

FINBOND GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2001/015761/06)

Share code: "FGL" ISIN: ZAE000138095

Main Board – General Segment

("Finbond" or "the Company" or "the Group")

## **UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2025**

The Group made strong progress on its long-term strategy, strengthening the foundation for sustained profitability. Loan volumes were robust in South Africa and continue to improve in North America, driving a significant rise in interim profitability.

Key indicators during the period under review:

- Profit after tax attributable to owners increased 598.9% to R52.8 million (August 2024: Loss of R10.6 million).
- Earnings per share improved 576.6% to 11.0 cents (August 2024: Loss of 2.3 cents).
- Headline earnings per share improved 154.3% to 1.1 cents (August 2024: Loss of 2.0 cents).
- Net asset value per share improved 7.2% to 148.9 cents (August 2024: 138.8 cents).
- Total revenue increased 13.4% to R909.4 million (August 2024: R801.6 million).
- Net loan impairment expense to loan revenue improved 2.2% to 17.4% (August 2024: 17.8%).
- Cash, cash equivalents and liquid assets increased 22.4% to R1.07 billion (August 2024: R872.0 million).
- Cash received as a percentage of capital granted improved 0.7% to 126.5% (August 2024: 125.6%), despite growth in loans and advances growth.
- Loans and advances increased 1.4% to R666.1 million (August 2024: R657.2 million), noting that loans and advances consolidated on the balance sheet does not include the growth of loans and advances within joint ventures and associates. Refer to “North American Operations” results below for further details.
- Total assets increased 9.9% to R4.62 billion (August 2024: R4.20 billion).

### **ONGOING PROGRESS AND RECOVERY**

Following the return to profitability in 2024, the Group has made solid further progress. Interim results confirm this momentum, though some volatility persists as we move toward sustained, higher profits.

Loan sales were healthy in South Africa and North America and are 48.2% ahead of 2020 volumes (a comparable period before the impact of COVID-19 and the regulatory changes in Illinois, as discussed in previous announcements). Our SAIL product in Illinois, good growth in South Africa and the investment in C1 Holdings all contributed to the improvement.

In South Africa, Finbond Mutual Bank and Supreme Finance again outperformed their pre-COVID 2020 benchmarks and are well positioned for continued growth.

## **FINANCIAL RESULTS**

In challenging trading conditions, Finbond performed well during the six-month period. Most of the Group's revenue is derived from short-term consumer loans. Profit after tax, earnings per share and headline earnings per share all increased by more than 100%.

In a high inflationary environment, thanks to smart cost-savings and efficiency initiatives, operating expenses were restricted to an increase of 4.2% to R511.5 million from R490.8 million last year (despite revenues increasing 13.4%). The cost-to-income ratio accordingly improved 8.1% to 56.2%. The goal is to continue to reduce this ratio as the business scales.

60.7% (August 2024: 66.3%) of total revenue was generated in South Africa, while 39.3% (August 2024: 33.7%) was generated in North America.

## **LIQUIDITY POSITION**

Finbond's cash, cash equivalents and liquid assets at the end of August 2025 increased 22.4% to R1.07 billion from R872.0 million a year ago.

As at 31 August 2025, Finbond's commercial paper amounted to R2.96 billion (August 2024: R2.71 billion) and FMB's retail deposits amounted to R579.2 million (August 2024: R559.8 million). The average Finbond commercial paper investment was R1.6 million, the weighted average outstanding note term was 40.3 months, and the weighted average interest rate was 11.0%. The interest rate on new commercial paper was lowered in recent months, but Finbond continued to raise capital indicating strong support. Finbond's long-term cost of funding is now competitive with other large major banks. The average Finbond Mutual Bank retail deposit size was R396,232, the weighted average outstanding deposit term was 25.6 months, and the weighted average interest rate was 9.2%.

Finbond is not exposed to the uncertainty that accompanies the use of short-term corporate call deposits as a funding mechanism, as the Group only accepts 60-month commercial paper investments and six- to 72-month fixed-term retail deposits. Given the long-term nature of Finbond's liabilities and the short-term nature of our assets (short-term consumer loans with an average outstanding book term of 3.3 months in South Africa and a weighted average term on loans granted of 5.1 months in North America), Finbond possesses a low-risk liquidity structure.

Cash received as a percentage of consumer capital granted during the period averaged a healthy 126.5%, despite the loan book's growth, compared to 125.6% in the corresponding period.

## **UPFRONT CREDIT SCORING**

Disciplined upfront credit scoring and underwriting, pay date management, and collections efforts remain robust and strong.

In South Africa, detailed affordability calculations are performed prior to extending any loans, to determine whether clients can afford the loan repayments. In line with Finbond's conservative approach, additional expense buffers are included in all affordability assessments. In North America, underwriting criteria is optimised within the prescripts of relevant laws and regulations to ensure maximum recoverability. This is evidenced by the Group's improved impairment numbers. We would rather have cash unutilised than extend loans to customers who cannot afford to repay them.

Finbond continued to apply strict upfront credit scoring and affordability criteria. Credit scores and impairment loss performance data on products are monitored monthly and are continually adjusted to reduce credit risk and further improve the quality of assets. Provisions to gross consumer loans and advances coverage marginally decreased to 52.5% (August 2024: 52.7%) as Finbond's conservative IFRS 9 ECL models ensure adequate provisions are maintained.

### **COLLECTION RATES**

Finbond's collection rate (total payments received as a percentage of payments expected) for the six-month period averaged a healthy 101.6% (August 2024: 97.0%).

In South Africa, collection rates averaged 87.8%, 0.8% above the targeted rate of 87% (based on *expected* payments received/instalments). Collection rates in North America averaged 114.8%, 14.8% above the targeted rate of 100% (based on *total* payments received/instalments).

### **SOUTH AFRICAN OPERATIONS**

Finbond's South African businesses primary focus is small short-term consumer loans through 515 branches. Total revenue increased 4.6% to R541.2 million (August 2024: R517.2 million) for the period. South Africa performed well and remains ahead of pre-COVID levels. The total net loan book increased 0.9% to R500.7 million (August 2024: R496.2 million).

South African operations received payments from short-term consumer loan customers of R1.51 billion, an increase of 4.6% compared to the prior interim period's R1.45 billion, while granting R983.1 million in new loans, an increase of 2.3% compared to the last interim period's R960.6 million.

Finbond South Africa's average consumer loan size was R2,089 (August 2024: R2,012). The average term was 3.3 months (February 2024: 3.2 months).<sup>1</sup> Given the short-term nature of products, the loan portfolio is cash flow generative and a good source of internally generated liquidity. The loan portfolio turns over approximately four times a year.

Net impairment on loans and advances as a percentage of turnover has strengthened to 18.5% compared to 19.0% in the corresponding period last year.

Finbond's lending practices have been consistently conservative over the past number of years. The Group's rejection or decline rates remain higher than those of its major competitors. Rejection rates in South Africa stood at between 76% and 90% for the 12- to 24-month products at the end of August 2025.

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<sup>1</sup> Based on the total number of loans granted.

Capital weighted scores remain high, which suggests that the quality of loans is satisfactory.

From the prior period, Finbond Mutual Bank increased its business lending book by 7.1%. This will be a growth area going forward, as the “big” South African banks tighten their lending criteria, affecting good businesses with strong payment history.

## **NORTH AMERICAN OPERATIONS<sup>2</sup>**

Finbond’s North American businesses primarily focus on short-term consumer loans offered through 154 branches operating in the following states: Alabama, Arizona, California, Illinois, Indiana, Louisiana, Michigan, Missouri, Mississippi, Nevada, South Carolina, Tennessee and Wisconsin. Finbond also operates in Ontario, Canada and in Panama. Consumer instalment loans are offered online in Illinois, Missouri, South Carolina and Wisconsin.

Total net subsidiary consumer loans and advances increased by 2.1% to R165.4 million (from R162.0 million in August of last year).

Investments in joint ventures (“JVs”) comprise the Americash Group (including its Illinois SAIL product) and Cashback (businesses also focused on short-term consumer loans). The carrying value of JVs (mainly made up of loans and advances) increased 16.6% from last year, from R858.5 million to R1.00 billion. Investments in JVs are equity accounted (i.e., the carrying amount is initially recognised at cost, and subsequently: (1) increased/decreased to recognise accounting profits/losses, (2) decreased by cash dividends received, and (3) increased/decreased to recognise forex profits/losses). The carrying value was increased by Finbond’s share of profits (from last August) of R139.0 million and decreased by its share of cash dividends of R85.7 million.

Investments in associates comprise C1 Holdings (a business focused on short-term consumer loans), which again produced exceptional results. The carrying value of the associate (mainly made up of loans and advances) increased 8.0% from last year (from R668.4 million to R721.6 million). Investments in associates – as with JVs – are equity accounted as explained above. The carrying value was increased by Finbond’s share of profits (from last August) of R200.3 million and decreased by its share of cash dividends of R149.9 million.

Total North American operations received payments from customers of R2.93 billion, an increase of 5.3% compared to the prior interim period’s R2.78 billion, while granting R2.53 billion in new loans, an increase of 5.0% compared to the corresponding period’s R2.41 billion.

Total revenue from Finbond’s North American short-term lending operations (including subsidiaries, JVs and associates) increased 33.2% to R350.8 million (August 2024: R263.4 million).

Collections are strong in North America. Net impairment on loans and advances as a percentage of turnover improved to 18.1% compared to last year’s 18.7%. A key value driver is the quality of new business. Without quality, new business growth is meaningless and not sustainable.

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<sup>2</sup> Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For subsidiaries where ownership is below 75%, joint ventures and associates, results include only Finbond’s specific ownership percentage. Branch numbers include 100% of all investments i.e., the Group's full network.

The focus is on high quality, short-term loans. The weighted average term on loans granted was 5.1 months and the average loan size (across all loan type sales) was \$663.

## STRATEGIC INITIATIVES

In line with the Board-approved five-year strategic plan, Finbond's short- and medium-term strategic initiatives include:

- Growing our South African operations through increased business volumes and expansion of our branch network;
- Stabilising and growing our international operations through the expansion of our branch/store network in North America and Latin America;
- Expanding our online SAIL GoCredit.Me product by rolling it out to all 50 US states;
- Diversifying our business operations through key strategic partnerships that can add additional distribution and income channels; and
- Increasing our net profits through organic growth and strategic acquisitions.

## LOOKING AHEAD

We are optimistic about Finbond's prospects and expansion in both North America and South Africa. The opportunities ahead are captivating and exciting. With a clear strategy, a strong leadership team, and the commitment of our people, we are confident that we are well-positioned to continue our momentum and deliver long-term sustainable results that matter.

## DIVIDEND

The Board has declared a dividend of 5.50242 cents per share for the interim period ended 31 August 2025 (2024: no dividend).

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Interim unaudited 31 August 2025	Interim unaudited 31 August 2024	% change	Full year audited 28 February 2025
<b>Assets</b>				
Cash and cash equivalents	677,832	576,591	17.6	661,787
Other financial assets at fair value through profit or loss	33,030	20,912	57.9	22,253
Other financial assets at amortised cost	356,064	274,467	29.7	329,470
Loans and advances	666,085	657,206	1.4	675,680
Trade and other receivables	214,245	186,627	14.8	203,904
Loans to group companies	170	67,767	(99.7)	48,782
Investments in joint ventures	1,001,038	858,509	16.6	937,380
Investments in associates	721,601	668,440	8.0	742,455
Property, plant and equipment	171,147	156,797	9.2	162,041
Right of use assets	207,439	168,239	23.3	177,608

Investment property	110,636	115,296	(4.0)	110,636
Deferred taxation	128,422	137,441	(6.6)	120,278
Goodwill	314,867	295,934	6.4	318,630
Intangible assets	17,932	18,854	(4.9)	16,880
<b>Total Assets</b>	<b>4,620,508</b>	<b>4,203,080</b>	<b>9.9</b>	<b>4,527,784</b>
<b>Equity</b>				
Share capital	874,214	865,421	1.0	877,978
Reserves	315,515	302,745	4.2	386,895
Retained loss	(481,177)	(532,635)	9.7	(533,959)
<b>Equity attributable to owners of the Company</b>	<b>708,552</b>	<b>635,531</b>	<b>11.5</b>	<b>730,914</b>
Non-controlling interest	(408)	(1,618)	74.8	127
<b>Total Equity</b>	<b>708,144</b>	<b>633,913</b>	<b>11.7</b>	<b>731,041</b>
<b>Liabilities</b>				
Transactional deposits	54,856	39,506	38.9	47,583
Trade and other payables	87,295	76,733	13.8	102,929
Lease liabilities	227,240	184,570	23.1	194,701
Fixed and notice deposits	579,199	559,790	3.5	590,282
Commercial paper	2,963,774	2,708,568	9.4	2,861,248
<b>Total Liabilities</b>	<b>3,912,364</b>	<b>3,569,167</b>	<b>9.6</b>	<b>3,796,743</b>
<b>Total Equity and Liabilities</b>	<b>4,620,508</b>	<b>4,203,080</b>	<b>9.9</b>	<b>4,527,784</b>

#### SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Interim unaudited 31 August 2025	Interim unaudited 31 August 2024	% change	Full year audited 28 February 2025
Interest income	407,589	417,698	(2.4)	833,257
Interest expense	(200,034)	(178,530)	(12.0)	(368,106)
<b>Net interest income</b>	<b>207,555</b>	<b>239,168</b>	<b>(13.2)</b>	<b>465,151</b>
Fee income	106,096	103,553	2.5	210,068
Other operating income	216,600	197,831	9.5	413,076
Income from joint ventures	81,070	2,430	3,236.2	60,314
Income from associates	98,035	80,081	22.4	182,347
Fair value adjustments	200	(2,272)	108.8	(6,796)
Foreign exchange loss	(2)	58	(103.4)	(5)
Net impairment charge	(123,706)	(125,308)	1.3	(263,885)
Impairment of goodwill	-	-	100.0	(3,625)
Operating expenses	(511,516)	(490,812)	(4.2)	(994,755)
<b>Profit before taxation</b>	<b>74,332</b>	<b>4,729</b>	<b>1,471.8</b>	<b>61,890</b>
Taxation	(22,059)	(16,354)	(34.9)	(32,638)

<b>Profit/(loss) after taxation</b>	<b>52,273</b>	<b>(11,625)</b>	<b>549.7</b>	<b>29,252</b>
Foreign currency translation difference for foreign operations	(72,193)	(187,205)	61.4	(100,595)
<b>Total comprehensive loss for the period</b>	<b>(19,920)</b>	<b>(198,830)</b>	<b>90.0</b>	<b>(71,343)</b>
<b>Income/(loss) attributable to:</b>	<b>52,273</b>	<b>(11,625)</b>	<b>549.7</b>	<b>29,252</b>
Owners of the company	52,782	(10,580)	598.9	31,799
Non-controlling interest	(509)	(1,045)	51.3	(2,547)
<b>Total comprehensive loss attributable to:</b>	<b>(19,920)</b>	<b>(198,830)</b>	<b>90.0</b>	<b>(71,343)</b>
Owners of the company	(19,385)	(197,813)	90.2	(72,070)
Non-controlling interest	(535)	(1,017)	47.4	727
Total number of ordinary shares outstanding	475,604	456,601	4.2	479,993
Weighted average number of ordinary shares outstanding	477,993	456,601	4.7	456,601
Basic and diluted earnings/(loss) per share (cents)	11.0	(2.3)	576.6	7.0
Headline and diluted earnings/(loss) per share (cents)	1.1	(2.0)	154.3	(1.9)
<b>Reconciliation between earnings and headline earnings</b>				
<b>Profit/(loss) for the period attributable to owners of the company</b>	<b>52,782</b>	<b>(10,580)</b>	<b>598.9</b>	<b>31,799</b>
Profit on disposal of property, plant and equipment	(448)	(419)	(6.9)	(816)
Gain on bargain purchase	(47,164)	-	100.0	(48,838)
Impairment of goodwill	-	-	100.0	3,625
Fair value changes of investment property	-	1,901	(100.0)	5,555
<b>Headline profit/(loss)</b>	<b>5,170</b>	<b>(9,098)</b>	<b>156.8</b>	<b>(8,675)</b>

#### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOW

R'000	Interim unaudited 31 August 2025	Interim unaudited 31 August 2024	% change	Full year audited 28 February 2025
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation <sup>1</sup>	74,332	4,729	1,471.8	61,890
Adjustments for non-cash items	24,190	79,534	(69.6)	131,116
Changes in working capital <sup>2</sup>	(146,568)	(223,523)	34.4	(368,188)
Taxation paid	(23,279)	(44,382)	47.5	(47,389)
<b>Net cash flow from operating activities</b>	<b>(71,325)</b>	<b>(183,642)</b>	<b>61.2</b>	<b>(222,571)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(25,059)	(27,006)	7.2	(43,872)

Proceeds from sale of property, plant and equipment	436	-	100.0	3,194
Acquisition of intangible assets	(1,427)	(1,523)	6.3	(2,596)
Acquisition of financial assets	(37,544)	-	100.0	-
Proceeds from sale of financial assets	-	97,138	(100.0)	41,622
Acquisition of subsidiaries, net of cash acquired	-	-	100.0	(25,750)
Distributions received from associates	90,590	96,876	(6.5)	156,179
Investments in joint ventures	(2,264)	-	100.0	(37,385)
Distributions received from joint ventures	29,725	39,982	(25.7)	95,956
<b>Net cash flow from investing activities</b>	<b>54,457</b>	<b>205,467</b>	<b>(73.5)</b>	<b>187,348</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Buy-back of shares	(3,764)	-	100.0	-
Proceeds from commercial paper	334,079	905,482	(63.1)	1,447,304
Repayments of commercial paper	(240,074)	(729,535)	67.1	(1,090,293)
Lease liabilities repaid	(52,128)	(56,087)	7.1	(98,368)
<b>Net cash flow from financing activities</b>	<b>38,113</b>	<b>119,860</b>	<b>(68.2)</b>	<b>258,643</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>21,245</b>	<b>141,685</b>	<b>(85.0)</b>	<b>223,420</b>
Cash at the beginning of the year	661,787	455,719	45.2	455,719
Effect of movements in exchange rates	(5,200)	(20,813)	75.0	(17,352)
<b>CASH AT THE END OF THE PERIOD</b>	<b>677,832</b>	<b>576,591</b>	<b>17.6</b>	<b>661,787</b>

<sup>1</sup> Finance costs are included in profit before taxation i.e., part of cash flow from operating activities.

<sup>2</sup> Changes in working capital include cash outflows of R133.0 million (August 2024: R190.1 million; February 2025: R347.5 million), driven by the growth in Loans and advances. The expansion of our loan book necessitates cash deployment to support continued growth.

#### SUMMARISED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

R'000	Unaudited 31 August 2025	Unaudited 31 August 2024	Audited 28 February 2025
<b>Total equity at the beginning of the year</b>	<b>731,041</b>	<b>831,958</b>	<b>831,958</b>
<b>Change in share capital</b>			
Sale of treasury shares	-	-	15,120
Shares repurchased	(3,764)	-	(15,120)
Scrip dividends	-	-	12,557
<b>Change in reserves</b>			
Equity-settled share-based payment	787	786	1,572
Dividends	-	-	(43,703)
Total comprehensive loss for the period	(19,385)	(197,813)	(72,070)
<b>Change in non-controlling interest</b>			
Total comprehensive (loss)/income for the period	(535)	(1,018)	727

<b>Total equity at the end of the period</b>	<b>708,144</b>	<b>633,913</b>	<b>731,041</b>
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## SUMMARISED CONSOLIDATED SEGMENTAL INFORMATION

### OPERATING SEGMENTS

R'000	Deposit and Debt finance Products	Lending	Property Investment	Transactional Banking	Other <sup>1</sup>	Total
<b>Six months ended 31 August 2025</b>						
Interest Income	17,216	385,992	-	85	4,296	407,589
Interest expense	(188,851)	(10,753)	-	(430)	-	(200,034)
<b>Net interest income/(expense)</b>	<b>(171,635)</b>	<b>375,239</b>	<b>-</b>	<b>(345)</b>	<b>4,296</b>	<b>207,555</b>
Fee income	-	88,652	-	17,444	-	106,096
Other operating income	-	215,519	1,081	-	-	216,600
Income from joint ventures	-	81,070	-	-	-	81,070
Income from associates	-	98,035	-	-	-	98,035
Fair value adjustments	200	-	-	-	-	200
Foreign exchange loss	-	-	-	-	(2)	(2)
Net impairment charge	-	(123,706)	-	-	-	(123,706)
Operating expenses <sup>^</sup>	(4,560)	(476,362)	(3,154)	(19,238)	(8,202)	(511,516)
<b>Operating profit/(loss)</b>	<b>(175,995)</b>	<b>258,447</b>	<b>(2,073)</b>	<b>(2,139)</b>	<b>(3,908)</b>	<b>74,332</b>
Taxation	45,529	(69,781)	560	578	1,055	(22,059)
<b>Profit/(loss) after taxation</b>	<b>(130,466)</b>	<b>188,666</b>	<b>(1,513)</b>	<b>(1,561)</b>	<b>(2,853)</b>	<b>52,273</b>

<sup>^</sup>Operating expenses include, *inter alia*:

Bank charges	(924)	(31,707)	-	(810)	(285)	(33,726)
Collection charges	-	(31,333)	-	-	-	(31,333)
Communication expenses	-	(17,632)	(6)	(88)	(75)	(17,801)
Depreciation and amortisation	-	(67,888)	-	(87)	-	(67,975)
Employee costs	-	(222,894)	(272)	(1,719)	-	(224,885)
Property related costs	-	(27,481)	(1,251)	-	-	(28,732)
Transactional banking fees	-	-	-	(11,378)	-	(11,378)

### Significant segment assets

Cash and cash equivalents	547,902	113,957	-	14,308	1,665	677,832
Other financial assets at fair value through profit or loss	33,030	-	-	-	-	33,030
Other financial assets at amortised cost	356,064	-	-	-	-	356,064
Loans and advances	-	666,085	-	-	-	666,085
Trade and other receivables	-	212,632	-	1,613	-	214,245
Loans to group companies	-	170	-	-	-	170
Investments in joint ventures	-	1,001,038	-	-	-	1,001,038

Investments in associates	-	721,601	-	-	-	721,601
Property, plant and equipment	-	156,086	-	-	15,061	171,147
Right of use assets	-	207,439	-	-	-	207,439
Investment property	-	-	110,636	-	-	110,636
Goodwill	-	314,867	-	-	-	314,867
Intangible assets	-	17,932	-	-	-	17,932

#### Significant segment liabilities

Transactional deposits	-	-	-	54,856	-	54,856
Trade and other payables	-	87,295	-	-	-	87,295
Lease liabilities	-	227,240	-	-	-	227,240
Fixed and notice deposits	579,199	-	-	-	-	579,199
Commercial paper	2,963,774	-	-	-	-	2,963,774

R'000	Deposit and Debt finance Products	Lending	Property Investment	Transactional Banking	Other <sup>1</sup>	Total
<b>Six months ended 31 August 2024</b>						
Interest Income	16,843	398,972	-	53	1,830	417,698
Interest expense	(169,154)	(9,068)	-	(308)	-	(178,530)
<b>Net interest income/(expense)</b>	<b>(152,311)</b>	<b>389,904</b>	<b>-</b>	<b>(255)</b>	<b>1,830</b>	<b>239,168</b>
Fee income	-	87,012	-	16,541	-	103,553
Other operating income	-	196,785	1,046	-	-	197,831
Income from joint ventures	-	2,430	-	-	-	2,430
Income from associates	-	80,081	-	-	-	80,081
Fair value adjustments	153	-	(2,425)	-	-	(2,272)
Foreign exchange gain	-	-	-	-	58	58
Net impairment charge	-	(125,296)	-	(12)	-	(125,308)
Operating expenses <sup>^</sup>	(4,591)	(458,386)	(592)	(18,616)	(8,627)	(490,812)
<b>Operating profit/(loss)</b>	<b>(156,749)</b>	<b>172,530</b>	<b>(1,971)</b>	<b>(2,342)</b>	<b>(6,739)</b>	<b>4,729</b>
Taxation	27,245	(46,583)	532	632	1,820	(16,354)
<b>Profit/(loss) after taxation</b>	<b>(129,504)</b>	<b>125,947</b>	<b>(1,439)</b>	<b>(1,710)</b>	<b>(4,919)</b>	<b>(11,625)</b>

<sup>^</sup>Operating expenses include, inter alia:

Bank charges	(1,085)	(42,879)	-	-	-	(43,964)
Collection charges	-	(26,840)	-	-	-	(26,840)
Communication expenses	-	(16,180)	-	-	-	(16,180)
Depreciation and amortisation	-	(68,593)	-	-	-	(68,593)
Employee costs	-	(206,118)	-	(1,307)	(3,928)	(211,353)
Property related costs	-	(25,674)	(533)	-	-	(26,207)
Transactional banking fees	-	-	-	(12,422)	-	(12,422)

#### Significant segment assets

Cash and cash equivalents	451,674	110,307	-	13,424	1,186	576,591
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Other financial assets at fair value through profit or loss	20,912	-	-	-	-	20,912
Other financial assets at amortised cost	274,467	-	-	-	-	274,467
Loans and advances	-	657,206	-	-	-	657,206
Trade and other receivables	-	181,136	-	2,886	2,605	186,627
Loans to group companies	-	67,767	-	-	-	67,767
Investments in joint ventures	-	858,509	-	-	-	858,509
Investments in associates	-	668,440	-	-	-	668,440
Property, plant and equipment	-	156,797	-	-	-	156,797
Right of use assets	-	168,239	-	-	-	168,239
Investment property	-	-	115,296	-	-	115,296
Goodwill	-	295,934	-	-	-	295,934
Intangible assets	-	18,854	-	-	-	18,854
<b>Significant segment liabilities</b>						
Transactional deposits	-	-	-	39,506	-	39,506
Trade and other payables	-	69,676	-	4,125	2,932	76,733
Lease liabilities	-	184,570	-	-	-	184,570
Fixed and notice deposits	559,790	-	-	-	-	559,790
Commercial paper	2,708,568	-	-	-	-	2,708,568

R'000	Deposit and Debt finance Products	Lending	Property Investment	Transactional Banking	Other <sup>1</sup>	Total
<b>Year ended 28 February 2025</b>						
Interest Income	32,949	794,963	-	126	5,219	833,257
Interest expense	(318,428)	(49,019)	-	(659)	-	(368,106)
<b>Net interest income/(expense)</b>	<b>(285,479)</b>	<b>745,944</b>	<b>-</b>	<b>(533)</b>	<b>5,219</b>	<b>465,151</b>
Fee income	-	183,978	-	26,090	-	210,068
Other operating income	-	410,887	2,189	-	-	413,076
Income from joint ventures	-	60,314	-	-	-	60,314
Income from associates	-	182,347	-	-	-	182,347
Fair value adjustments	289	-	(7,085)	-	-	(6,796)
Foreign exchange loss	-	-	-	-	(5)	(5)
Net impairment charge	-	(263,885)	-	-	-	(263,885)
Impairment of goodwill	-	(3,625)	-	-	-	(3,625)
Operating expenses <sup>^</sup>	(3,121)	(935,226)	(4,895)	(30,558)	(20,955)	(994,755)
<b>Operating profit/(loss)</b>	<b>(288,311)</b>	<b>380,734</b>	<b>(9,791)</b>	<b>(5,001)</b>	<b>(15,741)</b>	<b>61,890</b>
Taxation	61,916	(102,798)	2,644	1,350	4,250	(32,638)
<b>Profit/(loss) after taxation</b>	<b>(226,395)</b>	<b>277,936</b>	<b>(7,147)</b>	<b>(3,651)</b>	<b>(11,491)</b>	<b>29,252</b>

<sup>^</sup>Operating expenses include, *inter alia*:

Bank charges	(1,854)	(76,184)	-	(2,652)	(402)	(81,092)
Collection charges	-	(57,146)	-	-	-	(57,146)

Communication expenses	(21)	(32,565)	(12)	(108)	(135)	(32,841)
Consulting and professional fees	(125)	(20,067)	(331)	-	(3,648)	(24,171)
Depreciation and amortisation	-	(131,419)	-	(271)	(32)	(131,722)
Employee costs	(1,076)	(425,324)	(525)	(3,632)	-	(430,557)
Property related costs	-	(50,524)	(1,625)	-	(355)	(52,504)
Transactional banking fees	-	-	-	(24,061)	-	(24,061)
<b>Significant segment assets</b>						
Cash and cash equivalents	571,618	74,418	-	13,871	1,880	661,787
Other financial assets at fair value through profit or loss	22,253	-	-	-	-	22,253
Other financial assets at amortised cost	329,470	-	-	-	-	329,470
Loans and advances	-	675,680	-	-	-	675,680
Trade and other receivables	-	201,805	-	1,338	761	203,904
Loans to group companies	-	48,782	-	-	-	48,782
Investments in joint ventures	-	937,380	-	-	-	937,380
Investments in associates	-	742,455	-	-	-	742,455
Property, plant and equipment	-	146,779	-	153	15,109	162,041
Right of use assets	-	177,608	-	-	-	177,608
Investment property	-	-	110,636	-	-	110,636
Goodwill	-	318,630	-	-	-	318,630
Intangible assets	-	16,880	-	-	-	16,880
<b>Significant segment liabilities</b>						
Transactional deposits	-	-	-	47,583	-	47,583
Trade and other payables	-	66,713	-	1,989	34,227	102,929
Lease liabilities	-	194,701	-	-	-	194,701
Fixed and notice deposits	590,282	-	-	-	-	590,282
Commercial paper	2,861,248	-	-	-	-	2,861,248

<sup>1</sup> 'Other' represents centralised corporate services, functions and expenses and corporate income tax assets and liabilities.

## GEOGRAPHICAL SEGMENTS

R'000	South Africa	North America	Corporate <sup>2</sup>	Total
<b>Six months ended 31 August 2025</b>				
<b>Net profit</b>				
Interest Income	253,119	148,545	5,925	407,589
Interest expense	(44,153)	(85,026)	(70,855)	(200,034)
<b>Net interest income/(expense)</b>	<b>208,966</b>	<b>63,519</b>	<b>(64,930)</b>	<b>207,555</b>
Fee income	105,189	1,189	(282)	106,096
Management fee income	2,618	14,638	(17,256)	-
Other operating income	180,261	7,299	29,040	216,600

Income from joint ventures	-	81,070	-	81,070
Income from associates	-	98,035	-	98,035
Fair value adjustments	200	-	-	200
Foreign exchange (loss)/gain	(103)	-	101	(2)
Net impairment charge	(96,267)	(28,350)	911	(123,706)
Operating expenses ^	(352,572)	(149,939)	(9,005)	(511,516)
<b>Operating profit/(loss)</b>	<b>48,292</b>	<b>87,461</b>	<b>(61,421)</b>	<b>74,332</b>
Taxation	(13,153)	(10,961)	2,055	(22,059)
<b>Profit/(loss) after taxation</b>	<b>35,139</b>	<b>76,500</b>	<b>(59,366)</b>	<b>52,273</b>

^Operating expenses include, *inter alia*:

Bank charges	(29,718)	(3,551)	(457)	(33,726)
Collection charges	(30,998)	(334)	(1)	(31,333)
Communication expenses	(15,376)	(2,316)	(109)	(17,801)
Depreciation and amortisation	(56,381)	(11,492)	(102)	(67,975)
Employee costs	(120,130)	(95,578)	(9,177)	(224,885)
Property related costs	(19,060)	(9,252)	(420)	(28,732)
Transactional banking fees	(11,378)	-	-	(11,378)

#### **Significant segment assets**

Cash and cash equivalents	129,065	357,200	191,567	677,832
Other financial assets at fair value through profit or loss	13,672	-	19,358	33,030
Other financial assets at amortised cost	356,064	-	-	356,064
Loans and advances	500,698	165,374	13	666,085
Trade and other receivables	72,845	59,289	82,111	214,245
Loans to group companies	-	-	170	170
Investments in joint ventures	-	1,001,038	-	1,001,038
Investments in associates	-	721,601	-	721,601
Property, plant and equipment	74,526	41,957	54,664	171,147
Right of use assets	160,158	47,281	-	207,439
Investment property	110,636	-	-	110,636
Deferred taxation	53,213	62,041	13,168	128,422
Goodwill	219,359	95,508	-	314,867
Intangible assets	12,769	5,163	-	17,932

#### **Significant segment liabilities**

Transactional deposits	54,856	-	-	54,856
Trade and other payables	50,504	18,134	18,657	87,295
Lease liabilities	177,976	49,264	-	227,240
Fixed and notice deposits	579,199	-	-	579,199
Commercial paper	-	-	2,963,774	2,963,774

R'000	South Africa	North America	Corporate <sup>2</sup>	Total
<b>Six months ended 31 August 2024</b>				
<b>Net profit</b>				
Interest Income	243,493	166,408	7,797	417,698
Interest expense	(39,840)	(82,976)	(55,714)	(178,530)
<b>Net interest income/(expense)</b>	<b>203,653</b>	<b>83,432</b>	<b>(47,917)</b>	<b>239,168</b>
Fee income	102,204	1,602	(253)	103,553
Management fee income	2,485	11,818	(14,303)	-
Other operating income	169,061	1,046	27,724	197,831
Income from joint ventures	-	2,430	-	2,430
Income from associates	-	80,081	-	80,081
Fair value adjustments	(2,272)	-	-	(2,272)
Foreign exchange gain	44	-	14	58
Net impairment charge	(94,783)	(31,598)	1,073	(125,308)
Operating expenses <sup>^</sup>	(316,452)	(162,936)	(11,424)	(490,812)
<b>Operating profit/(loss)</b>	<b>63,940</b>	<b>(14,125)</b>	<b>(45,086)</b>	<b>4,729</b>
Taxation	(17,892)	3,381	(1,843)	(16,354)
<b>Profit/(loss) after taxation</b>	<b>46,048</b>	<b>(10,744)</b>	<b>(46,929)</b>	<b>(11,625)</b>
<sup>^</sup> Operating expenses include, <i>inter alia</i> :				
Bank charges	(39,377)	(3,716)	(871)	(43,964)
Collection charges	(26,412)	(428)	-	(26,840)
Communication expenses	(13,366)	(2,703)	(111)	(16,180)
Depreciation and amortisation	(45,317)	(22,558)	(718)	(68,593)
Employee costs	(101,868)	(100,867)	(8,618)	(211,353)
Property related costs	(16,251)	(9,787)	(169)	(26,207)
Transactional banking fees	(12,422)	-	-	(12,422)
<b>Significant segment assets</b>				
Cash and cash equivalents	125,005	368,280	83,306	576,591
Other financial assets at fair value through profit or loss	3,022	-	17,890	20,912
Other financial assets at amortised cost	274,467	-	-	274,467
Loans and advances	496,224	160,982	-	657,206
Trade and other receivables	70,049	43,989	72,589	186,627
Loans to group companies	-	-	67,767	67,767
Investments in joint ventures	-	858,509	-	858,509
Investments in associates	-	668,440	-	668,440
Property, plant and equipment	55,382	46,434	54,981	156,797
Right of use assets	124,116	44,123	-	168,239
Investment property	115,296	-	-	115,296
Deferred taxation	50,533	74,377	12,531	137,441
Goodwill	197,550	98,384	-	295,934
Intangible assets	10,357	8,497	-	18,854

**Significant segment liabilities**

Transactional deposits	39,506	-	-	39,506
Trade and other payables	48,642	12,028	16,063	76,733
Lease liabilities	137,887	46,683	-	184,570
Fixed and notice deposits	559,790	-	-	559,790
Commercial paper	-	-	2,708,568	2,708,568

R'000	South Africa	North America	Corporate <sup>2</sup>	Total
<b>Year ended 28 February 2025</b>				
<b>Net profit</b>				
Interest Income	494,688	323,255	15,314	833,257
Interest expense	(83,113)	(168,415)	(116,578)	(368,106)
<b>Net interest income/(expense)</b>	<b>411,575</b>	<b>154,840</b>	<b>(101,264)</b>	<b>465,151</b>
Fee income	207,672	2,921	(525)	210,068
Management fee income	5,094	27,281	(32,375)	-
Other operating income	347,430	5,183	60,463	413,076
Income from joint ventures	-	60,314	-	60,314
Income from associates	-	182,347	-	182,347
Fair value adjustments	(6,796)	-	-	(6,796)
Foreign exchange gain/(loss)	55	-	(60)	(5)
Net impairment charge	(202,539)	(61,370)	24	(263,885)
Impairment of goodwill	-	(3,625)	-	(3,625)
Operating expenses <sup>^</sup>	(642,935)	(326,183)	(25,637)	(994,755)
<b>Operating profit/(loss)</b>	<b>119,556</b>	<b>41,708</b>	<b>(99,374)</b>	<b>61,890</b>
Taxation	(31,486)	59	(1,211)	(32,638)
<b>Profit/(loss) after taxation</b>	<b>88,070</b>	<b>41,767</b>	<b>(100,585)</b>	<b>29,252</b>

<sup>^</sup>Operating expenses include, *inter alia*:

Bank charges	(72,561)	(7,295)	(1,236)	(81,092)
Collection charges	(56,394)	(752)	-	(57,146)
Communication expenses	(27,504)	(5,108)	(229)	(32,841)
Consulting and professional fees	(8,787)	(9,982)	(5,402)	(24,171)
Depreciation and amortisation	(94,976)	(35,467)	(1,279)	(131,722)
Employee costs	(213,717)	(197,207)	(19,633)	(430,557)
Property related costs	(33,248)	(18,769)	(487)	(52,504)
Transactional banking fees	(24,061)	-	-	(24,061)

**Significant segment assets**

Cash and cash equivalents	136,278	425,587	99,922	661,787
Other financial assets at fair value through profit or loss	3,537	-	18,716	22,253
Other financial assets at amortised cost	329,470	-	-	329,470
Loans and advances	524,851	150,829	-	675,680
Trade and other receivables	60,669	58,603	84,632	203,904

Loans to group companies	-	-	48,782	48,782
Investments in joint ventures	-	937,380	-	937,380
Investments in associates	-	742,455	-	742,455
Property, plant and equipment	62,313	43,496	56,232	162,041
Right of use assets	135,228	42,380	-	177,608
Investment property	110,636	-	-	110,636
Deferred taxation	53,061	74,070	(6,853)	120,278
Goodwill	219,358	99,272	-	318,630
Intangible assets	11,458	5,422	-	16,880
<b>Significant segment liabilities</b>				
Transactional deposits	47,583	-	-	47,583
Trade and other payables	49,539	9,937	43,453	102,929
Lease liabilities	150,184	44,517	-	194,701
Fixed and notice deposits	590,282	-	-	590,282
Commercial paper	-	-	2,861,248	2,861,248

<sup>2</sup> 'Corporate' represents centralised corporate and International corporate services, functions and expenses, unallocated corporate debt finance expenses, corporate income tax assets and liabilities, and corporate held debt finance liabilities.

## Notes to the summarised consolidated financial statements

Finbond is a company domiciled in South Africa. The summarised consolidated financial statements of the Company as at and for the six months ended 31 August 2025 comprise the Company and its subsidiaries, joint ventures and associates located in South Africa, Malta, the USA and Canada (together referred to as the "Group").

### Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. The summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") IAS 34 Interim Financial Reporting, and financial pronouncements as issued by the Financial Reporting Standards Council. It does not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated annual financial statements of the Group as at and for the year ended 28 February 2025.

The accounting policies applied by the Group in these summarised consolidated financial statements are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

### Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these summarised consolidated financial statements 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 consolidated annual financial statements as at and for the year ended 28 February 2025. Significant judgements include:

*Impairment losses on loans and advances*

The Group uses quantitative and qualitative estimates for calculating expected credit losses (ECL) for loans and advances. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events.

The ECL is calculated using statistical models which incorporate observable data to give a best estimate of expected default rates and the loss given default (LGD). The 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 business group expects to receive, considering cash flows from any collateral. Statistical models are tailored for customer segments that have similar credit loss characteristics (i.e. by geography and product type). Where the ECL has been raised for individual exposures, management assesses the historical and expected cash flows and the recoverability of collateral at an individual exposure level. Model validation procedures are in place to ensure that the input assumptions applied within the models are a statistically reliable estimate.

In line with the fundamental principles of IFRS 9 Financial Instruments, the Group holds a provision against potential future losses resulting from changes in the economic environment. These forward-looking economic expectations are included in the ECL where adjustments are based on the group's macro-economic outlook, using models that correlate these parameters with macro-economic variables. In addition to forward-looking macroeconomic information (FLI), other types of FLI, such as specific event risks and industry data, are considered in ECL estimates when required, through the application of management overlays. All model adjustments and management overlays are subject to group governance committee oversight. Continual oversight is provided by management and committees to monitor the reliability of financial reporting under IFRS 9.

The ECL has been calculated using statistical models that also incorporate the economic impact of the following factors: (1) the continued slower recovery from COVID in our industry in North America, and (2) the current uncertain global economic environment (driven by factors such as evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East). The current observable data and forward-looking expectations in the models consider the resultant uncertainty surrounding the timing and extent of potential future defaults and recoveries. Negative, positive, and most likely scenarios have been determined based on independently sourced economic data and these scenarios have been weighted to determine a probabilistic view of the economy going forward.

*Impairment of goodwill, intangible assets (acquired trademark and brand names), and investments in joint ventures and associates*

The recoverable amounts of cash-generating units and net investments in joint ventures and associates have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of several estimates and assumptions. It is reasonably possible that these assumptions may change, which may impact estimations and may then require adjustments to the carrying values of goodwill, intangible assets, investments in joint ventures, and/or investments in associates.

The Group reviews and tests the carrying value of goodwill and intangible assets within cash generating units annually, or when events or changes in circumstances suggest that the carrying amount may not be recoverable, by preparing estimates of expected future cash flows.

The Group reviews and tests the carrying value of investments in joint ventures and associates when events or changes in circumstances suggest that the carrying amount may not be recoverable, by preparing estimates of expected future cash flows.

Expected future cash flows used to determine recoverable amounts are inherently uncertain and could materially change over time. They are significantly affected by several factors including regulation, supply and demand for loans, profit margins, impairment rates, growth rates, together with economic factors such as inflation and interest rates.

#### *Deferred tax assets*

The Group recognises deferred tax assets for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Management has gone to great lengths and considered all available information in making this assessment. The most significant assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the Group to utilise the deferred tax assets.

#### *Going concern*

The Directors have reviewed the Group's budgets, cash flow forecasts, as well as capital and liquidity stress testing for the next 5 years and considered the Group's ability to continue as a going concern in context of the current and anticipated economic environment.

Factors considered include: (1) the continued slower recovery from COVID in our industry in North America, (2) the ongoing replacement of Illinois sales volumes, revenue, and products following regulatory changes implemented in March 2021 (which are now largely completed), (3) the current uncertain global economic environment (driven by factors such as evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East), and (4) potential changes to commercial paper regulations in South Africa which may impact the Group's financing.

It should be noted that a high degree of judgement is required to estimate the full financial effect for the year ahead, and beyond. The above factors also serve to confirm that uncertainties lie ahead, and that the timing and magnitude of our various recovery and growth initiatives will continue to be influenced accordingly. Management performed robust capital, liquidity and cash flow stress testing based on multiple scenarios and levels of stress. This stress testing (updated and monitored monthly) continues to demonstrate that the Group remains sufficiently capitalised, with appropriate liquidity levels. Based on this review the Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. The going concern basis therefore continues to apply and has been adopted in the preparation of the annual financial statements.

#### **Loans and advances**

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised.

R'000	Stage 1	Stage 2	Stage 3	Total
<b>Consumer loans and advances</b>				
<b>31 August 2025</b>				
Gross carrying amount	434,640	111,773	548,776	1,095,189
Expected credit loss allowance	(21,574)	(51,030)	(502,011)	(574,615)
<b>Net loans and advances</b>	<b>413,066</b>	<b>60,743</b>	<b>46,765</b>	<b>520,574</b>
ECL coverage (%)	5%	46%	91%	52%
<b>31 August 2024 (* restated)</b>				
Gross carrying amount	* 427,504	100,258	* 545,129	1,072,891
Expected credit loss allowance	(22,903)	(45,777)	(497,084)	(565,764)
<b>Net loans and advances</b>	<b>404,601</b>	<b>54,481</b>	<b>48,045</b>	<b>507,127</b>
ECL coverage (%)	* 5%	46%	* 91%	53%
<b>28 February 2025</b>				
Gross carrying amount	409,832	145,279	553,235	1,108,346
Expected credit loss allowance	(20,645)	(57,394)	(508,871)	(586,910)
<b>Net loans and advances</b>	<b>389,187</b>	<b>87,885</b>	<b>44,364</b>	<b>521,436</b>
ECL coverage (%)	5%	40%	92%	53%
<b>Business, mortgage and specialised finance loans</b>				
<b>31 August 2025</b>				
Gross carrying amount	104,485	4,747	84,254	193,486
Expected credit loss allowance	(2,473)	(542)	(44,960)	(47,975)
<b>Net loans and advances</b>	<b>102,012</b>	<b>4,205</b>	<b>39,294</b>	<b>145,511</b>
ECL coverage (%)	2%	11%	53%	25%
<b>31 August 2024</b>				
Gross carrying amount	100,804	7,329	85,915	194,048
Expected credit loss allowance	(3,003)	(1,046)	(39,920)	(43,969)
<b>Net loans and advances</b>	<b>97,801</b>	<b>6,283</b>	<b>45,995</b>	<b>150,079</b>
ECL coverage (%)	3%	14%	46%	23%
<b>28 February 2025</b>				
Gross carrying amount	108,633	5,767	86,499	200,899
Expected credit loss allowance	(2,615)	(663)	(43,377)	(46,655)
<b>Net loans and advances</b>	<b>106,018</b>	<b>5,104</b>	<b>43,122</b>	<b>154,244</b>
ECL coverage (%)	2%	11%	50%	23%

\* Restated due to an incorrect allocation of unearned future income between stage 1 and stage 3, which affected the four specific disclosure items in this note only.

### **Investments in joint ventures**

The Group's interest in joint ventures includes all entities over whose activities it has joint control, established by contractual agreement and requiring unanimous consent for significant decisions.

Interests in joint ventures are accounted for using the equity method in accordance with IFRS Accounting Standards. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the investee after acquisition date.

### **Investments in associates**

The Group's interest in associates includes all entities in which it has significant influence. Significant influence is the ability to meaningfully participate in the financial and operating policy decisions of an entity and is presumed when 20 percent or more of the voting power or 20 percent of more representation on the board of directors of the investee is held.

Interests in associates are accounted for using the equity method in accordance with IFRS Accounting Standards. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the investee after acquisition date.

### **Fair value measurement**

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level within which the fair value measurement is categorised in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The different levels have been defined as follows:

Level 1: Fair value is based on quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly observable from market data.

Level 3: Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all assets and liabilities where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required, to reflect differences between the instruments.

*Financial risk management*

Fair value hierarchy and classification of financial assets and financial liabilities:

	Amortised cost	FVTPL	Total	Fair value	Hierarchy of valuation technique
R'000					
<b>31 August 2025</b>					
<b>Financial assets</b>					
Cash and cash equivalents	677,832	-	677,832	677,832	#
Other financial assets	356,064	33,030	389,094	389,094	#
Loans and advances	666,085	-	666,085	666,085	#
Trade and other receivables	124,761	-	124,761	124,761	#
Loans to group companies	170	-	170	170	#
<b>Financial liabilities</b>					
Transactional deposits	54,856	-	54,856	54,856	#
Trade and other payables	82,455	-	82,455	82,455	#
Lease liabilities	227,240	-	227,240	227,240	#
Fixed and notice deposits	579,199	-	579,199	560,745	Level 2
Commercial paper	2,963,774	-	2,963,774	2,981,828	Level 2
<b>31 August 2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	576,591	-	576,591	576,591	#
Other financial assets	274,467	20,912	295,379	295,379	#
Loans and advances	657,206	-	657,206	657,206	#
Trade and other receivables	105,799	-	105,799	105,799	#
Loans to group companies	67,767	-	67,767	67,767	#
<b>Financial liabilities</b>					
Transactional deposits	39,506	-	39,506	39,506	#
Trade and other payables	73,580	-	73,580	73,580	#
Lease liabilities	184,570	-	184,570	184,570	#
Fixed and notice deposits	559,790	-	559,790	537,175	Level 2
Commercial paper	2,708,568	-	2,708,568	2,706,052	Level 2
<b>28 February 2025</b>					
<b>Financial assets</b>					
Cash and cash equivalents	661,787	-	661,787	661,787	#
Other financial assets	329,470	22,253	351,723	351,723	#
Loans and advances	675,680	-	675,680	675,680	#
Trade and other receivables	113,961	-	113,961	113,961	#
Loans to group companies	48,782	-	48,782	48,782	#
<b>Financial liabilities</b>					
Transactional deposits	47,583	-	47,583	47,583	#
Trade and other payables	99,625	-	99,625	99,625	#
Lease liabilities	194,701	-	194,701	194,701	#

Fixed and notice deposits	590,282	-	590,282	571,901	Level 2
Commercial paper	2,861,248	-	2,861,248	2,777,788	Level 2

# The fair value closely approximates their carrying amount due to their short-term nature or on-demand repayment terms.

### Valuation techniques used to derive level 2 and 3 fair values

Level 2 fair values of other financial assets have been derived by using the rate as available in active markets, as received on monthly statements from the asset managers managing the product portfolio. The fair value hierarchy was considered level 2, with no elevated risk areas.

Level 3 fair values of investment properties have been generally derived using the market value, the comparable sales method of valuation, and the residual land valuation method, as applicable to each property.

The fair value is determined by external, independent property valuers, having appropriate, recognised professional qualifications and recent experience in the location and category of the properties being valued. Independent external valuations are performed at least every 3 years unless management's fair value assessment indicates material changes to the property market and/or underlying assumptions, an input into current valuation models. No valuations were obtained in the current financial year.

### Reconciliation of assets and liabilities measured at level 3

R'000	Opening balance	Additions /disposals	Losses recognised in profit or loss	Closing balance
31 August 2025				
Assets				
Investment property	110,636	-	-	110,636
31 August 2024				
Assets				
Investment property	117,721	-	(2,425)	115,296
28 February 2025				
Assets				
Investment property	117,721	-	(7,085)	110,636

No transfers of assets and liabilities within levels of fair value hierarchy occurred during the current period.

Cash and cash equivalents are not fair valued and are stated at cost, which approximates fair value due to the short-term nature of the instrument.

Short-term receivables and short-term payables are measured at amortised cost and approximate fair value due to the short-term nature of these instruments. These instruments are not included in the fair value hierarchy.

### **Going concern**

The financial statements have been prepared on a going concern basis. The basis presumes that management neither intends to cease trading nor has reason to believe that the foreseeable future of the Company is in doubt. Please also refer to the 'Use of judgements and estimates' note above for further detail.

### **Subsequent Events**

Effective 1 September 2025, Finbond acquired a 50% interest in Benefits Bouquet (refer to the previous SENS announcement in this regard). Benefits Bouquet is a provider of a range of services and benefits to consumers, including discount coupons, credit and debt assistance, legal advisory services, financial assistance, trauma and HIV support, funeral assistance and home assistance. We are excited about the future of this business and its potential.

**References to future financial performance included anywhere in this announcement have not been reviewed or reported on by the Group's external auditors.**

For and on behalf of the Board

Dr Malesela Motlatla

Dr Willem van Aardt

30 October 2025