 470 932	8 415 331	1 428 926	13 000	5 110 168	4 503 507	19 470 932
Total discounted assets	1 949 929 328	2 306 743 459	799 748 845	215 153 437	109 240 377	245 521 223	937 341 234	2 307 005 116
Liabilities								
Balances due to other banks	84 389 144	86 003 071	56 770 003	5 381 206	10 494 325	–	13 357 537	86 003 071
Derivative financial liabilities	13 511 952	13 528 517	2 729 536	10 487 578	251 592	59 811	–	13 528 517
Customer deposits	1 514 618 262	1 528 819 521	894 887 360	180 095 322	193 784 760	191 372 315	68 679 764	1 528 819 521
Other payables	38 943 488	38 943 488	35 883 340	801 579	1 578 355	635 772	44 442	38 943 488
Lease liabilities	6 854 129	9 032 151	182 654	269 697	428 610	734 800	7 416 390	9 032 151
Subordinated debt	11 550 581	18 953 988	98 955	21 462	358 713	480 390	17 994 468	18 953 988
Loan payable	55 864 666	55 864 667	–	13 206 780	26 177 437	16 480 450	–	55 864 667
Convertible preference shares	10 786 747	13 699 169	–	970 807	970 808	970 807	10 786 747	13 699 169
Total undiscounted liabilities	1 736 518 969	1 764 844 572	990 551 848	211 234 431	234 044 600	210 734 345	118 279 348	1 764 844 572
Off-balance sheet exposures								
Financial guarantees	248 293 835	249 776 864	6 805 948	35 027 380	25 735 730	33 771 869	148 435 937	249 776 864
Letters of credit	63 925 666	64 201 276	4 253 457	1 379 622	19 451 827	–	39 116 370	64 201 276
Other undrawn commitments to lend	71 212 222	71 264 692	45 300 804	1 213 243	1 650 578	3 253 206	19 846 861	71 264 692
Total off-balance sheet exposures	383 431 723	385 242 832	56 360 209	37 620 245	46 838 135	37 025 075	207 399 168	385 242 832

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.11 Liquidity risk (continued)

USD	Separate							Total
	Carrying amount	Gross nominal amount	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 12 months	
2025								
Assets								
Cash and balances with banks	11 940 310	11 940 310	9 440 310	2 500 000	–	–	–	11 940 310
Other assets	17 255 589	17 552 589	11 554 484	74 250	74 250	74 250	5 775 355	17 552 589
Total assets	29 195 899	29 492 899	20 994 794	2 574 250	74 250	74 250	5 775 355	29 492 899
Liabilities								
Lease liabilities	59 312	59 312	59 312	–	–	–	–	59 312
Loan payable	8 634 903	8 634 903	–	134 903	–	6 500 000	2 000 000	8 634 903
Convertible preference shares	10 786 747	13 699 169	–	970 807	970 807	970 807	10 786 747	13 699 168
Other payables	1 074 971	1 074 971	1 074 971	–	–	–	–	1 074 971
Total liabilities	20 555 933	23 468 355	1 134 283	1 105 710	970 807	7 470 807	12 786 747	23 468 354
On balance sheet liquidity gap	8 639 966	6 024 544	19 860 511	1 468 540	(896 557)	(7 396 557)	(7 011 392)	6 024 545
Cumulative on-balance sheet liquidity gap	8 639 966	6 024 544	19 860 511	21 329 051	20 432 494	13 035 937	6 024 545	
Off-balance sheet exposures								
Financial guarantees	50 000 000	50 000 000	50 000 000	–	–	–	–	50 000 000
Total off-balance sheet exposures	50 000 000	50 000 000	50 000 000	–	–	–	–	50 000 000

USD	Separate							Total
	Carrying amount	Gross nominal amount	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 12 months	
2024								
Assets								
Cash and balances with banks	5 175 409	5 175 409	5 175 409	–	–	–	–	5 175 409
Other assets	9 523 147	9 882 525	3 587 420	74 250	74 250	74 250	6 072 355	9 882 525
Total discounted assets	14 698 556	15 057 934	8 762 829	74 250	74 250	74 250	6 072 355	15 057 934
Liabilities								
Lease liabilities	59 312	59 312	59 312	–	–	–	–	59 312
Loan payable	8 634 903	11 142 650	–	134 903	–	–	11 007 747	11 142 650
Convertible preference shares	10 786 747	13 699 169	–	970 807	970 807	970 807	10 786 747	13 699 168
Total undiscounted liabilities	19 480 962	24 901 130	59 312	1 105 710	970 807	970 807	21 794 494	24 901 130

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.11 Liquidity risk (continued)

Analysis of encumbered and unencumbered assets

Below is the analysis of the Group's encumbered and unencumbered assets that would be available to obtain additional future funding as securities. For this purpose, encumbered assets are:

- Assets which have been pledged as collateral (e.g., which are required to be separately disclosed under IFRS 7); or
- Assets that an entity believes it is restricted from using to secure funding, for legal or other reasons, which may include market practice or sound risk management. Restrictions related to the legal position of certain assets.

Unencumbered assets are the remaining assets that the Group owns.

USD	Consolidated				Total
	Encumbered		Unencumbered		
	Pledged as collateral	Other	Available as collateral	Other	
2025					
Asset type					
Cash and balances with banks	–	–	966 313 686	–	966 313 686
Money market investments	86 889 819	–	348 711 154	–	435 600 973
Derivative financial instruments	–	–	17 373 969	–	17 373 969
Investments assets at fair value through profit or loss	–	–	39 094 247	–	39 094 247
Loans and advances to customers	593 486	–	905 051 860	–	905 645 346
Investments at fair value through other comprehensive income	–	–	6 202 863	–	6 202 863
Other assets	–	–	26 760 054	–	26 760 054
Total	87 483 305	–	2 309 507 833	–	2 396 991 138

USD	Consolidated				Total
	Encumbered		Unencumbered		
	Pledged as collateral	Other	Available as collateral	Other	
2024					
Asset type					
Cash and balances with banks	1 342 409	–	650 326 846	–	651 669 255
Money market investments	72 198 346	–	398 727 199	–	470 925 545
Repurchase agreements	–	–	5 026 164	–	5 026 164
Derivative financial instruments	–	–	15 929 929	–	15 929 929
Investments assets at fair value through profit or loss	–	–	10 496 502	–	10 496 502
Loans and advances to customers	–	–	772 177 845	–	772 177 845
Investments at fair value through other comprehensive income	–	–	4 412 979	–	4 412 979
Other assets	–	–	19 291 109	–	19 291 109
Total	73 540 755	–	1 876 388 573	–	1 949 929 328

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.12 Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the consolidated statements of financial position, are:

- To comply with the capital requirements set by the Central Bank (Reserve Bank of Malawi);
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel, as implemented by the Reserve Bank of Malawi for supervisory purposes.

The required information is filed with Group on a quarterly basis. The Group maintains a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the Reserve Bank of Malawi which takes into account the risk profile of the Group.

The Group's regulatory capital is managed by the Finance department and comprises two tiers:

- **Tier 1 capital:**

Stated capital (net of any book values of the treasury shares) non-controlling interests arising on consolidation from interests in permanent shareholders' equity, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 Capital.

- **Tier 2 capital:**

Qualifying subordinated loan capital and collective impairment allowances. Given the prevailing economic context, the Group has adopted a prudent approach to balancing an efficient capital position with the need to retain sufficient capital for unexpected fluctuations in earnings volatility. This has resulted in increasing the capital adequacy ratio and conserving capital, and taking into account a medium- to long-term horizon.

USD	Consolidated	
	2025	2024
Share capital	117 409 081	117 409 081
Non distributable reserves	(27 255 312)	(27 255 312)
Translation reserve	(42 552 632)	(45 133 148)
Retained earnings	273 753 189	186 197 073
Non controlling interest	135 662 655	105 145 358
Deduct:		
Deferred tax asset	2 042 209	4 411 479
Total Tier 1 Capital	454 974 772	331 951 573
Tier 2 Capital		
Translation reserve	(42 552 632)	(45 133 148)
Non distributable reserves	(4 257 662)	(13 100 572)
Property revaluation reserve	12 128 763	12 879 448
Loan loss reserve	3 383 036	3 924 732
Eligible subordinated debt	12 158 635	11 550 581
Tier 2 Capital	(19 139 860)	(29 878 959)
Total qualifying capital	435 834 912	302 072 614
Risk Weighted Assets (RWA)		
Credit RWAs	1 261 752 144	1 100 361 318
Market RWAs	83 687 600	28 061 143
Operational RWAs	574 176 821	411 000 519
Total Risk Weighted Assets	1 919 616 565	1 539 422 980
Tier 1 risk based capital ratio (minimum 10%)	24%	22%
Total risk-weighted capital ratio (minimum 15%)	23%	20%

The Group and the Company manages exposure to capital risk by monitoring levels of capital.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.12 Capital management (continued)

		Consolidated			
		2025		2024	
Country	Metric	Tier 1 Capital	Total Capital	Tier 1 Capital	Total Capital
Botswana	Minimum Requirement %	7.50%	12.50%	7.50%	12.50%
	Actual %	16.42%	19.78%	16.42%	19.78%
	Absolute minimum requirement (USD'000)	–	364.43	–	364.43
	Actual (USD'000)	69 599	83 832	66 191	79 728
Malawi	Minimum Requirement %	10.00%	15.00%	10.00%	15.00%
	Actual %	17.01%	19.12%	17.01%	19.12%
	Absolute minimum requirement (USD'000) ¹	5 768	–	5 768	–
	Actual (USD'000)	51 370	57 691	51 370	57 691
Mozambique	Minimum Requirement %	10.00%	12.00%	10.00%	12.00%
	Actual %	18.10%	19.09%	18.10%	19.09%
	Absolute minimum requirement (USD'000)	–	26 600	–	26 600
	Actual (USD'000)	36 625	38 629	36 625	38 629
Zambia	Minimum Requirement %	5.00%	10.00%	5.00%	10.00%
	Actual %	14.21%	14.21%	14.21%	14.21%
	Absolute minimum requirement (USD'000)	–	4 722	–	3 724
	Actual (USD'000)	31 020	31 020	24 466	24 466
Zimbabwe	Minimum Requirement %	8.00%	12.00%	8.00%	12.00%
	Actual %	22.75%	28.82%	22.75%	28.82%
	Absolute minimum requirement (USD'000)	–	30 000	–	30 000
	Actual (USD'000)	57 035	72 233	57 035	72 233

Minimum capital requirements for each jurisdiction in local currencies are as follows:

1. Botswana – maximum of P5 million, 12.5% of RWAs
2. Malawi – maximum of MWK10 billion, 15% of RWAs
3. Mozambique – maximum MZN1.7 million, 12% of RWAs
4. Zambia – maximum of ZMW104 million, 10% of RWAs
5. Zimbabwe is absolute at USD 30 million.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.13 Country risk

Country risk is the risk that economic, social, and political conditions and events in a foreign country will affect the current or projected financial condition or resilience of the Group.

Generally, these occurrences relate, but are not limited, to sovereign events such as defaults or restructuring; political events such as contested elections or referendums; restrictions on currency movements; non-market currency convertibility; regional conflicts; economic contagion from the events such as sovereign default issues or regional turmoil; banking and currency crisis; and natural disasters.

The Group is vulnerable to three general types of crises – sovereign default, exchange rate, and banking system. Currency devaluations, foreign exchange controls, and other political actions such as nationalization or expropriation of assets can affect both domestic and foreign entities. Currency devaluations increase the Group's exposure to credit, price, and liquidity risks.

The Group's risk management framework incorporates a number of measures and tools to monitor this risk. These measures include stress testing of concentrated portfolios; various limits by country; Country Risk Management committee meetings (monthly or as necessary) for in-country reviews and the Group Board Risk Committee meetings (quarterly) to review and re-assess guidance for each country. The country risk is generally identified with the domicile of the legal entity which is the Group's counterparty, unless the majority of assets or revenues of such entity are located in another country, in which case reference is made to such different country.

Further disclosures on how the Group manages country risk relating to expected credit losses on financial assets are included in note 7.13.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.13 Country risk (continued)

The Group and the Country Board Risk Committees are responsible providing oversight over management of country risk. The following tables provides a summary of exposures by country of risk:

USD	Consolidated							Total
	Botswana	Malawi	Mauritius	Mozambique	Zambia	Zimbabwe	Eliminations	
2025								
Financial assets								
Cash and balances with banks	201 003 694	111 570 544	14 498 898	442 083 839	97 349 969	107 814 923	(8 008 181)	966 313 686
Money market investments	63 089 999	233 847 132	–	8 396 602	108 105 285	22 161 955	–	435 600 973
Loans and advances to customers	403 033 683	149 457 310	–	91 713 714	132 769 321	128 671 318	–	905 645 346
Derivative financial assets	4 694 156	–	–	–	22 158 739	872 947	(10 351 873)	17 373 969
Investments at fair value through profit or loss	–	36 939 356	–	–	–	2 154 891	–	39 094 247
Investments at fair value through other comprehensive income	–	–	–	99 007	–	6 103 856	–	6 202 863
Other assets ¹	1 777 165	5 813 664	18 189 604	9 438 392	5 020 751	5 708 974	(19 188 496)	26 760 054
Total exposure	673 598 697	537 628 006	32 688 502	551 731 554	365 404 065	273 488 864	(37 548 550)	2 396 991 138
Commitments and guarantees	36 186 600	103 325 334	50 000 000	171 336 349	30 485 802	6 426 511	(50 000 000)	347 760 596

¹ In the current period, other assets exclude non-financial assets from the total balance presented under country risk. Comparative amounts have been restated to ensure consistency and comparability with the current reporting period.

USD	Consolidated							Total
	Botswana	Malawi	Mauritius	Mozambique	Zambia	Zimbabwe	Eliminations	
2024								
Financial assets								
Cash and balances with banks	167 934 987	81 654 498	5 632 884	219 718 241	84 387 851	96 957 707	(4 616 913)	651 669 255
Money market investments	57 163 241	178 735 693	–	137 844 304	78 868 950	18 313 357	–	470 925 545
Loans and advances to customers	345 384 883	95 213 696	–	92 917 857	125 547 665	113 113 744	–	772 177 845
Repurchase agreements	–	5 026 164	–	–	–	–	–	5 026 164
Derivative financial assets	4 119 889	–	–	–	10 502 264	1 307 776	–	15 929 929
Investments at fair value through profit or loss	–	9 140 647	–	–	–	1 355 855	–	10 496 502
Investments at fair value through other comprehensive income	–	–	–	99 007	–	4 313 972	–	4 412 979
Other assets	1 265 714	3 312 070	5 670 931	4 251 110	4 270 203	4 165 031	(3 643 950)	19 291 109
Total exposure	575 868 714	373 082 768	11 303 815	454 830 519	303 576 933	239 527 442	(8 260 863)	1 949 929 328
Commitments and guarantees	38 945 541	112 593 299	10 000 000	171 334 585	43 777 712	16 780 586	(10 000 000)	383 431 723

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.14 Overall application of the going concern principle given uncertainties presented by macroeconomic changes

The Directors have reviewed the Group's budgets and flow of funds forecasts. The Directors have considered the Group's ability to continue as a going concern considering current and anticipated economic conditions. These budgets and flow of funds forecasts incorporate the expected consequences of geopolitical conflicts on the economy, the market and the operating environment, and include projections of these impacts on the Group's capital, funding and funding requirements.

As part of this assessment, the Directors considered:

- The sufficiency of the Group's financial resources over a three-year horizon. The management of the Group's financial resources, which it defines as capital, funding and liquidity, and risk capacity, are the critical enablers of the achievement of "the Group's stated growth and return targets and is driven by the Group's overall risk appetite. Forecast change in earnings" and balance sheet RWA are based on the Group's macroeconomic outlook and are evaluated against available financial resources considering the requirements of capital providers and regulators;
- The adequacy of the Group's liquidity as the Group supports customers throughout the crisis;
- The Group's operating resilience, to provide continuity of service through the crisis;
- The resilience of the Group's IT and operating systems;
- The legal and regulatory environment in which the Group operates; and
- The potential valuation concerns around Group's assets recognised on the statement of financial position. Given the Group's risk appetite, credit risk governance, ongoing monitoring, evaluation and management, the Directors are of the view that the emerging and expected losses from the conflict are immaterial, and any are rigorously managed with minimum expected shock to the Group's earnings and asset quality.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.15 Climate-related risks

The Group and its clients may face significant climate-related risks, which could result in both financial and non-financial impacts. These risks stem from political, economic, and environmental responses to climate change and are subject to increasing regulatory, political, and societal scrutiny both locally and internationally.

The key sources of climate-related risks include:

- 1. Physical risks** – These arise from acute weather events such as hurricanes, floods, and wildfires, as well as long-term climate shifts, including sustained higher temperatures, heat waves, droughts, and rising sea levels. While some physical risks may be predictable, significant uncertainties remain regarding their timing and extent.
- 2. Transition risks** – These result from shifts toward a low-carbon economy, including new laws and regulations, evolving consumer preferences, supply chain disruptions, and changing investor expectations. Transition risks may also include legal and reputational risks associated with failure to mitigate or adapt to climate change.

Integration of climate risk in the Group's risk management

The Board Risk Committee oversees the development and integration of climate-related risk policies within the Group's broader risk framework. The Group has taken several steps to embed climate risk management, including:

- Developing risk appetite metrics to assess climate-related exposure, where relevant.
- Enhancing data collection systems to assess clients' exposure to physical and transition risks and classify these risks accordingly.
- Re-evaluating credit risk models to incorporate climate-related risks in borrower credit assessments.
- Considering climate risks in the credit assessment process, where applicable, on a case-by-case basis.
- Developing climate risk scenarios to assess the impact of climate-related risks on forward-looking financial information.
- Building capacity and awareness across the Group on climate-related risks.

The Group acknowledges the increasing importance of managing climate-related risks as part of its broader risk management framework. While the Group does not currently have a standalone climate risk policy, climate-related risk frameworks are under development in line with local regulatory requirements for the subsidiary banks, with work now in progress across all countries.

These frameworks are designed to support the assessment of climate-related risks on the Group's business operations and enhance the Group's ability to identify, monitor, and manage these risks effectively. The development process considers both physical and transition risks associated with climate change, ensuring the Group can respond to emerging regulatory expectations and evolving environmental factors.

The Group remains committed to integrating climate risk considerations into its overall risk management processes, governance structures, and reporting practices as part of its sustainability agenda.

The Group is aligning its climate-related risk disclosures with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) issued by the International Sustainability Standards Board (ISSB). These standards provide a global baseline for sustainability-related financial reporting, ensuring that climate-related risks and opportunities are effectively integrated into financial disclosures.

Notes to the financial statements (continued)

for the year ended 31 December 2025

7 Risk management (continued)

7.15 Climate-related risks (continued)

In accordance with IFRS S2, the Group is working to enhance its climate-related financial disclosures by:

- Assessing the financial impact of climate risks on key areas such as credit risk, capital adequacy, and asset valuation.
- Enhancing scenario analysis to quantify potential future exposures to climate-related risks.
- Strengthening risk management and governance structures to ensure climate risk considerations are embedded in decision-making processes.

The Group recognizes that further efforts are required to fully integrate climate risks into its risk assessments, stress testing, and overall risk management protocols. The impact of climate-related risks has been considered in the preparation of these financial statements, including their effect on reported amounts and related disclosures. As at 31 December 2025, the Group is still assessing the impact of IFRS S1 and IFRS S2.

Environmental, Social, and Governance (ESG) Reporting

In 2023, the Malawi Stock Exchange (MSE) introduced new Environmental, Social, and Governance (ESG) Reporting requirements, which became effective in 2024. These requirements were disclosed in the Group's 2024 Annual Financial Statements, and the Group has since continued working towards their full implementation.

The key requirements of the new MSE listing rules include:

- (a) Sustainability Policy Disclosure – Issuers must disclose their sustainability policy, including risk mitigation strategies, sustainability performance data, and other material information to enhance stakeholders' understanding of corporate performance.
- (b) Balanced ESG Reporting – Issuers should provide a balanced and objective view of their performance by reporting both positive and negative impacts on the environment and society, as well as how their activities relate to stakeholders and contribute to sustainable development.

The MSE recommends the adoption of the GRI Sustainability Reporting Guidelines or Standards, which are globally recognized and provide principles and indicators for measuring and reporting economic, environmental, and social performance.

- (c) Global ESG Reporting Standards – The MSE encourages issuers to adopt the Global Reporting Initiative (GRI) Guidelines or Standards on ESG reporting.
- (d) Alternative Frameworks – Where other ESG reporting frameworks are adopted, issuers must ensure that they:
 - Provide benchmarks and performance measurement systems that allow for comparisons over time.
 - Offer guidance on key performance indicators and data that should be measured.

Progress towards ESG reporting implementation

Since the initial disclosure of these requirements in the 2023 Annual Financial Statements, the Group has continued engaging with MSE and other stakeholders to ensure a smooth transition to the new ESG reporting framework.

For the 2025 financial year, the Group has made significant progress in aligning its reporting with the new ESG requirements, including:

- Enhancing data collection systems to capture relevant ESG performance metrics.
- Strengthening internal governance structures to support ESG reporting and compliance.
- Assessing the applicability of GRI Standards in line with the Group's operations.
- Continuing efforts to build internal capacity and awareness on ESG reporting across all subsidiaries.

In the Board's and management's assessments, the material impacts of ESG reporting are on social and governance risks and related measures, which the Group is monitoring and will report on.

The Group remains committed to ensuring full compliance with the new MSE ESG reporting requirements and will provide comprehensive ESG disclosures in the 2025 Integrated Annual Report.

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement

8.1 Fair value of financial instruments

The Group measures fair values using the fair value hierarchy as disclosed in note 6.4.4 that reflects the significance of the inputs used in making the measurements. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

USD	Notes	Consolidated			
		Level 1	Level 2	Level 3	Total
2025					
Financial assets					
Assets measured at fair value on a recurring basis					
Derivative financial assets	13	–	17 373 969	–	17 373 969
Investments at FVPL	17	39 094 247	–	–	39 094 247
Treasury bills at FVOCI	10	–	–	20 505 756	20 505 756
Investments at FVOCI	18	–	–	6 202 863	6 202 863
		39 094 247	17 373 969	26 708 619	83 176 835
Financial liabilities					
Liabilities measured at fair value on a recurring basis					
Derivative financial liabilities	13	–	18 220 810	–	18 220 810
		–	18 220 810	–	18 220 810

USD	Notes	Consolidated			
		Level 1	Level 2	Level 3	Total
2024					
Financial assets					
Assets measured at fair value on a recurring basis					
Derivative financial assets	13	–	15 929 929	–	15 929 929
Investments at FVPL	17	10 496 502	–	–	10 496 502
Treasury bills at FVOCI	10	–	–	4 453 525	4 453 525
Investments at FVOCI	18	–	–	4 412 979	4 412 979
		10 496 502	15 929 929	8 866 504	35 292 935
Financial liabilities					
Liabilities measured at fair value on a recurring basis					
Derivative financial liabilities	13	–	13 511 952	–	13 511 952
		–	13 511 952	–	13 511 952

In the opinion of directors, the fair value of the Group and Company's financial assets and liabilities measured at amortised cost approximates the respective carrying amount due to the generally short period of most of the contractual repricing dates, are liquid and are floating rate instruments.

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.1 Fair value of financial instruments (continued)

The table below sets out carrying amounts of the Company's and Group's financial assets and financial liabilities together with the respective amortised cost and fair value split.

USD	Notes	Consolidated			Separate		
		At amortised cost	Fair value	Total carrying amount	At amortised cost	Fair value	Total carrying amount
2025							
Financial assets							
	9	966 313 686	–	966 313 686	11 940 310	–	11 940 310
	10	415 095 217	20 505 756	435 600 973	–	–	–
	11	905 645 346	–	905 645 346	–	–	–
	13	–	17 373 969	17 373 969	–	–	–
	16	26 760 054	–	26 760 054	17 255 589	–	17 255 589
	17	–	39 094 247	39 094 247	–	–	–
	18	–	6 202 863	6 202 863	–	–	–
		2 313 814 303	83 176 835	2 396 991 138	29 195 899	–	29 195 899
Financial liabilities							
	26	84 054 425	–	84 054 425	–	–	–
	27	1 860 527 257	–	1 860 527 257	–	–	–
	13	–	18 220 810	18 220 810	–	–	–
	22	5 895 474	–	5 895 474	59 312	–	59 312
	28	63 409 112	–	63 409 112	1 074 971	–	1 074 971
	29	8 634 903	–	8 634 903	8 634 903	–	8 634 903
	30	12 158 635	–	12 158 635	–	–	–
	32	10 786 747	–	10 786 747	10 786 747	–	10 786 747
		2 045 466 553	18 220 810	2 063 687 363	20 555 933	–	20 555 933
Off-balance sheet items							
	31	218 053 274	–	218 053 274	50 000 000	–	50 000 000
	31	82 811 392	–	82 811 392	–	–	–
	31	46 895 930	–	46 895 930	–	–	–
		347 760 596	–	347 760 596	50 000 000	–	50 000 000

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.1 Fair value of financial instruments (continued)

USD	Notes	Consolidated		Separate		Total carrying amount	
		At amortised cost	Fair value	At amortised cost	Fair value		
2024							
Financial assets							
Cash and balances with banks	9	651 669 255	–	651 669 255	5 175 409	–	5 175 409
Money market investments	10	466 472 020	4 453 525	470 925 545	–	–	–
Loans and advances to customers	11	772 177 845	–	772 177 845	–	–	–
Repurchase Agreements	12	5 026 164	–	5 026 164	–	–	–
Derivative financial assets	13	–	15 929 929	15 929 929	–	–	–
Other assets	16	19 291 109	–	19 291 109	9 523 147	–	9 523 147
Investments at FVTPL	17	–	10 496 502	10 496 502	–	–	–
Investments at FVOCI	18	–	4 412 979	4 412 979	–	–	–
		1 914 636 393	35 292 935	1 949 929 328	14 698 556	–	14 698 556
Financial liabilities							
Balances due to other banks	26	84 389 144	–	84 389 144	–	–	–
Customer deposits	27	1 514 618 262	–	1 514 618 262	–	–	–
Derivative financial liabilities	13	–	13 511 952	13 511 952	–	–	–
Lease liabilities	22	6 854 129	–	6 854 129	59 312	–	59 312
Other payables ¹	28	38 943 488	–	38 943 488	802 904	–	802 904
Loans payable	29	55 864 666	–	55 864 666	8 634 903	–	8 634 903
Subordinated debt	30	11 550 581	–	11 550 581	–	–	–
Convertible preference shares	32	10 786 747	–	10 786 747	10 786 747	–	10 786 747
		1 723 007 017	13 511 952	1 736 518 969	20 283 866	–	20 283 866
Off-balance sheet items							
Guarantees	31	248 293 835	–	248 293 835	10 000 000	–	10 000 000
Letters of credit for customers	31	63 925 666	–	63 925 666	–	–	–
Undrawn facilities	31	71 212 222	–	71 212 222	–	–	–
Total off-balance sheet items		383 431 723	–	383 431 723	10 000 000	–	10 000 000

¹ The balance for Other payables in the comparative period of the separate financial statements has been restated to include amounts that were erroneously excluded in the prior year. As a result, the related subtotals have also been adjusted. This restatement has no impact on the consolidated financial statements.

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.2 Valuation techniques

The Group determines the fair value of its assets and liabilities using valuation techniques that are appropriate in the circumstances and for which sufficient data are available. These techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair value assessments are conducted at both the business unit and Group level, particularly during periods of market volatility, to ensure valuations reflect current market conditions. The use of observable inputs reduces reliance on management judgement, thereby decreasing the uncertainty associated with fair value measurement.

Financial instruments

Valuation techniques for financial instruments rely primarily on observable market data. The Group uses widely accepted valuation models, including discounted cash flow models and mark-to-market methods, particularly for instruments where quoted prices are available or inputs are observable. The valuation techniques applied to financial instruments include:

a) Derivative Assets and Liabilities

The Group values its derivatives using models that incorporate observable market data, which include interest rate curves, foreign exchange rates, and counterparty credit risk. The key inputs used in the valuation process consist of foreign exchange rates, forward rates, and appropriate discount factors. These inputs are sourced from reputable market data providers such as Bloomberg Terminal and Refinitiv (formerly Thomson Reuters). The use of these observable market inputs ensures that derivative valuations are reflective of current market conditions.

b) Investments at Value Through Profit or Loss (FVPL)

i) Investment in equity instruments at Fair Value Through Profit or Loss (FVPL)

Measured using quoted market prices where available. Where markets are less liquid, adjustments for liquidity and volatility are made.

ii) Digital gold coins

Measured based on quoted prices for gold in active markets. Valuation is influenced by real-time market prices and prevailing liquidity.

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.2 Valuation techniques (continued)

c) Investments at Fair Value Through Other Comprehensive Income (FVOCI)

These instruments are valued using the earnings multiples approach and the Discounted cashflow method. Key inputs to the model include discount rates, and terminal growth rates.

d) Treasury bills at FVOCI (Money market investments)

These instruments are not actively traded hence the valuation inputs are unobservable. The unobservable inputs are generally determined based on inputs of similar nature or historical observations. Treasury bills are fairly valued based on yields of recent treasury bill issues using discounted cash flow techniques.

Non-Financial assets

Non-financial assets for the Group measured at fair value include investment property, and freehold land and leasehold improvements. The Group uses valuation techniques that reflect current market conditions, incorporating both observable and unobservable inputs, depending on the availability of data. Significant judgement is applied in selecting key assumptions such as discount rates, future cash flows, and market comparables. The valuation techniques applied to these assets include the Discounted Cash Flow (DCF) method, the market comparison approach, and the income capitalization method.

Further information on significant unobservable inputs and sensitivity analyses relating to the valuation of investment property and freehold land and leasehold improvements is disclosed in Note 20 and Note 24, respectively.

Level 3 Valuation Governance

Level 3 fair value measurements, which rely significantly on unobservable inputs, are subject to the Group's formal valuation governance process. The Group's finance team, together with relevant business units, determines the valuation policies and procedures, including model selection, key assumptions, and periodic review. Movements in Level 3 fair values are analyzed each period, and significant changes in assumptions or inputs are reviewed and approved in accordance with the Group's accounting policies.

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.3 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes except for debt and equity instruments classified as fair value through other comprehensive income (FVOCI) would be reflected in the statement of profit or loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology. The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The value of investments at fair value through OCI held by the Group as at 31 December 2025 and 31 December 2024 would change as follows if the fair value was to increase or decrease by 10%.

		Consolidated						
					2025		2024	
USD	Valuation Technique	Significant Unobservable Inputs	Range of estimates utilised for the unobservable inputs	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes	
Investments at FVOCI	Discounted Cash Flow and earnings multiples	Terminal growth rate and discount rate	28.75% – 33.25%	620 285	(620 285)	441 298	(441 298)	
Treasury bills at FVOCI	Discounted Cash Flow	Market yield or recent issued treasury bills	15% – 22%	2 050 576	(2 050 576)	445 353	(445 353)	
Total				2 670 861	(2 670 861)	886 651	(886 651)	

Notes to the financial statements (continued)

for the year ended 31 December 2025

8 Fair value measurement (continued)

8.4 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities becomes more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. There were no transfers between levels in the current reporting period. Accordingly, the valuation techniques and significant unobservable inputs applied to Level 3 instruments remained consistent with those used in the prior period.

Consolidated

USD	At 1 January	Purchases/ (Maturities)	Other comprehensive income	Exchange rate differences	At 31 December	Unrealised gains and losses on balances at year end
2025						
Assets measured at fair value on a recurring basis						
Equity Investments at FVOCI	4 412 979	(236 116)	2 741 012	(715 012)	6 202 863	2 741 012
Treasury bills at FVOCI	4 453 525	16 052 231	(219 933)	–	20 505 756	(219 933)
	8 866 504	15 816 115	2 521 079	(715 012)	26 708 619	2 521 079

USD	At 1 January	Purchases/ (Maturities)	Other comprehensive income	Exchange rate differences	At 31 December	Unrealised gains and losses on balances at year end
2024						
Assets measured at fair value on a recurring basis						
Equity Investments at FVOCI	4 331 698	–	636 000	(554 719)	4 412 979	636 000
Treasury bills at FVOCI	3 177 282	1 276 243	(320 000)	–	4 453 525	(320 000)
	7 508 980	1 276 243	316 000	(554 719)	8 866 504	316 000

Notes to the financial statements (continued)

for the year ended 31 December 2025

9 Cash and balances with banks

USD	Consolidated		Separate	
	2025	2024	2025	2024
Deposits with Central Banks	317 167 085	281 301 419	–	–
Balances with other banks	121 804 964	108 322 541	4 940 310	1 388 521
Placements with other banks	483 073 064	214 792 441	7 000 000	3 786 888
Balances in the course of clearing with other banks	570 642	53 108	–	–
Cash balances	44 540 752	48 221 793	–	–
Total cash and balances with banks before deducting expected credit losses and cash collateral	967 156 507	652 691 302	11 940 310	5 175 409
Less: Expected credit losses	(249 335)	(147 047)	–	–
Less: Cash collateral maturing after 3 months	(593 486)	(875 000)	–	–
Total cash and balances with banks	966 313 686	651 669 255	11 940 310	5 175 409
Reconciliation of cash and balances with banks to total cash and cash equivalents presented in the statement cash flows is as follows:				
Total cash and balances with banks	966 313 686	651 669 255	11 940 310	5 175 409
Less: Mandatory reserves	(123 847 897)	(112 527 254)	–	–
Add: Expected credit losses	249 335	147 047	–	–
	(123 598 562)	(112 380 207)	–	–
Total cash and cash equivalents	842 715 124	539 289 048	11 940 310	5 175 409

Included in balances with other banks is an amount of USD 593 486 (2024: USD 875 000) held as cash collateral, which is subject to contractual restrictions imposed by third parties.

Balances with central banks include an amount of USD 123 847 897 (2024: USD 112 527 254) held with the Bank of Mozambique to meet cash reserve maintenance requirements. These balances are not available to finance the Group's day-to-day operations; therefore, they are not classified as cash and cash equivalents.

All other balances with Central Banks relate to cash held in current accounts and primary reserve requirement which is determined through "reserves averaging". The Group does not have to meet the primary reserve requirement daily but, rather, fulfil these statutory requirements on an average basis. Hence, this makes them available for use and are classified as cash and cash equivalents.

Notes to the financial statements (continued)

for the year ended 31 December 2025

10 Money market investments

USD	Consolidated	
	2025	2024
Held at Amortised cost		
Treasury Bills	161 365 186	200 726 648
Placements with other banks	35 728 111	45 276 616
Government Promissory Notes	193 923 176	191 049 771
Multilateral bank bonds	4 981 490	5 052 130
Government Bonds	–	9 743 105
Government Stocks	25 192 068	18 010 726
Held at fair value through other comprehensive income		
Treasury Bills	20 505 756	4 453 525
Total before expected credit losses	441 695 787	474 312 521
Expected credit losses	(6 094 814)	(3 386 976)
Total money market investments	435 600 973	470 925 545
Movement during the year was as follows:		
Balance as at 1 January	474 312 521	221 964 693
Effect of changes in exchange rates	24 482 247	(187 400)
Fair value loss on treasury bills at FVOCI	(219 933)	(320 000)
Net (maturities)/purchases	(56 879 048)	252 855 228
As at 31 December	441 695 787	474 312 521
Expected Credit losses		
Balance as at 1 January	(3 386 976)	(2 514 397)
Charge for the year (Note 51)	(2 707 838)	(872 579)
Balance at 31 December	(6 094 814)	(3 386 976)
Total money market investments	435 600 973	470 925 545

As of the reporting date, the Group's pledged assets, primarily relating to money market investments used as collateral for funding and liquidity management purposes, had a combined par value of USD 86 889 819 (2024: USD 72 198 346).

The interest rate on money market investments approximates the market interest rate and hence the carrying amount reasonably approximates the fair value. Money market investments held to earn interest income over their tenor and to collect contractual cash flows are classified as financial assets at amortised cost. Treasury bills held at fair value through other comprehensive income (FVOCI) are held to earn interest income but may be sold. Placements with other banks with a tenor of more than three months have been classified as money market investments.

As at 31 December 2025, money market investments include Treasury bills held at FVOCI of USD 20.5 million (2024: USD Nil) by the Group's subsidiary, FCB Zimbabwe. These exposures are classified in Stage 1, with an associated expected credit loss (ECL) allowance of USD 1.1 million. Money market investments also include Treasury bills and Treasury notes held by the Group's subsidiary, FCB Malawi, amounting to USD 238 million (ECL: USD 3.9 million) (2024: USD 180 million, ECL: USD 1.7 million). These instruments are measured at amortised cost and are classified in Stage 1 under the IFRS 9 expected credit loss framework. The increase in ECLs at the end of the reporting period is primarily attributable to heightened sovereign credit risk in Zimbabwe, arising from fiscal challenges that have resulted in long-outstanding settlements on these instruments, as well as higher investment balances in Malawi. The Group continues to monitor the credit quality of these investments and adjusts ECLs in accordance with IFRS 9. Further details are disclosed in Notes 7.7.7 and 51.

During 2025, major credit rating agencies continued to assess Mozambique's sovereign creditworthiness. In February 2025, downgraded Mozambique from CCC to CCC-, reflecting high public debt and fiscal challenges. By the end of 2025, the sovereign rating remained at CCC- with a negative outlook (S&P), Caa2 with a stable outlook (Moody's), and CCC (Fitch). The Group's sovereign exposures in Mozambique were immaterial as at 31 December 2025, following continued de-risking of government securities and other financial instruments. Management continues to monitor the country's economic outlook and credit risk, with portfolio reductions and risk mitigation measures applied where necessary. As at 31 December 2025 and 31 December 2024, these were classified in Stage 1 (refer to Note 7.7.7).

Notes to the financial statements (continued)

for the year ended 31 December 2025

11 Loans and advances to customers

USD	Consolidated	
	2025	2024
Loans and advances to customers is made up of:		
Term loans	692 794 846	577 120 469
Mortgage loans	11 185 929	30 007 846
Overdraft	205 924 744	169 707 003
Finance leases	13 352 106	10 948 594
Gross carrying amount of loans and advances to customers	923 257 625	787 783 912
Less: Expected Credit losses	(17 612 279)	(15 606 067)
Net carrying amount of loans and advances to customers	905 645 346	772 177 845
Loans and advances at amortised cost are receivable as follows:		
Maturing within 3 months	277 456 619	155 714 443
Maturing between 3 and 12 months	191 750 163	99 745 118
Maturing after 12 months	454 050 843	532 324 351
Gross carrying amount of loans and advances to customers	923 257 625	787 783 912

The Directors consider that the carrying amounts of loans, lease receivables and advances are a reasonable approximation of their fair value. Internal reporting and performance measurement of these loans, lease receivables and advances are at amortised cost. Impairment of loans and advances has been calculated as disclosed in Notes 7.7.7 and 51. Loans, lease receivables and advances by industry/sector have been disclosed in Note 7.7.4. Effective interest rates for loans and advances have been disclosed in Note 7.9.

Notes to the financial statements (continued)

for the year ended 31 December 2025

12 Repurchase agreements

USD	Consolidated	
	2025	2024
As at 1 January	5 026 164	4 980 131
Movement during the year was as follows:		
Additions	–	5 079 029
Maturities	(5 026 164)	(5 240 580)
Effect of changes in exchange rate	–	227 840
Gross Carrying amount as at 31 December	–	5 046 420
Expected credit losses	–	(20 256)
Net Carrying amount as at 31 December	–	5 026 164

All repurchase agreements are denominated in US Dollars.

FCB Malawi entered into a repurchase agreement with the Reserve Bank of Malawi (RBM), under which the Bank purchased US Dollars from RBM with an agreement that RBM would repurchase the same amount at a future date. There were no outstanding balances under reverse repo agreements at the reporting date, as all transactions matured during the period.

The corresponding liability has been included in Note 26.1 as part of balances due to other banks.

13 Derivative financial instruments

USD	Consolidated	
	2025	2024
Derivative assets		
Foreign currency swaps	14 256 224	11 882 481
Foreign currency forward contracts	3 117 745	4 047 448
	17 373 969	15 929 929
Derivative liabilities		
Foreign currency swaps	14 699 347	13 511 952
Foreign currency forward contracts	3 521 463	–
	18 220 810	13 511 952
Net gains on derivative instruments		
Net losses on foreign currency swaps	(211 148)	(208 227)
Net gains on foreign currency forward contracts	3 403 943	7 001 847
	3 192 795	6 793 620

Foreign currency swaps and forward contracts are primarily held by the Group's subsidiaries in Botswana, Zambia, and Zimbabwe. These derivative financial instruments are utilized for risk management purposes, in line with the Group's treasury policies, to hedge against foreign exchange fluctuations.

Notes to the financial statements (continued)

for the year ended 31 December 2025

14 Current tax asset

14.1 Current tax expense

USD	Consolidated		Separate	
	2025	2024	2025	2024
Current year tax based on profits	70 931 032	47 247 705	–	–
Prior year under provision ¹	3 072 408	103 266	–	–
Corporate Climate Responsibility Levy (CCR)	796 859	497 427	796 859	497 427
Foreign tax credit: Underlying tax	(796 859)	(497 427)	(796 859)	(497 427)
Withholding tax on dividend	3 284 792	2 030 590	3 284 792	2 030 590
Origination and reversal of temporary differences (Note 25)	4 677 297	(7 133 155)	–	–
Income tax expense	81 965 529	42 248 406	3 284 792	2 030 590

1 For the current year, the prior period under-provision of tax includes an adjustment of USD 3.1 million in the current income tax charge, relating to the correction of prior period errors in respect of understated income tax in the Group's subsidiary, FCB Zimbabwe, arising from certain Group recharge transactions for the years 2021 to 2024. This adjustment has resulted in an increase in the Group's effective income tax rate for the current period to 35%, as indicated in note 14.2. Management has assessed the impact of these errors and concluded that they were not material to the previously issued Group financial statements. Accordingly, the prior period financial statements have not been restated, and the adjustment has been recognised in the current year in accordance with the Group's materiality assessment.

14.2 Reconciliation of effective tax rate

USD	Consolidated		Separate	
	2025	2024	2025	2024
	15%	15%	15%	15%
Foreign companies tax differential	11.2%	16.70%	–	–
Non-deductible expenses	24.5%	12.11%	2.17%	5.17%
Tax exempt income	(15.71%)	(14.83%)	(8.93%)	(11.59%)
	34.99%	28.98%	8.24%	8.58%

14.3 Income tax recoverable/(payable)

USD	Consolidated		Separate	
	2025	2024	2025	2024
Balance at 1 January	7 046 994	6 758 144	–	–
Charges for the year	70 931 032	47 247 705	–	–
Withholding tax on dividend	3 284 792	2 030 590	3 284 792	2 030 590
Effect of changes in exchange rates	(789 930)	541 913	–	–
Prior year under provision	3 072 408	103 266	–	–
Paid during the year	(67 066 101)	(49 634 624)	(3 284 792)	(2 030 590)
As at 31 December	16 479 195	7 046 994	–	–

Income tax (recoverable)/payable is presented as follows in the statements of financial position.

Presented as:

USD	Consolidated		Separate	
	2025	2024	2025	2024
Current tax asset	(4 951 877)	(2 339 446)	–	–
Income tax payable	21 431 072	9 386 440	–	–
	16 479 195	7 046 994	–	–

Notes to the financial statements (continued)

for the year ended 31 December 2025

14 Current tax asset (continued)

14.4 Statutory tax rate

Statutory tax rates for territories in the group are as follows:¹

	2025	2024
Botswana	22.00%	22.00%
Malawi ²	30.00%	30.00%
Mozambique	32.00%	32.00%
Mauritius	15.00%	15.00%
Zambia	30.00%	30.00%
Zimbabwe	24.72%	24.72%

¹ The tax rates for the foreign operations range from 22% to 32%. In Mauritius, the Company is subject to income tax at 15%.

However, as a Global Business Licence company it is entitled to a foreign tax credit equivalent to 80% of the Mauritius tax liability or the actual foreign tax suffered.

² In Malawi, taxable profits up to K10 billion are subject to the standard corporate tax rate of 30%. Profits exceeding K10 billion are taxed at an elevated rate of 40%, in accordance with local tax legislation.

Taxation

Under the current laws, the Company is subject to tax in Mauritius on its taxable profits at a rate of 15%. Foreign tax credit applies on any foreign source income that has been subject to any foreign tax. Mauritius does not have any capital gains tax and furthermore, any trading profits on the sale of securities are generally exempt from tax.

14.5 Regulatory

The Financial Services Commission ("FSC") issued a Global Business Licence ("GBL") to the Company on 30 September 2020.

Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019.

As from 1 July 2021, the Company was no longer allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the Company may apply an exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the exemption is computed at 80% of the relevant foreign sourced income and is subject to certain prescribed conditions. The exemption is not mandatory so that the Company may apply the credit system if it so wishes.

In his National Budget on 7 June 2024, the Mauritian Finance Minister announced the introduction of a Corporate Climate Responsibility Levy ("CCRL"), equivalent to 2% of the company's profits, for companies with a yearly turnover of more than MUR 50 million.

Section 41(iii) of the Financial (Miscellaneous Provisions) Act 2024 ("FMPA 2024") gave effect to the CCRL and its effective date is the year of assessment 2024/2025.

The CCRL also applies to any Mauritian tax resident partnership. The CCRL is computed on the taxable profit of the company and is specifically considered to be an income tax under section 41(a)(i)(A) of the FMPA 2024.

Notes to the financial statements (continued)

for the year ended 31 December 2025

15 Assets held for sale

USD	Consolidated	
	2025	2024
As at 1 January	–	2 217 391
Disposal of assets held	–	(2 217 391)
Transfer from investment in joint venture (Note 19)	13 967 202	–
Carrying amount as at 31 December	13 967 202	–

During the 2025 financial year, the Group committed to the disposal of its 50% interest in Makasa Sun (Private) Limited. Following the Board's approval of the disposal plan and the asset meeting the criteria in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the carrying amount of the investment was reclassified from investment in joint venture (Note 19) to assets held for sale on 31 October 2025. The asset met the criteria for classification as held for sale under IFRS 5 as it is available for immediate sale in its current condition, and the disposal is considered highly probable within 12 months of the reporting date.

The asset is measured at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognised as the fair value less costs to sell exceeded the carrying amount at the date of classification.

During the 2024 financial year, the Group completed the sale of Dolphin House, a commercial building located in Harare's Central Business District. The disposal resulted in derecognition of the asset and related disposal costs of USD 228 200 recognised in profit or loss.

As at 31 December 2025, the Group holds no other non-current asset classified as held for sale, other than its interest in Makasa Sun (Private) Limited.

16 Other assets

USD	Consolidated		Separate	
	2025	2024	2025	2024
Prepayments	16 050 764	6 891 127	1 747 130	273 860
Preference shares	–	–	2 475 355	2 475 355
Dividend receivable	–	–	7 695 738	–
Stock of stationery, computer spares and other items	857 074	326 083	–	–
Card security deposit and settlement balances	622 587	511 092	–	–
Bank guarantee	10 535 000	–	–	–
Loan receivable from subsidiary	–	–	3 300 000	3 300 000
Other receivables	24 700 850	20 879 006	3 784 496	3 747 792
Gross Balance	52 766 275	28 607 308	19 002 719	9 797 007
Less: Expected credit loss	(5 552 606)	(54 694)	–	–
Total other assets	47 213 669	28 552 614	19 002 719	9 797 007
Current	44 806 268	26 200 433	13 227 364	4 021 652
Non-current	2 407 401	2 352 181	5 775 355	5 775 355
Total other assets	47 213 669	28 552 614	19 002 719	9 797 007

Prepayments consists of expenses paid in advance including rentals paid for retail outlets, annual maintenance contracts and software licence fees for several items of software and hardware used in the day-to-day operations of companies in the Group.

As at 31 December 2025, USD 20 453 615 (2024: USD 9 261 505) has been excluded from financial assets for the Group and USD 1 747 130 (2024: USD 273 860) for the Company for financial risk management purposes. The excluded balances relate primarily to value added tax receivables, prepayments, and other statutory receivables, which are not considered financial assets as they do not give rise to a contractual right to receive cash or another financial instrument.

Notes to the financial statements (continued)

for the year ended 31 December 2025

16 Other assets (continued)

The Company holds an investment in preference shares with FCB Botswana, classified as a financial asset measured at amortized cost in accordance with the substance of the contractual terms. The preference shares bear a cumulative non-discretionary coupon rate of 8.26% per annum. Although redeemable at the option of the Bank, the shares cannot be redeemed within the first five years from issuance. The cash flows associated with these preference shares consist solely of principal and interest payments, meeting the criteria for amortized cost classification under IFRS 9.

As at 31 December 2025, the Group recognised a right of recovery of USD 10.5 million from a customer relating to a corporate bank guarantee issued by First Capital Bank S.A. ("FCB Mozambique"). The guarantee was called by the beneficiary following the customer's default on the underlying obligation. The customer disputed the payment and filed a claim with the court seeking to restrain FCB Mozambique from settling the guarantee. The court issued an injunction, temporarily preventing payment. In January 2026, the final ruling upheld the beneficiary's claim, resulting in a settlement payable to the beneficiary, funded from existing resources. During the year ended 31 December 2025, an expected credit loss (ECL) provision of USD 4.9 million was recognised, with the corresponding liability included in other payables. Management continues to monitor the recoverability of the recognised asset. Further disclosures on the ruling and related liability are provided in Note 28.

Consolidated other receivables include funds receivable from currency auctions, cash collateral pledged, balances receivable for pledged securities and clearing accounts. Separate other receivables include amounts due from subsidiaries for the Group. These balances are recoverable less than one year and are interest free. Due to the short-term nature of these assets, historical experience to date and forward looking information, the ECL on other receivables is not considered material and no further ECL disclosure is provided as a result.

Loan receivable from subsidiary relates to subordinated debt issued by FCB Mozambique to the Company in 2022. The loan was advanced to assist FCB Mozambique in meeting its minimum regulatory capital requirements, in accordance with the laws and regulations of the Republic of Mozambique.

The loan has a nominal value of USD 3.3 million, a 5-year term maturing in January 2027, and bears interest at a nominal rate of 9% per annum, payable semi-annually. The agreement also provides FCB Mozambique with an early redemption option, subject to prior approval from Banco de Mozambique.

As at 31 December 2025, FCB Mozambique had not exercised this early redemption option, and the balance remains classified as a loan receivable from subsidiary within other assets in the Group's financial statements.

17 Investments at fair value through profit or loss

	Consolidated	
	2025	2024
Shares held (numbers)		
Illovo Sugar (Malawi) Plc	8 665 541	8 665 541
Old Mutual Limited	11 571 102	2 105 557
Share Price (cents)		
Illovo Sugar (Malawi) Plc	1.34	0.78
Old Mutual Limited	2.19	1.12
Market Value		
Illovo Sugar (Malawi) Plc	11 645 727	6 772 566
Old Mutual Limited	25 293 629	2 368 081
Total investments in shares	36 939 356	9 140 647
Digital Gold Coins	2 154 891	1 355 855
Total investments at FVTPL	39 094 247	10 496 502
Balance at 1 January	10 496 502	9 815 296
Purchase of digital gold coins	–	2 616 294
Purchase of investments at FVTPL	7 808 035	1 601 132
Sale of investments at FVTPL	(53 000)	(5 994 464)
Effect of changes in exchange rate	(111)	1 192 475
Fair value gain (Note 44)	20 842 821	1 265 769
Balance at 31 December	39 094 247	10 496 502

Notes to the financial statements (continued)

for the year ended 31 December 2025

17 Investments at fair value through profit or loss (continued)

During the year, FCB Malawi, a subsidiary of the Group, subscribed to additional shares in Old Mutual Limited, a company listed on the Malawi Stock Exchange. This investment is part of FCB Malawi's strategy to diversify its portfolio through investments in listed companies.

All investments in listed companies held by the Group are listed on the Malawi Stock Exchange and are measured at fair value through profit or loss (FVPL), as they are classified as held for trading in accordance with IFRS 9 – Financial Instruments. Changes in the fair value of these investments are recognised directly in profit or loss in the period in which they arise. The fair value measurement of these investments has been categorised as Level 1 under the IFRS 13 – Fair Value Measurement hierarchy, as the valuation is based on quoted market prices observable on the Malawi Stock Exchange at the reporting date.

The Group, through its subsidiary FCB Zimbabwe, invests in digital gold coins issued by the Reserve Bank of Zimbabwe (RBZ) as part of its asset management and liquidity management strategy. These digital gold coins are classified and measured at fair value through profit or loss (FVPL) in accordance with IFRS 9 – Financial Instruments, with changes in fair value recognised directly in profit or loss. The fair value measurement has been categorised as Level 1 within the IFRS 13 – Fair Value Measurement hierarchy, as the valuation is based on observable market inputs, including the international gold price and official exchange rates published by the Reserve Bank of Zimbabwe.

18 Investments at fair value through other comprehensive income

USD	Consolidated	
	2025	2024
Equity instruments		
As at 1 January	4 412 979	4 331 698
Disposal	(236 116)	–
Effects of changes in exchange rates	(715 012)	(554 719)
Fair value gain	2 741 012	636 000
Total equity instruments	6 202 863	4 412 979
Represented by		
Investment in Zimswitch Technologies Private Limited (Zimswitch)	5 857 942	3 886 200
Swift Investment	245 914	427 772
Investment in Sociedade Interbancária de Moçambique (SIMO)	99 007	99 007
Total equity instruments	6 202 863	4 412 979

Financial assets at FVOCI represent strategic equity investments held by certain subsidiary banks within the Group in local payments switch companies in their respective markets.

FCB Zimbabwe holds 11.98% of the issued share capital of Zimswitch Limited. The Directors have applied a dividend growth model to estimate the fair value of this investment at reporting date. Changes in fair value are recognised in other comprehensive income in line with the Group's accounting policy.

First Capital Bank S.A. (Mozambique) (FCB Mozambique) holds 0.5% of the issued share capital of SIMO, the national switch company in Mozambique. The investment in SIMO has been kept at cost as the fair value could not be reliably measured at 31 December 2025 and 31 December 2024.

Dividend income on the equity instruments amounted to USD 185 000 (2024: 174 000).

For more information on fair value measurement on these instruments refer to note 8.

Notes to the financial statements (continued)

for the year ended 31 December 2025

19 Investment in joint venture

USD	Consolidated	
	2025	2024
Group's interest in investment		
Group's interest at beginning of year	13 897 469	14 339 532
Share of profit/(loss) in joint venture	69 733	(442 063)
Reclassification to non-current assets held for sale (Note 15)	(13 967 202)	–
Carrying amount of investment as at 31 December	–	13 897 469

The Group holds a 50% interest in Makasa Sun (Private) Limited, a joint venture that owns a commercial investment property located in Victoria Falls, Zimbabwe. The property is classified as an investment property and is valued annually by independent external valuers with the appropriate recognised professional qualifications and relevant market experience.

During the year ended 31 December 2025, the Group committed to a plan to dispose of its 50% interest in Makasa Sun (Private) Limited. Following the Board's approval of the disposal plan, and after the arrangement met the criteria in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the carrying amount of the investment was reclassified from investment in joint venture to assets held for sale on 31 October 2025 (see Note 15).

The decision to dispose of the Group's 50% interest in Makasa Sun (Private) Limited forms part of the Group's efforts to streamline its investment portfolio and focus on core banking operations. The joint venture is considered non-core, and its disposal will release capital currently tied up in a property-focused investment, reduce exposure to property market volatility, and enable the Group to redirect resources to higher-priority strategic initiatives.

The investment met the conditions for classification as held for sale because it is available for immediate sale in its current condition, and the disposal is considered highly probable within 12 months of the reporting date. Accordingly, no closing carrying amount is reflected in this note for 2025. The Group's share of profit or loss up to the date of reclassification is included in the consolidated statement of profit or loss.

As at 31 December 2025, the Group had identified a prospective buyer for its equity interest and negotiations had progressed to an advanced stage, subject to the completion of customary regulatory approvals and finalisation of the sale agreement. The disposal is expected to be completed within twelve months from the reporting date. The investment forms part of the Group's Zimbabwe geographical operating segment, as disclosed in the segment reporting note (Note 4), in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and IFRS 8 Operating Segments.

Summary information Makasa Sun (Private) Limited (100% of the joint venture):

USD	2025	2024
Revenue	–	50 000
Fair value gain/(loss) on investment property	–	(834 126)
Other expenses	–	(100 000)
Loss for the year	–	(884 126)
Total comprehensive income	–	(884 126)
Non-current assets	–	30 000 126
Current assets	–	241 000
Non-current liabilities	–	2 186 000
Current liabilities	–	260 188
Equity	–	27 794 938

As at 31 December 2025, the Group's 50% share of equity in the joint venture amounted to USD Nil (2024: USD 13 897 469).

Notes to the financial statements (continued)

for the year ended 31 December 2025

20 Investment property

Investment property comprises commercial properties that are leased to third parties and land held for capital appreciation. Movement during the year was as follows:

USD	Consolidated	
	2025	2024
At fair value		
Balance as at 1 January	3 880 996	1 494 000
Effects of changes in exchange rates	90 021	(75 948)
Transfer from property and equipment (Note 24)	–	2 455 723
Fair value gain	293 742	7 221
Balance as at 31 December	4 264 759	3 880 996

The fair value of the investment property is determined by external, independent property valuers in each country where the Group operates. These valuers have the appropriate recognized professional qualifications and recent experience in valuing properties in their respective locations and categories. The valuations are conducted on an open market value basis and are reviewed annually. In the case of the Group's Zimbabwean properties, the valuation report presents the land and property values together, as they are not separately identifiable.

For the year ended 31 December 2025, the Group recognised rental income from investment properties of USD 431 938 (2024: USD 162 697). The associated operating costs, including direct expenses related to rental-generating properties, amounted to USD 11 852 (2024: USD 65 858). As a result, the Group reported net income of USD 420 086 (2024: USD 96 839) from investment properties for the year.

In 2024, the Group, through its subsidiary FCB Botswana, transferred a building previously recognized under property and equipment to investment property. This transfer was made following a change in the use of the property, as it is now held to earn rental income or for capital appreciation, rather than for use in the supply of goods or services or for administrative purposes.

The fair value measurement of the investment property has been classified as Level 3 under the IFRS 13 – Fair Value Measurement hierarchy, as the valuation relies on significant unobservable inputs. Refer to note 8 for further details on fair value measurement.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used and impact on fair value measurement.

	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Impact on fair value (increase by 5%)	Impact on fair value (decrease by 5%)
2025						
Buildings	4 264 759	Income approach	Rental per sqm	120 – 175 (136)	213 238	(213 238)
2024						
Buildings	3 880 996	Income approach	Rental per sqm	120 – 260 (162)	194 050	(194 050)

Notes to the financial statements (continued)

for the year ended 31 December 2025

21 Intangible assets

USD	Consolidated		Separate	
	2025	2024	2025	2024
COST				
Balance as at 1 January	19 901 728	17 798 931	4 820 084	6 794 789
Transfer from property and equipment (Note 24)	885 523	305 144	–	–
Transfer ¹	(244 689)	–	–	–
Additions	2 527 425	3 062 569	150 244	422 161
Disposals	–	–	–	(2 396 866)
Write off	–	(858 077)	–	–
Effect of changes in exchange rate	2 013 075	(358 476)	–	–
Reclassification to property and equipment (Note 24)	–	(48 363)	–	–
As at 31 December	25 083 062	19 901 728	4 970 328	4 820 084
ACCUMULATED AMORTISATION				
Balance as at 1 January	(11 968 223)	(11 148 440)	(2 948 758)	(2 757 620)
Transfer/Reclassifications	1 264	–	–	–
Effect of changes in exchange rates	(2 596 142)	327 077	–	–
Disposals	–	–	–	684 396
Write off	–	648 808	–	–
Charge for the year	(1 437 256)	(1 795 668)	(489 708)	(875 534)
As at 31 December	(16 000 357)	(11 968 223)	(3 438 466)	(2 948 758)
Carrying amount as at 31 December	9 082 705	7 933 505	1 531 862	1 871 326

1 During the current financial year, prepayments for intangible assets by FCB Botswana were reclassified from Intangible assets to Other assets to more accurately reflect the nature of the underlying balances.

Intangible assets include computer software, website development, core banking, switch software and licences which are accounted for at cost incurred on acquisition or development. These assets are controlled by the entity and are separately identifiable.

During the financial year ended 31 December 2024 the Company disposed its OBDX (Oracle Banking Digital Experience) software an intangible asset to its banking subsidiaries as part of the Group's strategic initiative to decentralise digital banking technology and enhance operational efficiency within each banking entity. The disposal was executed at the net book value of the software and no gain or loss was recorded in the financial statements of the Company. The write off at Group level and the disposal at Company level were non-cash items and hence excluded from statements of cash flows.

Notes to the financial statements (continued)

for the year ended 31 December 2025

22 Leases

USD	Consolidated		Separate	
	2025	2024	2025	2024
RIGHT-OF-USE ASSET				
Balance as at 1 January	7 345 708	6 308 610	35 766	53 301
Additions	1 252 600	4 718 858	–	–
Terminations	(20 001)	(199 971)	–	–
Amortisation charge	(1 825 615)	(3 022 682)	–	(17 535)
Effect of changes in exchange rates	(546 092)	(459 107)	–	–
Carrying amount at 31 December	6 206 600	7 345 708	35 766	35 766
LEASE LIABILITIES				
Maturity analysis – contractual undiscounted cash flows				
Less than one year	2 107 884	2 104 042	59 312	59 312
One to five years	4 820 691	6 510 965	–	–
More than five years	502 272	490 330	–	–
Total undiscounted contractual cash flows as at 31 December	7 430 847	9 105 337	59 312	59 312
Lease liabilities included in statement of financial position				
Current	2 397 891	1 716 376	59 312	59 312
Non-current	3 497 583	5 137 753	–	–
Carrying amount at 31 December	5 895 474	6 854 129	59 312	59 312
Movement in lease liability				
Balance as at 1 January	6 854 129	6 076 986	59 312	76 052
Interest charges	953 591	762 752	–	3 332
Additions	1 252 600	2 409 202	–	–
Payments	(3 188 505)	(2 270 500)	–	(20 039)
Terminations	(20 001)	(124 311)	–	(33)
Effects of changes in exchange rate	43 660	–	–	–
	5 895 474	6 854 129	59 312	59 312
Amounts recognised in Profit and Loss				
Interest on lease liability	953 591	762 752	–	3 332
Expenses-short term low value leases	589 002	35 461	–	–
Amortisation charge	1 825 615	3 022 682	–	17 535
	3 368 208	3 820 895	–	20 867

The Group had total cash outflows for leases amounting to USD 3 188 505 (2024: USD 2 270 500) during the year, while the Company had total cash outflows for leases amounting to USD Nil (2024: USD 20 039). Right-of-use additions, terminations, modification and amortisation charges are non-cash in nature and have been excluded from the statement of cash flows.

The Group's right-of-use assets comprise office buildings and residential properties leased for staff accommodation, which are essential for the business's operations. These leases provide the Group with secure office space for its activities and housing for employees where required.

Notes to the financial statements (continued)

for the year ended 31 December 2025

23 Investments in subsidiary companies

	Nature of Business	Type of Investment	Holding %		USD	
			2025	2024	2025	2024
First Capital Bank PLC (Malawi)	Banking	Equity Shares	100.00	100.00	88 034 223	88 034 223
First Capital Bank Limited (Zambia)	Banking	Equity Shares	49.00	49.00	4 634 343	4 634 343
First Capital Shared Services Limited	Shared Service	Equity Shares	100.00	100.00	4 159 549	4 159 549
First Capital Bank Limited (Botswana)	Banking	Equity Shares	38.60	38.60	3 046 405	3 046 405
First Capital Bank S.A. (Mozambique)	Banking	Equity Shares	80.00	80.00	21 365 742	21 365 742
First Capital Bank Zimbabwe/ Afcarme Zimbabwe Holdings (Private) Limited ¹	Banking	Equity Shares	52.49	100.00	17 670 080	17 670 080
Total investments in subsidiary companies					138 910 342	138 910 342

¹ In February 2025, Afcarme Zimbabwe Holdings (Private) Limited ("Afcarme"), the immediate holding company of First Capital Bank Zimbabwe Limited ("FCB Zimbabwe"), was dissolved following approval by the Afcarme and FCB Zimbabwe Boards and local regulators (Refer Note 2.3.1).

Notes to the financial statements (continued)

for the year ended 31 December 2025

24 Property and equipment

Consolidated

USD	Freehold property	Leasehold improvements	Motor vehicles	Corporate aircraft	Equipment fixtures and fittings	Capital work-in-progress	Consolidated total
2025							
Cost or valuation							
Balance as at 1 January 2025	33 696 532	8 577 431	7 391 894	899 560	36 522 287	8 356 024	95 443 728
Additions	29 674	122 002	790 670	–	6 825 787	13 099 449	20 867 582
Reclassifications	–	(23 692)	–	–	23 692	–	–
Effect of changes in exchange rates	1 222 984	(193 726)	(2 042 381)	(92 757)	(5 275 147)	635 136	(5 745 891)
Revaluation surplus/(loss)	2 341 216	–	13 200	–	(3 108 198)	–	(753 782)
Disposals	–	(5 621)	(1 071 063)	–	(90 569)	–	(1 167 253)
Transfer from work-in-progress	9 893 051	–	–	–	1 358 997	(11 252 048)	–
Transfer to intangible assets (Note 21)	–	–	–	–	–	(885 523)	(885 523)
Impairment loss	(240 812)	–	–	–	–	–	(240 812)
Balance at 31 December 2025	46 942 645	8 476 394	5 082 320	806 803	36 256 849	9 953 038	107 518 049
Accumulated depreciation							
Balance as at 1 January 2025	857 855	1 703 479	4 579 912	431 363	20 221 544	–	27 794 153
Charge for the year	639 628	422 117	893 174	48 403	6 078 634	–	8 081 956
Released on disposal	–	(1 630)	(469 843)	–	(30 855)	–	(502 328)
Effect of changes in exchange rate	(389 338)	(42 248)	(2 090 837)	(92 757)	(7 601 659)	–	(10 216 839)
Balance at 31 December 2025	1 108 145	2 081 718	2 912 406	387 009	18 667 664	–	25 156 942
Carrying amount							
At 31 December 2025	45 834 500	6 394 676	2 169 914	419 794	17 589 185	9 953 038	82 361 107
At 31 December 2024	32 838 677	6 873 952	2 811 982	468 197	16 300 743	8 356 024	67 649 575

Notes to the financial statements (continued)

for the year ended 31 December 2025

24 Property and equipment (continued)

Consolidated

USD	Freehold property	Leasehold improvements	Motor vehicles	Corporate aircraft	Equipment fixtures and fittings	Capital work-in-progress	Consolidated total
2024							
Cost or valuation							
Balance as at 1 January 2024	30 987 451	8 832 911	7 394 607	923 764	30 056 713	5 805 545	84 000 991
Additions	253 374	848 599	603 302	–	6 421 940	10 037 728	18 164 943
Effect of changes in exchange rates	(714 833)	(1 231 453)	(59 362)	(24 204)	(555 294)	(177 054)	(2 762 200)
Revaluation surplus/(loss)	1 006 696	586 781	(296 256)	–	–	–	1 297 221
Disposals	(15)	(161 900)	(224 643)	–	(546 848)	(7 811)	(941 217)
Transfer to investment property (Note 20)	(2 470 273)	–	–	–	–	–	(2 470 273)
Transfer from work-in-progress	4 634 132	476 013	–	–	1 816 762	(6 926 907)	–
Transfer to intangible assets (Note 21)	–	–	–	–	–	(305 144)	(305 144)
Reclassification from intangible assets (Note 21)	–	–	–	–	48 359	–	48 359
Write offs	–	(773 520)	(25 754)	–	(719 345)	(70 333)	(1 588 952)
Balance at 31 December 2024	33 696 532	8 577 431	7 391 894	899 560	36 522 287	8 356 024	95 443 728
Accumulated depreciation							
Balance at 1 January 2024	904 758	2 303 289	3 653 633	391 666	17 882 052	–	25 135 398
Charge for the year	563 332	509 650	1 020 541	48 716	4 579 692	–	6 721 931
Released on disposal	–	(112 900)	(30 466)	–	(271 964)	–	(415 330)
Transfer to investment property (Note 20)	(14 550)	–	–	–	–	–	(14 550)
Effect of changes in exchange rate	(5 258)	(23 849)	(37 942)	(9 019)	(1 289 804)	–	(1 365 872)
Released on write offs	–	(773 772)	(25 854)	–	(678 432)	–	(1 478 058)
Eliminated on revaluation	(590 427)	(198 939)	–	–	–	–	(789 366)
Balance at 31 December 2024	857 855	1 703 479	4 579 912	431 363	20 221 544	–	27 794 153
Carrying amount							
At 31 December 2024	32 838 677	6 873 952	2 811 982	468 197	16 300 743	8 356 024	67 649 575
At 31 December 2023	30 082 693	6 529 622	3 740 974	532 098	12 174 661	5 805 545	58 865 593

Notes to the financial statements (continued)

for the year ended 31 December 2025

24 Property and equipment (continued)

* Capital work in progress represents development costs on the various branches of the Group's banking interests.

Once the projects completed, the work in progress is classified to its respective category of fixed assets.

At 31 December 2025, USD 140 391 (2024: USD 2 054 859) of the Group's additions of USD 20 867 582 (2024: USD 18 164 943) relate to non-cash items and have therefore been excluded from the consolidated statement of cash flows.

If freehold property and leasehold improvements were measured using the cost model, the carrying amount would have been as:

USD	Freehold property	Leasehold improvements	Computers	Equipment	Furniture and fittings	Motor vehicles	Total
2025							
Cost	30 335 604	1 275 278	3 892 616	4 011 708	2 739 916	1 597 549	43 852 671
Accumulated depreciation and impairments	(2 384 129)	(375 897)	(1 358 982)	(863 976)	(335 066)	(730 131)	(6 048 181)
Net carrying amount	27 951 475	899 381	2 533 634	3 147 732	2 404 850	867 418	37 804 490
2024							
Cost	25 794 943	6 733 904	3 439 709	3 887 815	1 325 360	3 219 973	44 401 704
Accumulated depreciation and impairments	(1 795 658)	(837 164)	(1 204 099)	(956 117)	(192 344)	(1 392 531)	(6 377 913)
Net carrying amount	23 999 285	5 896 740	2 235 610	2 931 698	1 133 016	1 827 442	38 023 791

During the 2024 financial year, the Group performed revaluations of certain classes of property and equipment held by its Zimbabwean subsidiary, specifically equipment, computer hardware and motor vehicles, due to significant movements in observable market prices within Zimbabwe's hyperinflationary environment, to ensure that the carrying amounts of these assets did not differ materially from their estimated fair values at the reporting dates. These revaluations resulted in a surplus recognised in other comprehensive income and accumulated in the revaluation reserve. In the current year, management performed a further revaluation to correct the 2024 revaluation, as certain asset values were determined to be higher than their estimated realisable amounts, and the impact of this correction was not material to the previously issued Group financial statements and has therefore been recognised in the current year.

Notes to the financial statements (continued)

for the year ended 31 December 2025

24 Property and equipment (continued)

Revaluation surplus sensitivity

The revaluation of items of property, plant and equipment, and leasehold improvements, is performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the reporting date. Where there is a material change from the previous year, a revaluation exercise is done every year. The revaluation exercises are conducted across the Group on the basis of input from independent valuation experts.

These specialists use a combination of models and underlying parameters, or variables, to arrive at estimated valuations of property, and leasehold improvements adopted in these financial statements.

Should the combined effect of all applicable variables, parameters and the models be varied upwards or downwards, the revaluation surpluses would have been as follows:

USD	5% positive impact	5% adverse impact
2025		
Revaluation surplus as recognised	(753 782)	(753 782)
Sensitivity impact	(37 689)	37 689
Sensitivity-adjusted revaluation surplus	(791 471)	(716 093)

USD	5% positive impact	5% adverse impact
2024		
Revaluation surplus as recognised	1 297 221	1 297 221
Sensitivity impact	64 861	(64 861)
Sensitivity-adjusted revaluation surplus	1 362 082	1 232 360

USD	Separate			
	Motor vehicles	Equipment fixtures and fittings	Capital work-in-progress	Total
COST				
Balance at 1 January 2025	29 251	2 258 611	–	2 287 862
Additions	–	2 068 888	1 428 200	3 497 088
Balance at 31 December 2025	29 251	4 327 499	1 428 200	5 784 950
ACCUMULATED DEPRECIATION				
Balance at 1 January 2025	8 691	1 475 769	–	1 484 460
Charge for the year	7 312	366 799	–	374 111
Balance at 31 December 2025	16 003	1 842 568	–	1 858 571
Carrying amount at 31 December 2025	13 248	2 484 931	1 428 200	3 926 379
COST				
Balance at 1 January 2024	–	1 876 359	–	1 876 359
Additions	29 251	382 252	–	411 503
Balance at 31 December 2024	29 251	2 258 611	–	2 287 862
ACCUMULATED DEPRECIATION				
Balance at 1 January 2024	–	1 153 933	–	1 153 933
Charge for the year	8 691	321 836	–	330 527
Balance at 31 December 2024	8 691	1 475 769	–	1 484 460
Carrying amount at 31 December 2024	20 560	782 842	–	803 402

Notes to the financial statements (continued)

for the year ended 31 December 2025

24 Property and equipment (continued)

The freehold properties and leasehold improvements of the Group's companies were last revalued by independent valuers on an open market value current as at 31 December 2025 for all entities.

Property and equipment were assessed for impairment through an internal evaluation of obsolescence. No items of property and equipment were pledged as collateral as at 31 December 2025 and 31 December 2024. The fair value measurement of properties has been classified as Level 3 under IFRS 13 Fair Value Measurement, based on significant unobservable inputs to the valuation techniques applied. The table below summarises the valuation techniques and key inputs used for freehold properties and leasehold improvements. The Group applies Level 3 valuations for revalued assets, incorporating significant unobservable inputs such as market prices, replacement costs, and rental rates, depending on the asset class.

2025

Asset class	Valuation technique	Significant unobservable inputs ¹	Sensitivity	Input	Range	Weighted average
Freehold property	Market comparable/ Income approach	Price per sqm, rental rates	Higher inputs increase fair value	Price per sqm (for land), capitalisation rates	USD 315 – USD 1 264, 9% – 15% capitalisation rates	USD 601, 12%
Leasehold improvements	Depreciated replacement cost/Income approach	Replacement cost, useful life, capitalisation rates ²	Higher inputs increase fair value	Rental rate per sqm (for land), capitalisation rates	USD 8 – USD 19, USD 12, 12 % 9% – 15% capitalisation rates	

2024

Asset class	Valuation technique	Significant unobservable inputs ¹	Sensitivity	Input	Range	Weighted average
Freehold property	Market comparable/ Income approach	Price per sqm, rental rates	Higher inputs increase fair value	Price per sqm (for land), capitalisation rates	USD 310 – USD 1 243, 7% – 9%, capitalisation rates	USD 592, 8%
Leasehold improvements	Depreciated replacement cost/Income approach	Replacement cost, useful life, capitalisation rates ²	Higher inputs increase fair value	Rental rate per sqm (for land), capitalisation rates	USD 9 – USD 19, USD 12, 8% 7% – 9% capitalisation rates	

¹ The ranges of significant unobservable inputs capture variability across subsidiaries and asset classes. Weighted averages represent the most likely assumptions applied in the Group's fair value measurements.

² Useful life is the estimated remaining economic life used in fair value calculations for depreciated replacement cost.

Notes to the financial statements (continued)

for the year ended 31 December 2025

25 Deferred tax

Consolidated

USD	Consolidated			Effects of changes in exchange rates	Balance at 31 December
	Balance as at 1 January	Recognised in profit or loss	Recognised in other comprehensive income		
2025					
Property and equipment	1 693 201	594 279	–	107 565	2 395 045
Accrued income	(2 827 972)	345 423	–	(46 757)	(2 529 306)
Equity revaluation ¹	–	8 899 540	–	–	8 899 540
Revaluation of property	4 135 769	39 000	397 887	118 426	4 691 082
Tax losses	(5 585)	–	–	–	(5 585)
Gratuity and severance pay liabilities	(1 303 420)	(476 558)	–	(8 195)	(1 788 173)
Expected credit loss provisions	(274 502)	(1 445 719)	–	(83 900)	(1 804 121)
Investments at FVOCI ²	737 392	–	621 894	–	1 359 286
Other temporary differences ³	1 301 002	(3 278 668)	–	385 877	(1 591 789)
	3 455 885	4 677 297	1 019 781	473 016	9 625 979
2024					
Property and equipment	1 705 163	522 239	–	(534 201)	1 693 201
Accrued income	3 841 230	(6 223 199)	–	(446 003)	(2 827 972)
Revaluation of property	4 109 128	(2 190 236)	2 318 055	(101 178)	4 135 769
Tax losses	(5 585)	–	–	–	(5 585)
Gratuity and severance pay liabilities	(605 699)	(718 419)	–	20 698	(1 303 420)
Expected credit loss provisions	(836 463)	487 869	–	74 092	(274 502)
Investments at FVOCI ²	432 392	–	305 000	–	737 392
Other temporary differences ³	1 228 137	988 591	–	(915 726)	2 038 394
	9 868 303	(7 133 155)	2 623 055	(1 902 318)	3 455 885

1 In December 2025, new tax legislation was enacted in Malawi introducing capital gains tax on the disposal of equity shares and, in accordance with IAS 12 Income Taxes, the Group recognised deferred tax on temporary differences arising from equity investments where recovery is expected through disposal; the enactment of this legislation resulted in a material deferred tax impact recognised in the current reporting period.

2 Deferred income tax balances arising from investments at FVOCI have been presented separately for the first time in the current period for transparency. Comparative amounts have been restated for consistency and comparability with current year's presentation.

3 Other temporary differences include provisions for bonuses, management fees, operational losses, frauds and forgeries, prepaid expenses, right-of-use assets and lease liabilities, deferred commission income and expense, as well as unrealised gains and losses on mark-to-market valuations, investment securities, and investment property. There is no material offsetting between deferred tax assets and deferred tax liabilities.

Consolidated

USD	2025	2024
Disclosed as:		
Deferred tax assets	(2 042 209)	(4 411 479)
Deferred tax liabilities	11 668 188	7 867 364
Balance as at 31 December	9 625 979	3 455 885

Deferred income tax assets are recognised only to the extent that the related tax benefit is probable.

Notes to the financial statements (continued)

for the year ended 31 December 2025

26 Balances due to other banks

26.1 Balances due to other banks

USD	Consolidated	
	2025	2024
Repurchase agreements (a)	–	5 000 524
Borrowings from other banks (b)	73 087 941	67 001 811
BOZ – TMTRF (c)	–	329 552
European Investment Bank (d) ¹	9 466 484	12 057 257
Afreximbank Line of Credit	1 500 000	–
Total balances due to other banks	84 054 425	84 389 144
Payable as follows:		
Due within one year	74 311 613	74 646 331
Due between two and five years	9 742 812	9 742 813
Total balances due to other banks	84 054 425	84 389 144

¹ In the current reporting period, borrowings from the European Investment Bank (EIB), which were previously reported as part of borrowings from other banks in the prior period, have been disclosed separately. Comparative figures have been adjusted for consistency and comparability.

(a) The corresponding asset related to the repurchase agreement is disclosed in Note 12.

(b) Borrowings from other banks represent short term facilities with interest rates ranging from 7-8% with interest payable in quarterly instalments. Borrowings from other banks include, but are not limited to, facility lines of credit from European Investment Bank, Afreximbank, and Crown Agents Bank.

In August 2023, FCB Zimbabwe secured a USD 20 million trade finance facility from African Export Import Bank to support its SME clients. As at 31 December 2025, the Bank had an outstanding balance of USD 1 500 000 (2024: USD Nil). The trade finance facility expires in 2026. In addition, FCB Mozambique has correspondent banking lines with Crown Agents Bank and CitiBank.

These amounted to USD 13 million, at nil interest, and repayable on a short-term, revolving basis.

(c) In 2020, FCB Zambia secured a targeted medium-term refinancing facility, Bank of Zambia – Targeted Medium Term Refinancing Facility (BOZ- TMTRF), for on-lending to customers. Interest is payable linked to the Zambia Monetary policy rate which was 8% per annum. The loan is repayable in quarterly instalments with interest. The loan was disbursed in three tranches with last tranche maturing in February 2025.

(d) As at 31 December 2025, the Group's subsidiary, First Capital Bank Zimbabwe (FCB Zimbabwe), had an outstanding balance of USD 9 466 484 due to the European Investment Bank (EIB) (31 December 2024: USD 12 057 257). The facility, originally obtained for SME and Midcap financing, had a total loan amount of EUR 12 500 000 and is denominated in EUR.

The loan carries a fixed interest rate of 6.4% per annum and is repayable in installments as specified in each tranche document, with a final maturity date of 2 April 2029.

As at the reporting date, FCB Zimbabwe remains in compliance with all loan covenants. Management has assessed the associated foreign exchange and interest rate risks and considers the exposure to be manageable, with appropriate risk mitigation strategies in place.

Notes to the financial statements (continued)

for the year ended 31 December 2025

26 Balances due to other banks (continued)

26.2 Movement in term borrowings

Consolidated

USD	Balance due to other banks (Note 26.1)	Subordinated debt (Note 30)	Loans payable (Note 29)	Total
2025				
Balance at 1 January	84 389 144	11 550 581	55 864 666	151 804 391
Cash flow items:				
Net increase in term borrowings	(2 866 573)	(863 483)	(47 366 701)	(51 096 757)
Additions	8 036 487	-	-	8 036 487
Repayment	(9 875 227)	-	(47 366 701)	(57 241 928)
Interest paid on borrowings	(1 027 833)	(863 483)	-	(1 891 316)
Non-cash flow items:				
Accrued interest	92 733	896 995	134 903	1 124 631
Unamortised issue cost	-	(20 558)	-	(20 558)
Effects of changes in exchange rates	2 439 121	595 100	2 035	3 036 256
Carrying amount as at 31 December	84 054 425	12 158 635	8 634 903	104 847 963

Separate

USD	Loans payable (Note 29)	Total
2025		
As at 1 January	8 634 903	8 634 903
Cash flow items:		
Net decrease in term borrowings	(134 903)	(134 903)
Repayments – interest	(134 903)	(134 903)
Non-cash flow items:		
Accrued interest	134 903	134 903
Carrying amount as at 31 December	8 634 903	8 634 903

Notes to the financial statements (continued)

for the year ended 31 December 2025

26 Balances due to other banks (continued)

26.2 Movement in term borrowings (continued)

USD	Consolidated			Total
	Balance due to other banks (Note 26.1)	Subordinated debt (Note 30)	Loans payable (Note 29)	
2024				
Balance at 1 January	70 274 518	11 821 358	33 835 062	115 930 938
Cash flow items:				
Net increase in term borrowings	14 298 495	–	21 435 881	35 734 376
Additions	34 372 206	–	54 314 914	88 687 120
Interest paid	(4 488 064)	–	–	(4 488 064)
Repayment	(15 585 647)	–	(32 879 033)	(48 464 680)
Non-cash flow items				
Accrued interest	14 233	25 467	134 903	174 603
Unamortised issue cost	–	(27 188)	–	(27 188)
Effects of changes in exchange rates	(198 102)	(269 056)	458 820	(8 338)
Carrying amount as at 31 December	84 389 144	11 550 581	55 864 666	151 804 391
			Separate	
USD			Loans payable (Note 29)	Total
2024				
As at 1 January			16 341 908	16 341 908
Net decrease in term borrowings			(7 841 908)	(7 841 908)
Additions			(7 490 000)	(7 490 000)
Repayments			(351 908)	(351 908)
Accrued interest			134 903	134 903
Carrying amount as at 31 December			8 634 903	8 634 903

Notes to the financial statements (continued)

for the year ended 31 December 2025

27 Customer deposits

USD	Consolidated	
	2025	2024
Current accounts	813 504 638	652 212 114
Savings accounts	154 616 078	110 147 357
Foreign currency denominated accounts	176 124 578	151 382 134
Term deposit accounts	696 721 796	586 492 501
Interest payable on deposits	19 238 523	14 384 156
Other Deposits – Cash Security	321 644	–
Total customer deposits	1 860 527 257	1 514 618 262
Payable as follows:	–	–
Maturing within three months	1 274 442 020	1 186 205 163
Maturing after three months	586 085 237	328 413 099
Total customer deposits	1 860 527 257	1 514 618 262

Deposits from customers only include financial instruments classified as liabilities at amortised cost. Fair value of deposits from customers approximates carrying amount due to their alignment with market rates. Refer to Note 8.1.

28 Other payables

USD	Consolidated		Separate	
	2025	2024	2025	2024
Accrued expenses	17 259 684	14 276 789	973 515	862 216
Bank guarantee ¹	10 535 000	–	–	–
Bankers cheques issued and uncleared	4 909 014	7 579 373	–	–
Margins on letters of credit and other instruments	2 328 967	1 659 268	–	–
Trade and other payables	30 876 920	23 217 048	101 456	16 712
Total other payables	65 909 585	46 732 478	1 074 971	878 928

¹ FCB Mozambique had a disputed bank guarantee of USD 10.5 million outstanding as at 31 December 2025. In January 2026, the final ruling upheld the claim, resulting in a settlement payable to the beneficiary for the same amount. The settlement was funded from existing resources and does not affect the Group's going concern assessment.

As at 31 December 2025, USD 2 500 473 (2024: USD 7 788 990) has been excluded from other payables in the consolidated financial statements, and USD Nil (2024: USD 16 712) for the Company, for financial risk management disclosure purposes. The excluded balances primarily relate to Value Added Tax (VAT) payable, statutory levies, and other non-financial obligations, which are not considered financial liabilities as they do not give rise to a contractual obligation to deliver cash or another financial instrument.

As at 31 December 2025, other payables include USD 10.5 million in respect of a corporate bank guarantee issued by First Capital Bank S.A. (Mozambique) that was called by the beneficiary. In January 2026, the final ruling upheld the claim, resulting in a settlement payable for the same amount, funded from existing resources. Further details on the corresponding right of recovery recognised as an asset are disclosed in Note 16.

All amounts included in other payables are non-interest bearing. Directors consider that the carrying amounts of other payables approximate their fair values.

Trade and other payables, include settlement and clearing accounts, unearned fee and commissions, value added taxes payable to tax authorities in each jurisdiction, among others.

Notes to the financial statements (continued)

for the year ended 31 December 2025

29 Loans payable

USD	Consolidated		Separate	
	2025	2024	2025	2024
Related parties	5 500 000	5 500 000	5 500 000	5 500 000
Other lenders	3 000 000	3 000 477	3 000 000	3 000 000
Commercial paper	–	46 487 248	–	–
Accrued interest	134 903	876 941	134 903	134 903
Total loans payable	8 634 903	55 864 666	8 634 903	8 634 903
Current	6 634 903	47 364 189	6 634 903	134 903
Non-current	2 000 000	8 500 477	2 000 000	8 500 000
	8 634 903	55 864 666	8 634 903	8 634 903

Refer to note 55 for related party balances and transactions.

During the year 2017, FM BCH, obtained loan facilities of USD 6.5 million from related parties for the purpose of discharging the purchase consideration for acquisition of shares in FCB Zimbabwe. These loans are unsecured and bear an interest of 9% payable annually, with the first interest payment due one year after drawdown and thereafter every quarter. Related party loans are unsecured and repayable in full in 2026.

Amounts payable to other lenders are unsecured and bear interest of 9% annually with repayment terms in 2026.

FCB Mozambique issued several tranches of commercial paper during 2024, with interest rates ranging from 12.5% to 15% per annum. The final tranche matured in July 2025. These instruments were issued to meet short-term funding requirements and have been fully repaid as of the reporting date.

Notes to the financial statements (continued)

for the year ended 31 December 2025

30 Subordinated debt

USD	Consolidated		Separate	
	2025	2024	2025	2024
As at 1 January	11 550 581	11 821 358	–	–
Cash flow items				
Interest paid	(863 483)	–	–	–
Non-cash flow items				
Accrued interest	896 995	25 467	–	–
Unamortised issue cost	(20 558)	(27 188)	–	–
Effect of changes in exchange rate	595 100	(269 056)	–	–
Carrying amount as at 31 December	12 158 635	11 550 581	–	–

These notes were issued by FCB Botswana.

Subordinated debt comprises:

- BWP15 million floating rate notes of BWP1.00 each maturing on 1 July 2027, which earned interest at an effective interest rate of 8.81%.
- BWP33 million floating rate notes of BWP1.00 each maturing on 25 July 2028, which earned interest at an effective interest rate of 7.41% following introduction of the MOPR by the Bank of Botswana in April 2022.
- BWP100 million floating rate notes of BWP1.00 each maturing on 31 May 2029, which earned interest at an effective interest rate of 9.36% following introduction of the MOPR by the Bank of Botswana in April 2022. The Bank has an early optional redemption date of 30 April 2024 subject to prior written consent from Bank of Botswana. The right expired unexercised.
- BWP4 million floating rate notes of BWP1.00 each maturing on 31 May 2029, which earned interest at an effective interest rate of 9.36% following introduction of the MOPR by the Bank of Botswana in April 2022. The Bank has an early optional redemption date of 30 April 2024 subject to prior written consent from Bank of Botswana. The right expired unexercised.
- BWP5 million floating rate notes of BWP1.00 each maturing on 31 January 2030, which earned interest at an effective interest rate of 8.51% following introduction of the MOPR by the Bank of Botswana in April 2022. The Bank has an early optional redemption date of 16 January 2025 subject to prior written consent from Bank of Botswana. The right expired unexercised.

Management has no current plans to redeem the subordinated debt before its stated maturity. The debt remains subject to the terms and conditions outlined in the respective agreements, including any regulatory or contractual restrictions on early redemption.

The subordinated debt notes constitute direct, subordinated and unsecured obligations of FCB Botswana.

The notes rank pari passu among themselves and are subordinated to general creditors and claims of depositors. Refer to Note 7.11 on liquidity risk for undiscounted maturity analysis disclosure.

Notes to the financial statements (continued)

for the year ended 31 December 2025

31 Financial guarantees, letters of credit and other undrawn commitments

To meet the financial needs of customers, the Group enters into various irrevocable commitments. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Group.

Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. The nominal values of such commitments are listed below:

USD	Consolidated		Separate	
	2025	2024	2025	2024
Financial guarantees	219 633 818	249 776 864	50 000 000	10 000 000
Letters of credit	83 484 572	64 201 276	–	–
Other undrawn commitments	46 906 245	71 264 692	–	–
Total	350 024 635	385 242 832	50 000 000	10 000 000

The balances above are presented excluding associated ECLs. Information regarding the ECL allowance for financial guarantees, letters of credit and other undrawn commitments respectively is presented in Note 7.

Contingencies in respect of letters of credit will only crystallise into an asset or a liability when bills are presented in accordance with the terms and conditions of payment of the individual letters of credit. Contingencies in respect of guarantees and performance bonds issued will only crystallise into an asset and a liability in the event of default by the relevant counterparty.

During the year, FMB Capital Holdings Plc issued financial guarantees in favor of FCB Mozambique amounting to USD 50 million (2024: USD 10 million) to support the beneficiary's trade transactions with various counterparties. The commission charged on each guarantee is 4% (2024: 4%) per annum of the guarantee value, payable quarterly in arrears. The guarantees are provided on terms and conditions agreed between the facility provider and FCB Mozambique at the time of each drawdown. Refer to note 43 for the fee income relating to these guarantees.

In accordance with IFRS 9, the Company assesses financial guarantees for expected credit losses (ECL). As at the reporting date, management has evaluated the credit risk associated with the guarantees and determined that no provision is required based on the ECL model. Management continues to monitor the exposure and will reassess provision requirements periodically.

In common with other banks, the business of the Group's entities involves acceptances, guarantees, performance bonds and indemnities.

The majority of these facilities are offset by corresponding obligations of third parties.

Notes to the financial statements (continued)

for the year ended 31 December 2025

32 Convertible preference shares

32.1 Terms and conditions of convertible preference shares

During the year 2017, FMBCH concluded an agreement with Barclays Bank PLC ("BBPLC"), for the acquisition of the Zimbabwe operations. Payment for the acquisition was made partly through cash consideration of USD6.6 million and partly by issue to BBPLC of 10 786 747 convertible redeemable preference shares of USD1.00 each in the capital of the Company.

At issue the 10 786 747 preference shares were convertible after three years at USD 0.0472 cents of per share and FMBCH is obliged to pay a fixed cumulative preferential dividend of 5% per annum out of profits or other reserves available for distribution.

It was agreed during 2020, to extend the conversion date of the preference shares for a further two years to 10 October 2022 at the same conversion price of USD 0.0472. The interest terms of the preference shares are set out below:

- From issue to 09 October 2020 5% per annum
- 10 October 2020 to 09 October 2021 7% per annum
- 10 October 2021 to 09 October 2022 8% per annum
- 10 October 2022 onwards 9% per annum

The convertible preference shares were acquired by Magni Holdings Limited and Prime Bank Limited from BBPLC during November 2021. The new shareholders agreed not to convert the preference shares for three years from November 2021. Accordingly, the preference shares were not convertible. The preference share agreement has been extended for a further 3 years to 10 October 2027.

32.2 Classification of convertible preference shares as a compound instrument

As at 31 December 2025, the Company assessed the classification of its Convertible Preference Shares in accordance with IAS 32 – Financial Instruments: Presentation.

Historically, up to 30 September 2024, the Convertible Preference Shares were classified as a compound financial instrument, comprising both a financial liability and an equity component. The equity component was assessed as immaterial. This classification was based on the following contractual terms that were in effect:

a) Dividend rights

The shares carried a fixed cumulative preferential dividend of 9% per annum, payable bi-annually in June and December, with priority over any distributions to holders of ordinary shares.

b) Voting rights

Preference shareholders had no voting rights at general meetings.

c) Maturity and redemption

The shares matured in three-year intervals. Holders were entitled to redeem their investment, including all cumulative dividends, either at maturity or upon a change in control.

d) Conversion option

If not redeemed, the shares could be converted into ordinary shares at a fixed price of USD 0.0472 at the holder's discretion, subject to providing a conversion notice.

e) Ranking

The shares ranked junior to all secured and unsubordinated creditors but ahead of ordinary shareholders.

Effective from 10 October 2024, certain terms of the Convertible Preference Shares were amended or reaffirmed as follows:

a) Dividend rights

The right to receive the fixed cumulative preferential dividend of 9% per annum through to 10 October 2027 was maintained. However, the revised terms clarified that these dividends are no longer subordinated to any category of share capital or other subordinated obligations of FMBcapital Holdings Plc.

b) Maturity and redemption

The shares continue to be mandatorily redeemable on 10 October 2027, creating a contractual obligation to deliver cash.

The conversion option has not been exercised to date, and based on current expectations, it is considered unlikely to be exercised. Accordingly, while the conversion feature continues to represent an equity component under IAS 32, it remains immaterial.

As such, the Convertible Preference Shares continue to be accounted for as a compound financial instrument, with a primary classification as a financial liability, and an immaterial residual equity component as at 31 December 2025.

Notes to the financial statements (continued)

for the year ended 31 December 2025

33 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour that was used for estimating the EIR. Issued debt reflects the contractual coupon amortisation.

As at 31 December 2025	Consolidated		
	Within 12 Months	After 12 Months	Total
USD			
ASSETS			
Cash and balances with banks	966 313 686	–	966 313 686
Money market investments	245 555 225	190 045 748	435 600 973
Loans and advances to customers	451 594 503	454 050 843	905 645 346
Derivative financial assets	17 373 969	–	17 373 969
Current tax assets	4 951 877	–	4 951 877
Assets held for sale	13 967 202	–	13 967 202
Other assets	44 806 268	2 407 401	47 213 669
Investments at fair value through profit or loss	–	39 094 247	39 094 247
Investments at fair value through other comprehensive income	–	6 202 863	6 202 863
Investment property	–	4 264 759	4 264 759
Intangible assets	–	9 082 705	9 082 705
Right-of-use assets	–	6 206 600	6 206 600
Property and equipment	–	82 361 107	82 361 107
Deferred tax assets	–	2 042 209	2 042 209
Total assets	1 744 562 730	795 758 482	2 540 321 212
LIABILITIES			
Balances due to other banks	74 311 613	9 742 812	84 054 425
Customer deposits	1 788 940 813	71 586 444	1 860 527 257
Derivative financial liabilities	18 220 810	–	18 220 810
Other payables	65 909 585	–	65 909 585
Current tax liabilities	21 431 072	–	21 431 072
Lease liabilities	2 397 891	3 497 583	5 895 474
Loans payable	6 634 903	2 000 000	8 634 903
Subordinated debt	896 995	11 261 640	12 158 635
Convertible preference shares	–	10 786 747	10 786 747
Provisions	15 315 628	–	15 315 628
Deferred tax liabilities	–	11 668 188	11 668 188
Total liabilities	1 994 059 310	120 543 414	2 114 602 724

Notes to the financial statements (continued)

for the year ended 31 December 2025

33 Maturity analysis of assets and liabilities (continued)

As at 31 December 2024	Consolidated		
	USD	Within 12 Months	After 12 Months
ASSETS			
Cash and balances with banks	651 669 255	–	651 669 255
Money market investments	307 935 188	162 990 357	470 925 545
Loans and advances to customers	239 853 494	532 324 351	772 177 845
Repurchase agreements	5 026 164	–	5 026 164
Derivative financial assets	15 929 929	–	15 929 929
Current tax assets	2 339 446	–	2 339 446
Assets held for sale	–	–	–
Other assets	26 200 433	2 352 181	28 552 614
Investments at fair value through profit or loss	–	10 496 502	10 496 502
Investments at fair value through other comprehensive income	–	4 412 979	4 412 979
Investment in joint venture	–	13 897 469	13 897 469
Investment property	–	3 880 996	3 880 996
Intangible assets	–	7 933 505	7 933 505
Right-of-use assets	–	7 345 708	7 345 708
Property and equipment	–	67 649 575	67 649 575
Deferred tax assets	–	4 411 479	4 411 479
Total assets	1 248 953 909	817 695 102	2 066 649 011
LIABILITIES			
Balances due to other banks	74 646 331	9 742 813	84 389 144
Customer deposits	1 431 864 911	82 753 351	1 514 618 262
Derivative financial liabilities	13 511 952	–	13 511 952
Other payables	46 732 478	–	46 732 478
Current tax liabilities	9 386 440	–	9 386 440
Lease liabilities	1 716 376	5 137 753	6 854 129
Loans payable	47 364 189	8 500 477	55 864 666
Subordinated debt	25 467	11 525 114	11 550 581
Convertible preference shares	–	10 786 747	10 786 747
Provisions	10 153 735	–	10 153 735
Deferred tax liabilities	–	7 867 364	7 867 364
Total liabilities	1 635 401 879	136 313 619	1 771 715 498

Notes to the financial statements (continued)

for the year ended 31 December 2025

33 Maturity analysis of assets and liabilities (continued)

As at 31 December 2025	Separate		
	Within 12 Months	After 12 Months	Total
USD			
ASSETS			
Cash and balances with banks	11 940 310	–	11 940 310
Other assets	13 227 364	5 775 355	19 002 719
Intangible assets	–	1 531 862	1 531 862
Right-of-use assets	–	35 766	35 766
Investments in subsidiary companies	–	138 910 342	138 910 342
Property and equipment	–	3 926 379	3 926 379
Total assets	25 167 674	150 179 704	175 347 378
LIABILITIES			
Other payables	1 074 971	–	1 074 971
Lease liabilities	–	59 312	59 312
Loans payable	6 634 903	2 000 000	8 634 903
Convertible preference shares	–	10 786 747	10 786 747
Total liabilities	7 709 874	12 846 059	20 555 933
As at 31 December 2024	Separate		
	Within 12 Months	After 12 Months	Total
USD			
ASSETS			
Cash and balances with banks	5 175 409	–	5 175 409
Other assets	4 021 652	5 775 355	9 797 007
Intangible assets	–	1 871 326	1 871 326
Right-of-use assets	–	35 766	35 766
Investments in subsidiary companies	–	138 910 342	138 910 342
Property and equipment	–	803 402	803 402
Total assets	9 197 061	147 396 191	156 593 252
LIABILITIES			
Other payables	878 928	–	878 928
Lease liabilities	–	59 312	59 312
Loans payable	134 903	8 500 000	8 634 903
Convertible preference shares	–	10 786 747	10 786 747
Total liabilities	1 013 831	19 346 059	20 359 890

Notes to the financial statements (continued)

for the year ended 31 December 2025

34 Provisions

USD	Consolidated			
	Staff retention incentive	Outstanding employee leave	Others	Total
Balance as at 1 January 2025	2 158 428	2 096 399	5 898 908	10 153 735
Arising during the year	6 530 881	22 458	5 187 483	11 740 822
Utilised	(4 413 666)	(72 456)	(2 334 947)	(6 821 069)
Unused amounts reversed	–	–	(29 662)	(29 662)
Reclassifications during the year	2 380 261	(1 438 415)	(945 619)	(3 773)
Effects of changes in exchange rates	191 602	25 617	58 356	275 575
Balance as at 31 December 2025	6 847 506	633 603	7 834 519	15 315 628
Balance as at 1 January 2024	688 328	2 101 896	3 388 180	6 178 404
Arising during the year	5 230 507	557 795	2 592 856	8 381 158
Utilised	(3 678 544)	(540 256)	(1 044 427)	(5 263 227)
Unused amounts reversed	–	(9 656)	(41 054)	(50 710)
Effects of changes in exchange rates	(81 863)	(13 380)	1 003 353	908 110
Balance as at 31 December 2024	2 158 428	2 096 399	5 898 908	10 153 735

The staff retention incentive represents a provision for performance based staff incentive and is included in staff costs.

Employee entitlements to annual leave are recognised when they accrue to employees. Others includes the estimate for provisions of legal cases and provisions for expected credit losses for financial guarantees, letters of credit and undrawn commitments.

These provisions are payable within 12 months of the reporting date.

35 Share capital

USD	Consolidated		Separate	
	2025	2024	2025	2024
Issued and fully paid up	117 409 081	117 409 081	117 409 081	117 409 081
Total authorised shares of 2 458 250 000				
Ordinary shares of no par value	117 409 081	117 409 081	117 409 081	117 409 081

The terms and conditions of the ordinary shares are as follows:

- i. Each holder has a right to one vote on a poll at a meeting of the Company on any resolution;
- ii. Each holder has an equal share in dividends authorised by the Board; and
- iii. Each holder has a right to an equal share in the distribution of the surplus assets of the Company.

Notes to the financial statements (continued)

for the year ended 31 December 2025

36 Restructuring reserve

In 2017, the takeover of FCB Malawi was a business combination of entities under common control. Shares issued by the Company as a consequence of the offer were recorded at fair value on the date of issue determined by reference to their stock exchange quoted price. In the consolidated financial statements, a Restructuring reserve has been debited with the difference between the fair value of FMBCH shares issued and the historic carrying amount of FCB Malawi issued shares, share premium, and accumulated non-statutory reserves at date of share exchange. Restructuring reserve includes net translation reserve of USD 3 467 428 and property revaluation reserve of USD 4 766 722 which shall be reclassified to profit or loss upon disposal of the related asset.

36.1 Restructuring reserve movements comprise:

USD	Consolidated	
	2025	2024
Historical cost of 2 336 250 000 shares	161 497	161 497
Share premium	2 164 142	2 164 142
Fair value of 2 336 250 000 shares at the completion of share exchange	(105 707 965)	(105 707 965)
Net increase	(103 382 326)	(103 382 326)
Adjustment for reserves prior to restructuring		
Property revaluation reserve	4 766 722	4 766 722
Translation reserve	3 467 428	3 467 428
Retained earnings	40 637 553	40 637 553
Balance as at 31 December	(54 510 623)	(54 510 623)

37 Property revaluation reserve

USD	Consolidated	
	2025	2024
Balance as at 1 January	16 880 875	17 901 709
Property revaluation	(753 782)	1 297 221
Deferred tax on revalued assets	(397 887)	(2 318 055)
Balance as at 31 December	15 729 206	16 880 875
Attributable to owners of parent		
Balance as at 1 January	12 879 448	14 747 281
Property revaluation	(639 283)	807 150
Deferred tax on revalued assets	(111 402)	(2 674 983)
Balance as at 31 December	12 128 763	12 879 448
Attributable to non-controlling interest		
Property revaluation	(114 499)	490 071
Deferred tax on revalued assets	(286 485)	356 928
Total movement for the year	(400 984)	846 999

Notes to the financial statements (continued)

for the year ended 31 December 2025

38 Loan loss reserve

In order to comply with asset classification directives by central banks, the Directors have made a transfer to the loan loss reserve in addition to provisions charged to profit or loss.

Where the regulatory provision requirement exceeds the IFRS 9 impairment allowance, the excess is appropriated from retained earnings to a non-distributable loan loss reserve. Conversely, where the IFRS 9 impairment allowance exceeds the regulatory provision requirement, the excess is transferred from the loan loss reserve back to retained earnings. These transfers are recognised within equity and do not impact profit or loss for the period.

39 Other reserves

Other reserves include the following:

Investment revaluation reserve

The Group's investments in corporate bonds and debentures held as available for sale financial assets under IFRS 9 have been classified as financial assets at Fair Value through Other Comprehensive Income (FVTOCI) because they are held with an objective both to collect contractual cash flows and to sell the bonds. The change in the fair value on these redeemable notes continues to accumulate in the investment revaluation reserve until they are derecognised or reclassified.

Share based payment reserve

The fair value of share options granted to employees is classified under share based payment reserve. The reserve is reduced when the employees exercise their share options.

40 Foreign currency translation reserve

This represents translation differences arising on translation of foreign subsidiaries at the end of the reporting period.

Notes to the financial statements (continued)

for the year ended 31 December 2025

41 Group subsidiaries

41.1 Shareholding in subsidiaries

As at 31 December 2025, the Company had the following subsidiaries:

Subsidiary	Domicile	Shares held by FMBCH		Sub subsidiary	Domicile	Shares held by subsidiary	
		2025	2024			2025	2024
First Capital Bank Plc	Malawi	100	100	FMB Forex Bureau Limited (dormant)	Malawi	100	100
				FMB Pensions Limited (dormant)	Malawi	100	100
				FMB Capital Markets Limited (dormant)	Malawi	100	100
				International Commercial Bank Limited (dormant)	Malawi	100	100
First Capital Bank Limited	Botswana	38.6	38.6	Jetwig Enterprises Proprietary Limited	Botswana	100	100
Afcarme Zimbabwe Holdings ¹ (Private) Limited	Zimbabwe	–	100	First Capital Bank Limited	Zimbabwe	–	52.49
				Thulile (Private) Limited	Zimbabwe	–	100
First Capital Bank Limited ¹	Zimbabwe	52.49	–	Thulile (Private) Limited	Zimbabwe	100	–
First Capital Bank Limited	Zambia	49	49				
First Capital Bank S.A.	Mozambique	80	80				
First Capital Shared Services Limited	Mauritius	100	100				

¹ In February 2025, Afcarme Holdings (Private) Limited ("Afcarme"), the immediate holding company of First Capital Bank Zimbabwe Limited ("FCB Zimbabwe"), was dissolved following approval by the Afcarme and FCB Zimbabwe Boards and local regulators (Refer Note 2.3.1).

Notes to the financial statements (continued)

for the year ended 31 December 2025

41 Group subsidiaries (continued)

41.2 Non-controlling interests (NCI) in subsidiaries

Summarised statements of financial position as at 31 December.

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2025					
NCI percentage and voting rights	61.4%	20.0%	51.0%	47.51%	
ASSETS					
Cash and balances with banks	201 003 694	442 083 839	97 349 969	107 814 923	848 252 425
Money market investments	61 284 492	8 396 602	108 105 285	22 161 955	199 948 334
Loans and advances to customers	403 033 683	91 713 714	132 769 321	128 671 318	756 188 036
All other assets	21 580 988	27 903 883	41 940 073	74 829 871	166 254 815
Total assets	686 902 857	570 098 038	380 164 648	333 478 067	1 970 643 610
LIABILITIES					
Balances due to other banks	47 648 302	22 071 938	–	14 948 142	84 668 382
Customer deposits	523 786 408	418 227 894	305 694 790	200 063 490	1 447 772 582
Subordinated debt	12 157 810	3 443 550	–	–	15 601 360
All other liabilities	17 780 746	39 988 158	30 144 781	27 394 245	115 307 930
Total liabilities	601 373 266	483 731 540	335 839 571	242 405 877	1 663 350 254
Net assets	85 529 591	86 366 498	44 325 077	91 072 190	307 293 356
Net assets attributable to NCI	52 515 169	17 273 300	22 605 789	43 268 397	135 662 655
Carrying amount of NCI	52 515 169	17 273 300	22 605 789	43 268 397	135 662 655
Dividend paid to NCI	(7 428 803)	(2 089 655)	–	(6 385 790)	(15 904 248)

Notes to the financial statements (continued)

for the year ended 31 December 2025

41 Group subsidiaries (continued)

41.2 Non-controlling interests (NCI) in subsidiaries (continued)

Summarised statements of financial position as at 31 December.

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2024					
NCI percentage and voting rights	61.4%	20%	51%	47.51%	
ASSETS					
Cash and balances with banks	167 934 987	219 718 241	84 387 851	96 957 707	568 998 786
Money market investments	57 163 240	137 844 304	78 868 950	18 313 358	292 189 852
Loans and advances to customers	345 384 883	92 917 857	125 547 665	113 113 744	676 964 149
All other assets	18 565 079	12 183 373	27 570 694	68 278 602	126 597 748
Total assets	589 048 189	462 663 775	316 375 160	296 663 411	1 664 750 535
LIABILITIES					
Balances due to other banks	46 296 720	15 939 304	867 276	16 240 994	79 344 294
Customer deposits	449 634 643	315 101 388	274 613 950	178 382 810	1 217 732 791
Commercial paper	–	47 229 286	–	–	47 229 286
Subordinated debt	11 549 756	3 443 550	–	–	14 993 306
All other liabilities	12 974 036	15 843 564	16 405 355	23 069 447	68 292 402
Total liabilities	520 455 155	397 557 092	291 886 581	217 693 251	1 427 592 079
Net assets	68 593 034	65 106 683	24 488 579	78 970 160	237 158 456
Net assets attributable to NCI	42 116 123	13 021 337	12 489 175	37 518 723	105 145 358
Carrying amount of NCI	42 116 123	13 021 337	12 489 175	37 518 723	105 145 358
Dividend paid to NCI	(4 022 928)	(2 301 351)	–	(5 812 916)	(12 137 195)

The net asset values consolidated into the Group's financial statements between that attributable to the parent and non-controlling interests are arrived at after considering fair value adjustments to align subsidiaries' assets and liabilities to fair value at reporting date, exchange rate differences through the reporting period, and after eliminating intercompany transactions and balances.

Notes to the financial statements (continued)

for the year ended 31 December 2025

41 Group subsidiaries (continued)

41.2 Non-controlling interests (NCI) in subsidiaries (continued)

Summarised statements of profit or loss and other comprehensive income for the year ended 31 December.

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2025					
NCI percentage and voting rights	61%	20%	51%	47.51%	
Net interest income	41 519 306	41 598 975	21 685 355	39 710 259	144 513 895
Total non-interest income	14 551 700	24 237 257	9 852 372	43 011 031	91 652 360
Total operating income	56 071 006	65 836 232	31 537 727	82 721 290	236 166 255
Total expenses	(21 094 299)	(19 145 062)	(15 094 861)	(42 733 380)	(98 067 602)
Profit for the year	25 157 113	31 709 762	11 823 415	24 451 367	93 141 657
Profit allocated to NCI	15 446 467	6 341 952	6 029 942	11 616 844	39 435 205

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2024					
NCI percentage and voting rights	61.4%	20%	51%	47.51%	
Net interest income	43 026 315	33 022 188	14 961 694	33 115 590	124 125 787
Total non-interest income	8 312 430	23 666 937	7 866 567	40 432 882	80 278 816
Total operating income	51 338 745	56 689 125	22 828 261	73 548 472	204 404 603
Total expenses	(19 971 610)	(16 992 487)	(12 465 880)	(46 617 943)	(96 047 920)
Profit for the year	24 227 373	26 122 587	7 291 466	23 264 145	80 905 571
Profit allocated to NCI	14 875 607	5 224 517	3 718 648	11 052 795	34 871 567

Summarised cash flow information for the year ended 31 December.

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2025					
Operating	45 959 351	132 183 311	110 087	36 891 502	215 144 251
Investing	(3 279 438)	121 649 994	(7 817 232)	(10 223 906)	100 329 419
Financing	(14 235 140)	(41 755 159)	(782 443)	(16 280 462)	(73 053 205)
Net increase or decrease in cash and cash equivalents	28 444 773	212 078 146	(8 489 588)	10 387 134	242 420 465

USD	First Capital Bank Botswana	First Capital Bank Mozambique	First Capital Bank Zambia	First Capital Bank Zimbabwe	Total
2024					
Operating	51 740 611	137 996 232	55 352 583	60 493 127	305 582 553
Investing	(32 910 444)	(119 073 485)	(22 419 352)	(8 146 141)	(182 549 422)
Financing	25 921 050	17 609 332	(2 937 761)	(17 402 023)	23 190 598
Net increase in cash and cash equivalents	44 751 217	36 532 079	29 995 470	34 944 963	146 223 729

Notes to the financial statements (continued)

for the year ended 31 December 2025

42 Net interest income

42.1 Interest and similar income

USD	Consolidated		Separate	
	2025	2024	2025	2024
Interest income calculated using the effective interest method				
Loans and advances	170 220 899	146 086 589	–	–
Lease finance	1 054 912	860 896	–	–
Government notes and stocks	75 927 282	51 266 541	–	–
Placements with other banks	33 072 576	14 499 741	51 664	–
Corporate bonds	10 914 478	14 574 127	–	–
	291 190 147	227 287 894	51 664	–
Other interest and similar income				
Other interest earning assets	4 895 690	2 086 905	298 419	379 144
Total interest and similar income	296 085 837	229 374 799	350 083	379 144

42.2 Interest expense and similar charges

USD	Consolidated		Separate	
	2025	2024	2025	2024
Interest expense calculated using the effective interest method				
Instruments at amortised costs	73 761 472	62 856 352	1 718 988	2 217 485
Interest expense and similar charges	73 761 472	62 856 352	1 718 988	2 217 485
Customer deposits	61 609 069	48 942 495	–	–
Subordinated debt	1 194 743	998 246	–	–
Preference shares	970 807	973 467	970 807	973 467
Borrowings from banks	5 210 209	4 898 519	–	–
Loans payable	3 823 053	6 280 873	748 181	1 240 686
Lease liability	953 591	762 752	–	3 332
Total interest expense and similar charges	73 761 472	62 856 352	1 718 988	2 217 485

Interest expense is calculated using the Effective Interest Rate (EIR) with the exception for interest arising on lease liability.

Notes to the financial statements (continued)

for the year ended 31 December 2025

43 Net fees and commissions

USD	Consolidated		Separate	
	2025	2024	2025	2024
Fee and commission income				
Fee earned from services that are provided at a point in time:				
Account activity fees	37 669 179	30 962 180	–	–
Card-based transaction fees	809 958	547 577	–	–
Facility processing fees	5 292 995	3 338 481	–	–
Other fees and commissions ¹	24 255 734	17 800 379	–	–
	68 027 866	52 648 617	–	–
Fee earned from services that are provided over time:				
Insurance commission	694 035	433 102	–	–
Guarantee fees ²	4 662 348	2 544 011	1 029 879	–
	5 356 383	2 977 113	1 029 879	–
Total fee and commissions income	73 384 249	55 625 730	1 029 879	–
Fees and commission expense	(12 058 992)	(7 006 393)	–	–
Net fee and commission income	61 325 257	48 619 337	–	–

1 Other fees and commissions include point of sale fees, auction facilitation fees, card issuance fees, and commission on bill payments.

2 Guarantee fees for the Company relate to guarantees of USD 50 million issued by the Company in favour of FCB Mozambique. Further information is provided in Note 31.

Fee income and expense relates to amounts other than those included in determining the effective interest rate. These arise from financial assets and liabilities that are not measured at FVPL, and trust and other fiduciary duties that result in the holding or investing of assets on behalf of the Group's customers.

Disaggregated revenue information

USD	Consolidated					
	Botswana	Malawi	Mozambique	Zambia	Zimbabwe	Total
2025						
Fee earned from services that are provided at a point in time:						
Account activity fees	940 307	6 715 403	416 255	558 488	29 038 726	37 669 179
Card-based transaction fees	8 583	247 944	–	89 369	464 062	809 958
Facility processing fees	4 285	1 954 103	1 566 744	1 767 863	–	5 292 995
Other fees and commissions	2 982 043	3 695 493	8 486 479	1 551 969	7 539 750	24 255 734
	3 935 218	12 612 943	10 469 478	3 967 689	37 042 538	68 027 866
Fee earned from services that are provided over time:						
Insurance commission	–	27 690	130 935	197	535 213	694 035
Guarantee fees	580 806	3 528 039	140 168	395 702	17 633	4 662 348
	580 806	3 555 729	271 103	395 899	552 846	5 356 383
Gross fees and commissions income	4 516 024	16 168 672	10 740 581	4 363 588	37 595 384	73 384 249
Less: Fees and commission expense	(1 469 156)	(2 279 806)	(3 113 328)	(766 533)	(4 430 169)	(12 058 992)
Net fees and commission expense	3 046 868	13 888 866	7 627 253	3 597 055	33 165 215	61 325 257

Notes to the financial statements (continued)

for the year ended 31 December 2025

43 Net fees and commissions (continued)

Disaggregated revenue information (continued)

USD	Consolidated					Total
	Botswana	Malawi	Mozambique	Zambia	Zimbabwe	
2024						
Fee earned from services that are provided at a point in time:						
Account activity fees	1 151 508	4 914 502	402 923	494 750	23 998 497	30 962 180
Card-based transaction fees	6 101	210 605	–	32 581	298 290	547 577
Facility processing fees	3 350	1 616 706	905 688	812 737	–	3 338 481
Other fees and commissions	1 326 594	2 488 672	6 238 721	1 775 029	5 971 363	17 800 379
	2 487 553	9 230 485	7 547 332	3 115 097	30 268 150	52 648 617
Fee earned from services that are provided at a point in time:						
Insurance commission	–	51 429	236 355	38	145 280	433 102
Guarantees	442 164	1 730 552	38 871	180 617	151 807	2 544 011
	442 164	1 781 981	275 226	180 655	297 087	2 977 113
Gross fee and commissions income	2 929 717	11 012 466	7 822 558	3 295 752	30 565 237	55 625 730
Less: Fees and commission expense	(746 717)	(1 638 280)	(1 339 897)	(1 252 520)	(2 028 979)	(7 006 393)
Net fees and commission expense	2 183 000	9 374 186	6 482 661	2 043 232	28 536 258	48 619 337

44 Income from investments

USD	Consolidated		Separate	
	2025	2024	2025	2024
Dividend income	442 337	200 428	42 832 608	26 584 197
Movement in fair value of investments at FVTPL (Note 17)	20 842 821	1 265 769	–	–
Net loss from investment securities ¹	(2 131 880)	–	–	–
Total income from investments	19 153 278	1 466 197	42 832 608	26 584 197

¹ The current year Group net loss of USD 2.1 million (2024: USD Nil) included in income from investments arose from the derecognition of Government Treasury bills and bonds by the Group's subsidiary, FCB Zimbabwe, during the year, representing the difference between the carrying amount of the securities and the proceeds received on disposal or settlement; the amount is not material to the consolidated financial statements of the Group and has therefore been included within income from investments rather than presented separately on the face of the statement of profit or loss.

Notes to the financial statements (continued)

for the year ended 31 December 2025

45 Net gains/(loss) on foreign exchange transactions

USD	Consolidated		Separate	
	2025	2024	2025	2024
Net foreign exchange revaluation gain/(loss)	39 701 091	17 362 774	(21 174)	(13 267)
Net foreign exchange trading income/(loss)	36 009 112	35 064 034	(5 272)	–
Total gains/(loss) on foreign exchange transactions	75 710 203	52 426 808	(26 446)	(13 267)

46 Other operating income

USD	Consolidated		Separate	
	2025	2024	2025	2024
Gain/(loss) on disposal of assets	22 649	(157 034)	–	–
Rental income	386 187	363 503	–	–
Bad debts recovered	18 752	35 317	–	–
Cost recoveries	–	–	9 986 016	9 945 918
Sundry income	3 051 525	2 228 381	–	98 614
Total other operating income	3 479 113	2 470 167	9 986 016	10 044 532

47 Staff and training costs

USD	Consolidated		Separate	
	2025	2024	2025	2024
Salaries and other short-term benefits	57 910 083	48 754 020	5 233 955	4 337 305
Training and other staff costs	6 676 233	12 193 667	1 603 944	2 445 698
Contributions to defined contribution plans	4 025 259	2 309 568	98 183	12 260
Total staff and training costs	68 611 575	63 257 255	6 936 082	6 795 263

Notes to the financial statements (continued)

for the year ended 31 December 2025

48 Premises and equipment costs

USD	Consolidated		Separate	
	2025	2024	2024	2024
Repairs and maintenance	1 369 683	1 193 576	32 253	–
Equipment hire	399 185	406 095	–	–
IT related costs	15 930 274	12 691 256	2 412 052	1 030 606
Rent, rates and utilities	2 009 192	1 819 655	82 109	67 428
Security costs	1 363 367	1 430 431	50 114	41 177
Total premises and equipment costs	21 071 701	17 541 013	2 576 528	1 139 211

Equipment hire under premises and equipment costs includes leases that meet the criteria for low value asset leases in accordance with IFRS 16 – Leases.

49 Depreciation and amortisation

USD	Consolidated		Separate	
	2025	2024	2025	2024
Property and Equipment (Note 24)	8 081 956	6 721 931	374 111	330 527
Lease – right-of-use asset amortisation (Note 22)	1 825 615	3 022 682	–	17 535
Intangible assets amortisation (Note 21)	1 437 256	1 795 668	489 708	875 534
Total depreciation and amortisation	11 344 827	11 540 281	863 819	1 223 596

Notes to the financial statements (continued)

for the year ended 31 December 2025

50 Administration and general expenses

USD	Consolidated		Separate	
	2025	2024	2025	2024
Auditor's remuneration	2 187 337	2 297 365	156 623	622 089
Bank charges	1 256 498	1 343 279	3 186	1 481
Non-Executive Director's fees and expenses	1 601 824	1 585 771	390 867	293 403
Insurance	1 154 221	895 680	1 772	1 046
Legal consultancy fees, fines and penalties	2 842 740	3 534 649	897 775	414 364
Marketing costs	3 263 310	3 332 117	4 137	10 569
Motor vehicle running costs	412 190	364 625	34 816	2 835
Operational losses	1 447 421	1 226 058	–	–
Other administration costs ¹	11 387 726	10 892 597	246 245	267 086
Indirect tax expenses ^{2,3}	4 216 459	2 269 971	–	–
Cash in transit expenses	784 204	867 068	–	–
Postage	235 713	237 046	1 319	–
Printing and stationery	1 002 332	1 008 288	87 090	67 140
Professional subscriptions	1 535 692	1 116 012	32 136	75 180
Repairs and maintenance other	997 491	745 853	129 408	27 705
Communication and connectivity costs	431 392	408 966	–	–
Travel expenses	2 441 854	2 187 645	248 400	170 329
Total administration and general expenses	37 198 404	34 312 990	2 233 774	1 953 227

1 Other administrative costs include expenses related to fuel, donations, and various office running costs.

2 In the current year, indirect tax expenses previously included within Other administration costs are presented as a separate line item. Comparative amounts have been reclassified to ensure consistency and comparability with the current period presentation. The reclassification has no impact on profit for the year, total comprehensive income, or net assets.

3 The current year indirect taxes include an adjustment of USD 1.0 million relating to the correction of prior period errors in respect of understated withholding tax expenses from the Group's subsidiary, FCB Zimbabwe, arising from certain Group recharge transactions for the years 2021 to 2024. Management has assessed the impact of these errors and concluded that they were not material to the previously issued Group financial statements. Accordingly, the prior period financial statements have not been restated, and the adjustment has been recognised in the current year in accordance with the Group's materiality assessment.

Notes to the financial statements (continued)

for the year ended 31 December 2025

51 Impairment loss on financial assets

USD	Consolidated	
	2025	2024
Impairment charge on loans, finance leases and advance to customers		
Impairment charge ¹	5 300 953	5 321 789
Recoveries	(980 766)	(1 223 704)
	4 320 187	4 098 085
Impairment (credit)/charge on other financial assets		
– Money market investments ²	2 707 838	872 579
– Cash and balances with banks	102 288	116 479
– Repurchase agreements	(20 256)	387
– Other assets ³	5 497 912	(43 977)
– Guarantees and letters of credit	452 930	399 960
	8 740 712	1 345 428
Total impairment loss on financial assets	13 060 899	5 443 513

1 Included in the impairment charge for the year ended 31 December 2025 is USD Nil (2024: USD 2.3 million) of exposures written off for which ECL was not previously provided for.

2 Increase in ECLs on money market investments held by the Group's subsidiaries in Malawi and Zimbabwe, as detailed in Note 10, contributed to the increase in impairment charges for the year.

3 The increase in impairment charges for the year in respect of other assets primarily reflects the recognition of an expected credit loss (ECL) provision of USD 4.9 million on a right of recovery from a customer relating to a corporate bank guarantee issued by First Capital Bank S.A. (Mozambique), as disclosed in Note 16. The provision was recognised in accordance with IFRS 9 to reflect the estimated credit risk on the recoverable amount and contributed significantly to the year-on-year increase in total impairment charges.

52 Basic and diluted earnings per share

The calculation of basic earnings per share at 31 December 2025 was based on profit attributable to ordinary shareholders of USD 112 860 346 (2024: USD 68 644 709) and a weighted average number of ordinary shares outstanding of 2 458 250 000 (2024: 2 458 250 000) calculated as follows:

USD	Consolidated	
	2025	2024
BASIC EARNINGS PER SHARE (EPS)		
Profit attributable to ordinary shareholders (USD)	112 860 346	68 644 709
Weighted average number of ordinary shares in issue	2 458 250 000	2 458 250 000
Basic earnings per share (US cents)	4.591	2.792

The calculation of diluted earnings per share at 31 December 2025 was based on adjusted profit attributable to ordinary shareholders of USD 113 831 153 (2024: USD 69 618 176) and a weighted average number of ordinary shares adjusted for the dilutive effect of convertible preference shares calculated as follows:

USD	Consolidated	
	2025	2024
DILUTED EARNINGS PER SHARE		
Adjusted profit attributable to ordinary shareholders (USD)	113 831 153	69 618 176
Weighted average number of ordinary shares in issue	2 458 250 000	2 458 250 000
Adjustment for convertible preferences shares	228 532 775	228 532 775
Diluted average number of ordinary shares	2 686 782 775	2 686 782 775
Diluted earnings per share (US cents)	4.237	2.591

The 10 786 747 convertible preference shares (see Note 32) are convertible into ordinary shares and are dilutive in 2025 and 2024.

Notes to the financial statements (continued)

for the year ended 31 December 2025

53 Contingent liabilities

USD	Consolidated		Separate	
	2025	2024	2025	2024
Legal claims	1 466 586	475 691	–	–
Tax claims	1 598 628	–	–	–
Defined benefit obligations ¹	7 053 390	6 438 204	–	–
	10 118 604	6 913 895	–	–

¹ These obligations relate to FCB Zimbabwe. Refer to note 58 for further details.

Legal claims represent ongoing civil litigation matters involving the Group. These matters are subject to legal uncertainty and are at various stages of resolution. Where, based on legal advice and management's assessment, the outflow of economic resources is considered probable and can be reliably estimated, provisions have been recognised in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. Details of such provisions are included in Note 34.

54 Capital commitments

Capital expenditures which had been authorised at the balance sheet date but not recognised in the financial statements are as follows:

USD	Consolidated		Separate	
	2025	2024	2025	2024
Authorised and contracted for	8 738 209	15 491 702	–	–
Authorised but not yet contracted for	5 125 135	11 733 898	–	–
Total Capital commitment	13 863 344	27 225 600	–	–

The Group's commitments are classified as below:

USD	Consolidated		Separate	
	2025	2024	2025	2024
Authorised and contracted for				
Property and equipment	8 738 209	15 354 882	–	–
Intangible assets – Computer software	–	136 820	–	–
	8 738 209	15 491 702	–	–
Authorised but not yet contracted for				
Property and equipment	2 066 845	9 971 998	–	–
Intangible assets – Computer software	3 058 290	1 761 900	–	–
	5 125 135	11 733 898	–	–
Total Capital commitments	13 863 344	27 225 600	–	–

There were no capital commitments for the Company. All capital commitments made by the Company were directly incurred by the Group subsidiaries.

Notes to the financial statements (continued)

for the year ended 31 December 2025

55 Related party transactions

55.1 Transactions with subsidiaries and other related parties

The following transactions were carried out by / with related parties during the year:

Name of related party	Relationship	Nature of transactions	Separate USD	
			2025	2024
Administration and secretarial services				
JTC Fiduciary Services (Mauritius) Limited	Administrator and secretary	Administrative and secretary fees	(50 116)	(35 807)
Dividend income on preference shares				
First Capital Bank Limited (Botswana)	Subsidiary	Dividend income on preference shares	145 541	151 531
Dividend income on ordinary shares				
First Capital Bank Limited (Zimbabwe)	Subsidiary	Dividend income on ordinary shares	7 055 148	6 422 227
First Capital Bank Limited (Botswana)	Subsidiary	Dividend income on ordinary shares	4 670 224	2 529 072
First Capital Bank Plc (Malawi)	Subsidiary	Dividend income on ordinary shares	22 603 074	8 280 982
First Capital Bank S.A.(Mozambique)	Subsidiary	Dividend income on ordinary shares	8 358 621	9 205 402
Group shared services for subsidiaries				
First Capital Bank Limited (Zimbabwe)	Subsidiary	Group shared services	2 847 809	2 623 805
First Capital Bank Limited (Botswana)	Subsidiary	Group shared services	1 493 036	1 828 251
First Capital Bank S.A. (Mozambique)	Subsidiary	Group shared services	1 211 947	1 212 594
First Capital Bank Plc (Malawi)	Subsidiary	Group shared services	3 465 163	3 220 520
First Capital Bank Limited (Zambia)	Subsidiary	Group shared services	968 061	1 060 747
Interest income				
First Capital Bank S.A. (Mozambique)	Subsidiary	Interest on subordinated debt	297 000	297 000
First Capital Bank Limited (Botswana)	Subsidiary	Interest on deposits	–	80 725
Fees and commissions				
First Capital Bank S.A. (Mozambique)	Subsidiary	Commission on guarantee	1 128 493	23 471
Interest paid on convertible preference shares				
Magni Holdings Limited	Shareholder	Interest on convertible preference shares	(485 404)	(486 733)
Prime Bank Limited	Shareholder	Interest on convertible preference shares	(485 404)	(486 734)

Notes to the financial statements (continued)

for the year ended 31 December 2025

55 Related party transactions (continued)

55.1 Transactions with subsidiaries and other related parties (continued)

Name of related party	Relationship	Nature of transactions	Separate USD	
			2025	2024
Interest paid on loans				
Mrs Meeta Anadkat	Immediate family member of a shareholder	Interest on loan payable	(91 250)	(91 500)
Premier Capital (Mauritius) Limited	Shareholder	Interest on loan payable	(114 063)	(114 375)
Prime Bank Limited	Shareholder	Interest on loan payable	(296 563)	(297 375)
Dividend paid				
Premier Capital (Mauritius) Limited	Shareholder	Dividend paid on ordinary shares	(5 610 784)	(4 921 145)
Prime Bank Limited	Shareholder	Dividend paid on ordinary shares	(1 922 088)	(1 685 838)
Prime Capital Holdings Limited	Shareholder	Dividend paid on ordinary shares	(1 922 088)	(1 685 838)
Magni Holdings Limited	Shareholder	Dividend paid on ordinary shares	(1 698 760)	(1 489 960)
Hitesh N. Anadkat	Shareholder	Dividend paid on ordinary shares	(383 121)	(400 092)
NG Anadkat Limited	Shareholder	Dividend paid on ordinary shares	(232 974)	(173 833)
Livingstone Exports Limited	Shareholder	Dividend paid on ordinary shares	(142 168)	(86 360)
Livingstone Holdings Limited	Shareholder	Dividend paid on ordinary shares	(96 046)	(84 240)
Thomas Kadantot	Shareholder	Dividend paid on ordinary shares	(11 625)	(10 196)
Shaun Anadkat	Shareholder and immediate family member of a director	Dividend paid on ordinary shares	(5 126)	(4 496)
Sheena Anadkat	Shareholder and immediate family member of a director	Dividend paid on ordinary shares	(3 661)	(3 211)
Dillon Anadkat	Shareholder and immediate family member of a director	Dividend paid on ordinary shares	(2 929)	(2 569)

Notes to the financial statements (continued)

for the year ended 31 December 2025

55 Related party transactions (continued)

55.2 Balances with subsidiaries and other related parties

Outstanding balances with related parties as at 31 December are as follows:

Name of related party	Relationship	Nature of transactions	Separate USD	
			2025	2024
Balances outstanding—				
Group shared services				
First Capital Bank Limited (Zimbabwe)	Subsidiary	Group shared services	1 004 690	627 702
First Capital Bank Limited (Botswana)	Subsidiary	Group shared services	487 713	215 435
First Capital Shared Services Limited	Subsidiary	Net cost recoveries	688 338	(1 316)
First Capital Bank Plc (Malawi)	Subsidiary	Group shared services	223 618	467 961
First Capital Bank S.A. (Mozambique)	Subsidiary	Group shared services	170 317	730 512
First Capital Bank S.A. (Mozambique)	Subsidiary	Commission on guarantee	1 128 493	–
First Capital Bank Limited (Zambia)	Subsidiary	Group shared services	401 994	1 220 940
Loan receivable				
First Capital Bank S.A. (Mozambique)	Subsidiary	Subordinated debt	3 442 725	3 442 725
Loans payable				
Mrs Meeta Anadkat	Immediate family member of a shareholder	Loan payable	(1 000 000)	(1 000 000)
Premier Capital (Mauritius) Limited	Shareholder	Loan payable	(1 250 000)	(1 250 000)
Prime Bank Limited	Shareholder	Loan payable	(3 250 000)	(3 250 000)
Convertible preference shares outstanding				
Magni Holdings Limited	Shareholder	Convertible preference shares	(5 393 374)	(5 393 374)
Prime Bank Limited	Shareholder	Convertible preference shares	(5 393 373)	(5 393 373)
Cash and cash equivalents				
First Capital Bank Limited (Botswana)	Subsidiary	Cash and cash equivalents	1 175 715	4 129 524
First Capital Bank Plc (Malawi)	Subsidiary	Cash and cash equivalents	75 034	1 242
First Capital Bank S.A. (Mozambique)	Subsidiary	Cash and cash equivalents	–	41 374
Preference shares investment				
First Capital Bank Limited (Botswana)	Subsidiary	Preference shares	1 949 451	1 949 451

No interest was charged on balances outstanding from related parties.

The Mauritius entities provide strategic, technological and operations shared services to the banking subsidiaries in the Group. Costs are also paid on behalf of the banking subsidiaries and recharged back as cost recoveries.

Name of related party	Relationship	Nature of transactions	Consolidated USD	
			2025	2024
Makasa Sun Private Limited	Jointly controlled entity	Loans and advances	–	600 000
Makasa Sun Private Limited	Jointly controlled entity	Deposits	–	49 000

Intra-group transactions and balances between entities within the Group have been eliminated on consolidation and are therefore not disclosed separately in these consolidated financial statements.

Notes to the financial statements (continued)

for the year ended 31 December 2025

55 Related party transactions (continued)

55.3 Compensation of key management personnel

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors of the company and its parent, as well as members of the executive committee who are not directors.

Compensation paid to the board of directors and to other key management personnel, as well as the number of share instruments held, are shown below:

USD	Consolidated		Separate	
	2025	2024	2025	2024
Executive directors	2 962 381	2 888 875	–	–
Key Management Personnel	15 455 338	12 132 568	4 665 178	3 535 620
Short-term employee benefits	15 098 475	11 767 059	4 627 112	3 535 620
Post-employment benefits	356 863	365 509	38 066	–
Non-Executive directors	1 314 604	1 261 190	218 500	190 000
Total	19 732 323	16 282 633	4 883 678	3 725 620

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Senior management personnel of the Group, excluding non-executive directors, are included in an annual cash bonus scheme. Bonuses in this scheme are determined on the basis of both financial and non-financial KPIs depending on their roles. Amounts awarded under this scheme are included in short-term employee benefits in the table above.

55.4 Transactions with key management personnel

USD	Consolidated	
	2025	2024
Senior management:		
Loans and advances		
Loans outstanding at the beginning of the year	2 246 232	2 848 721
Change in key management structures	130 901	8 947
Net change in loans during the year	771 844	(554 544)
Effects of changes in exchange rates	117 192	(56 892)
Loans outstanding at the end of the year	3 266 169	2 246 232
Interest income	134 062	150 825
Deposits		
Deposits outstanding at the beginning of the year	463 733	844 053
Change in key management structures	46 967	(3 965)
Net change in deposits during the year	259 082	(365 793)
Effects of changes in exchange rates	28 499	(10 562)
Deposits outstanding at the end of the year	798 281	463 733
Net interest expense	12 490	3 634

Notes to the financial statements (continued)

for the year ended 31 December 2025

55 Related party transactions (continued)

55.4 Transactions with key management personnel (continued)

Corporate bodies directly or indirectly related to Directors:

USD	Consolidated	
	2025	2024
Loans and advances		
Loans outstanding at the beginning of the year	5 014 430	8 079 286
Net change in loans during the year	2 537 016	(2 921 489)
Effects of changes in exchange rates	458 905	(143 367)
Loans outstanding at the end of the year	8 010 351	5 014 430
Interest income	333 744	121 093
Deposits		
Deposits outstanding at the beginning of the year	29 651 268	15 230 689
Net change in deposits during the year	(12 006 796)	15 072 486
Effects of changes in exchange rates	2 041 157	(651 907)
Deposits outstanding at the end of the year	19 685 629	29 651 268
Net interest income/(expense)	(176 351)	162 041

56 Events after the reporting date

56.1 Capital gains tax on listed shares

Subsequent to the reporting date, on 27 February 2026, the Government of Malawi, following consultations with key stakeholders in the financial and capital markets industry, resolved to simplify the Capital Gains Tax regime introduced in December 2025 on the sale of listed shares. Previously, Capital Gains Tax was calculated on the net gain arising from the disposal of listed shares, being the difference between the sale proceeds and the inflation-indexed original cost of acquisition, and taxed at the applicable rate under the previous regime.

Under the new regime, the existing Capital Gains Tax has been replaced with a final withholding tax of 2% on the gross proceeds from the sale of such shares. The withholding tax will be deducted at source by the broker, the Malawi Stock Exchange, or any other person designated under the law. The change will be effective from 1 April 2026 after parliament passes the amendment to the existing law.

This represents a non-adjusting event under IAS 10 – Events after the Reporting Period, as the change was enacted after 31 December 2025. Accordingly, no adjustment has been made to the amount recognised in the 2025 financial statements. Deferred tax liability on capital gains on shares (equity revaluation) recognised in the 2025 financial statements, as disclosed in Note 25, will be derecognised in the 2026 financial statements as a result of this change.

56.2 Geopolitical developments in the Middle East

Event and timing

Subsequent to 31 December 2025, geopolitical tensions in the Middle East escalated significantly following the commencement of an armed conflict in the region on 28 February 2026. The conflict remains ongoing at the date of authorisation of these consolidated financial statements.

Market impact

The outbreak of hostilities resulted in heightened volatility in global financial and commodity markets, particularly in energy markets. Concerns over potential disruptions to global supply routes, including the strategic Strait of Hormuz, led to a sharp increase in international crude oil prices. Brent crude oil prices rose from approximately USD 72 per barrel prior to the outbreak of hostilities to levels exceeding USD 80 per barrel in early March 2026, an increase of roughly 10–15% within a short period following the escalation of the conflict.

These developments have contributed to elevated inflation expectations, foreign exchange volatility and uncertainty in emerging and frontier markets. The immediate near-term risks to African economies are primarily associated with increases in global oil prices and potential weakening of local currencies amid heightened demand for safe-haven assets in global financial markets. These factors may contribute to higher short-term inflationary pressures and could prompt more cautious monetary policy responses by central banks across the continent. The extent of the impact on African economies will largely depend on the duration of the conflict and the degree to which global energy supply chains and maritime trade routes, particularly shipping through the Strait of Hormuz, are disrupted.

Notes to the financial statements (continued)

for the year ended 31 December 2025

56 Events after the reporting date (continued)

56.2 Geopolitical developments in the Middle East (continued)

Impact on the Group

The Group does not have direct operations, investments or credit exposures in the immediate conflict zone. However, as a regional banking group operating in Malawi, Zambia, Zimbabwe, Mozambique and Botswana, sustained increases in crude oil prices and broader geopolitical uncertainty could indirectly affect the Group through:

- increased inflationary pressures and operating costs in the Group's operating markets;
- foreign exchange volatility in import-dependent economies;
- increased market volatility affecting the valuation of financial assets; and
- potential pressure on borrower affordability and credit quality, particularly for corporate and retail clients exposed to higher input and energy costs.

Assessment under IFRS 9

Management has considered whether these developments represent indicators of impairment for financial assets measured under IFRS 9 Financial Instruments. Based on information available at the date of authorisation of these consolidated financial statements:

- no evidence has been identified indicating a material deterioration in credit quality as at 31 December 2025;
- forward-looking information and macroeconomic assumptions used in the measurement of expected credit losses (ECLs) will continue to be monitored, and any necessary updates will be reflected in future reporting periods; and
- the Group remains vigilant to potential stress in borrower portfolios arising from inflation, foreign exchange volatility and higher energy costs.

Non-adjusting event conclusion

In accordance with IAS 10 – Events after the Reporting Period, these developments are classified as a non-adjusting event, and no adjustments have been made to the amounts recognised in these consolidated financial statements.

Going concern

Based on the assessments performed, management has concluded that these developments do not cast significant doubt on the Group's ability to continue as a going concern. The Group continues to monitor developments closely and will reflect any material impacts in future reporting periods as appropriate.

56.3 Proposed dividend

On 27 March 2026, the Board of Directors proposed a final dividend of USD 16.5 million (0.67 US cents per share) in respect of the year ended 31 December 2025. In accordance with IAS 10 Events after the Reporting Period, this dividend has not been recognised as a liability as at 31 December 2025 and will be recognised in the 2026 financial statements.

57 Exchange rates used for translating the Group's foreign operations

Rates in the table below were used in the calculation of the Group's foreign currency translation reserve when converting "to the Group reporting currency.

Entity	2025		2024	
	Closing rate	Average rate	Closing rate	Average rate
First Capital Bank (Zimbabwe) Limited	1.00	1.00	1.00	1.00
First Capital Bank Limited (Botswana)	13.05	13.50	13.72	13.59
First Capital Bank Plc (Malawi)	1 733.83	1 733.83	1 733.83	1 722.70
First Capital Bank S.A. (Mozambique)	63.91	63.91	63.91	63.91
First Capital Bank Limited (Zambia)	22.03	25.28	27.93	26.02
First Capital Shared Services Limited	46.22	45.81	47.08	46.09

Notes to the financial statements (continued)

for the year ended 31 December 2025

58 Retirement benefit pension plan

First Capital Bank Zimbabwe Pension Fund

The First Capital Bank Pension Fund ("The Fund") manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the Funds are managed as one composite pool, with no separation for the active members and pensioners. The awarding of pension increases and increase in accumulated values to active members is done in consideration of the performance of the Fund and any requirement to increase risk reserves.

The plan assets comprise of property, bank balance, equity instruments and money market deposits at 31 December 2025.

58.1 Composition of pension fund plan assets

	2025	2024
Cash and bank balances	866 000	507 000
Equity and unity trusts	7 629 000	2 792 000
Money market	649 000	4 962 000
Properties	27 441 000	27 113 000
Other	1 182 000	186 000
Total	37 767 000	35 560 000

58.2 Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2024: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2024: 6%) of the basic salary. Under this scheme, retirement benefits are determined by reference to the employees' and the Group's contributions to date and the performance of the Fund. The value of contributions made to the defined contribution fund is USD1.22 million (2024: USD1.22 million).

All employees are also members of the National Social Security Authority Scheme, to which both the employer and the employees contribute. The Group contributes 4.5% of pensionable emoluments (maximum USD 5 400) for eligible employees.

The Group does not apply any asset-liability matching strategies in managing its defined benefit obligations. No annuity arrangements, longevity swaps or similar risk-mitigation techniques are in place as at 31 December 2025 (2024: none).

58.3 Defined benefit pension plans

The Fund provides for annuities for those pensioners who opted not to purchase the annuity from an external insurer at the point of retirement. All annuities are now purchased outside the Fund at the point of retirement. The provision of pension annuities to pensioners is a significant defined benefit. As a result, a valuation was performed based on IAS 19 Employee Benefits for the whole Fund for both the assets and liabilities.

The Group expects to contribute approximately USD 169 114 to its defined benefit plans during the next annual reporting period ending 31 December 2026. This estimate reflects contributions required in terms of the plan's funding arrangements and current actuarial assumptions.

Notes to the financial statements (continued)

for the year ended 31 December 2025

58 Retirement benefit pension plan (continued) First Capital Bank Zimbabwe Pension Fund (continued) 58.4 Summary valuation of the pension obligation

Summary of the valuation is shown below:

	2025	2024
Present value of pensioner obligation (Defined Benefit)	7 054 000	6 439 000
Active members liability (Defined Contribution)	10 948 000	16 843 000
Deferred and preserved pensioners	7 834 000	6 723 000
Other liabilities – risk pools	723 000	696 000
Other sundry liabilities	8 814 000	31 000
Total liabilities	35 373 000	30 732 000
Total assets	37 767 000	35 560 000
Net surplus	2 394 000	4 828 000

This surplus is attributable to the Fund and the Trustees have discretion as to the application and appropriation of the surplus. The surplus could not be recognised as an asset by the Group because the Group will not receive any future benefits from the surplus in the form of contribution holidays or refunds. The Fund rules clearly state that the Group will not be paid any refund relating to the surplus. In addition the Group is currently not making any additional contributions for the pensioners, therefore, there will be no benefit to the Bank arising from reduced contributions or contribution holiday.

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2025	2024
Opening present value	6 439 000	6 300 000
Interest cost	4 000	134 000
Surplus allocated to pensioners	1 658 000	5 717 000
Benefits paid	(1 047 000)	(691 000)
Impact of exchange rate movement	–	(5 021 000)
Present value at 31 December	7 054 000	6 439 000

Principal actuarial assumptions

	2025	2024
Discount rate	2%	2%
Average life expectancy in years of pensioner retiring at 60 – Male	15%	16%
Average life expectancy in years of pensioner retiring at 60 – Female	19%	19%

Sensitivity of key principal assumptions

	Increase in defined benefit obligation	
Decrease in discount rate (0.5%)	263 000	6 916
Increase in life expectancy (1 year)	199 000	4 818

Pre-2009 Compensation for Loss of Value

In October 2023, Statutory Instrument 162 of 2023, the Pensions and Provident Funds (Compensation for Loss of Pre-2009 Value of Pension Benefits) Regulations, 2023, were promulgated. The regulations require the Pension Fund to quantify the loss of value and offer compensation to both current and former members for the investigative period.

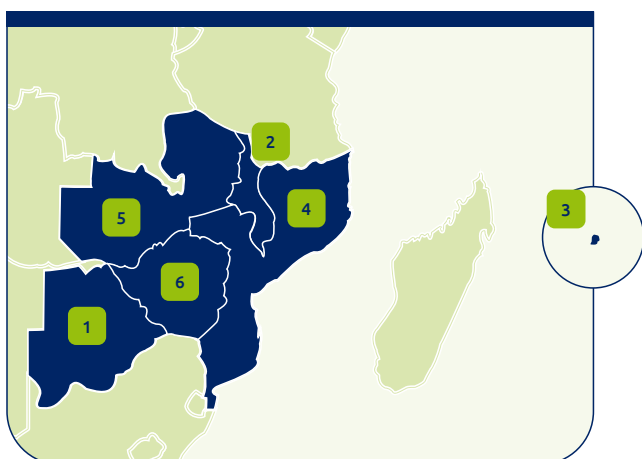
This process is currently ongoing, and the Pension Fund has yet to make a final determination, with data availability being a significant challenge. As of December 2025, the Group has taken into account the actuarial valuation of the pensioner liability. A contingent liability related to this matter has been disclosed in Note 53.

Abbreviations and acronyms

FM BCH or the Company	FMBcapital Holdings Plc
the Group	First Capital Bank Plc (Malawi), First Capital Bank Limited (Zambia), First Capital Bank Limited (Botswana), First Capital Bank S.A. (Mozambique), First Capital Shared Services Limited, Afcarme Zimbabwe Holdings (Private) Limited, First Capital Bank Limited (Zimbabwe)
FCB Botswana	First Capital Bank Limited (Botswana)
FCB Malawi	First Capital Bank Plc (Malawi)
FCB Mozambique	First Capital Bank S.A. (Mozambique)
FCB Zambia	First Capital Bank Limited (Zambia)
FCB Zimbabwe	Afcarme Zimbabwe Holdings (Private) Limited, First Capital Bank Limited (Zimbabwe)
FCSSL	First Capital Shared Services Ltd
FMBCH	FMBcapital Holdings Plc

ALCO	Asset and Liability Committee	ICT	Information and Communication Technology
CCRL	Corporate Climate Responsibility Levy	IFRS	International Financial Reporting Standards
CPI	Consumer Price Index	IRRBB	Interest rate risk in the banking book
EAD	Exposure at default	LGD	Loss given default
ECL	Expected Credit Losses	MSE	Malawi Stock Exchange
ESG	Environmental Social and Governance	NCI	Non-Controlling Interests
EPS	Earnings Per Share	NOP	Net Open Foreign Currency Position
FVPL	Fair Value through Profit or Loss	NII	Net Interest Income
FVOCI	Fair Value through Other Comprehensive Income	PD	Probability of Default
FSC	Financial Services Commission	RBM	Reserve Bank of Malawi
GBL	Global Business Licence	RWA	Risk-Weighted Assets
IAS	International Accounting Standards	SPPI	Solely payments of principal and interest
IASB	International Accounting Standards Board	SICR	Significant Increase in Credit Risk
ICAAP	Internal Capital Adequacy and Assessment Process	The fund	First Capital Bank Pension Fund
ICAM	Institute of Chartered Accountants in Malawi	USD	United States Dollars

Where to find us



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Corporate information



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Mauritius

Secretary/administrator

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Transfer Secretary

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Mauritius

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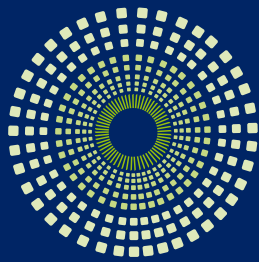
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 **FMBcapital**
HOLDINGS_{plc}

Belief comes first.