



ANNUAL REPORT 2026

*“Don’t ever be impressed with goal setting;  
be impressed with goal getting.  
Reaching new goals and moving to a higher  
level of performance always requires change,  
and change feels awkward.  
But take comfort in the knowledge that if a  
change doesn't feel uncomfortable,  
then it's probably not really a change.”*

- John C. Maxwell -

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# WELCOME

## INTEGRATED REPORT - SCOPE AND BOUNDARY

The following guiding principles are used to develop the content and presentation format of the Integrated Report:

### External Environment

- Economic
- Regulatory
- Competitive
- Technological
- Social

### Performance

- Environmental impact
- Wealth creation for stakeholders

### Resources and Relationships

- Business model
- Value to stakeholders
- Resources

### Strategy

- Governance
- Risks
- Operational structure

Finbond Group Limited (“FGL”) (“the Group”) proudly presents its 2026 Integrated Annual Report, as recommended in the King V Code on Corporate Governance for South Africa, 2025 (“King V”). Finbond complies with King V in all material aspects.

The objective of the 2026 Integrated Annual Report is to provide stakeholders with insight into the performance of the Group and to focus on the strategy and the Group’s ability to create long-term sustainable value. Finbond plays an essential role in assisting in the development of the society in which it operates. The combined successes of its customers and stakeholders alike contribute to the foundation of the commercial sustainability of the Group.

This Integrated Annual Report covers all relevant aspects of the activities of Finbond Group Limited, including all subsidiaries, joint ventures and associates, for the period 1 March 2025 to 28 February 2026. The Integrated Annual Report discusses operations in South Africa, Malta, the United States of America, Canada and Panama.

The Financial Statements have been prepared in accordance with IFRS® Accounting Standards under the supervision of Mr GW Labuschagne (CPA, CA) in his capacity as Chief Financial Officer.

The audited Financial Statements include the consolidated financial information incorporating the Company and all entities controlled by Finbond Group Limited as a single economic entity and the separate Financial Statements for Finbond Group Limited.

The audited Financial Statements were approved by the Board of Directors on 20 May 2026.

In addition to IFRS Accounting Standards, King V, ISO 37000 and the Global Reporting Initiative Index (G4), Finbond also utilises the Sustainability Data Transparency Index (“SDTI”) designed by Integrated Reporting and Assurance Services (“IRAS”) as a framework for reporting.

References to the specific provisions of the Global Reporting Initiative Index, which are detailed in full from page 192 of this report, are included at the bottom of the relevant pages in the Integrated Annual Report (commencing at the bottom of this page).

The integrated reporting function is viewed not merely as a summary of the performance and governance aspects of the Group, but rather as a process to provide meaningful information to its users.

Materiality, defined as an item that affects the Group’s ability to remain economically viable and socially relevant, was applied in selecting the content and extent of disclosure in the Integrated Annual Report.

A combined approach to the contents of the report was utilised to ensure both the appropriate application of integrated reporting principles and the integrity of data disclosed.

Financial information contained in the report was extracted from the audited Financial Statements. External assurances obtained in the current period included the BDO Inc. audit opinion on the Financial Statements, professional valuers’ reports on the value of investment properties and expert analysis of the significant areas of judgement contained within the Financial Statements.

The responsibility to ensure the integrity and fair presentation of the material issues and integrated performances of the Group is acknowledged by Management. The content was reviewed and approved by the Executive Directors and Key Management. The compliance of this report with the guidelines provided by the Global Reporting Initiative Index was reviewed by Ms I Wilken-Jonker, a Non-Executive Director, who is also a member of the Group’s Social and Ethics Committee.

Figures presented in tabular formats are stated throughout this report in thousands with a note (R’000) to that effect, unless otherwise stated.

Management is satisfied with the integrity of this Integrated Annual Report, as compared with reports from previous years and industry standards.

## FINBOND IN FOCUS

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*"Mountaintops inspire leaders but valleys mature them."*  
- Winston Churchill -

## HISTORY AND DEVELOPMENT\*

### 1998

Dr Willem van Aardt co-founds Thuthukani Group Limited, which lists on the Johannesburg Stock Exchange ("JSE") during 1999. At the time of its listing, Thuthukani had 70 short-term lending branches and 120 debt collection branches.

### 2000

Following a disagreement with the Chief Executive Officer of Thuthukani Group Limited with regards to the strategic direction that the Group should pursue, Dr van Aardt resigns and sells his shares in Thuthukani to Saambou Bank, which eventually proceeds to acquire the entire share capital in Thuthukani. When Saambou Bank is liquidated in 2002, the various divisions of Thuthukani are sold to the highest bidder. All of Thuthukani's various businesses remain profitable and in operation.

### 2003

Dr van Aardt establishes Finbond as a debt consolidation, bridging finance and second-bond origination company in January 2003. Finbond commences the year with four employees. Initially, due to small origination volumes, Finbond is forced to submit all its origination via other origination companies. In 2004 Finbond negotiates its own direct origination contracts with ABSA and First National Bank ("FNB"), together with lead originator agreements with Bondmaster for Nedbank and Standard Bank Business.

### 2007

In order to position itself as a significant South African mortgage originator and non-bank lender, Finbond, at the beginning of 2007, acquires Independent Bond Originators ("IBO"), Dimension Home Loans and Bondmaster. Following the acquisitions, Finbond employs 110 employees. Finbond lists on the AltX sector of the JSE as the fourth largest Mortgage Originator in South Africa, originating mortgages amounting to R1 billion per month to the four major banks. Finbond acquires Bond Excel and increases mortgage origination volumes to R1.5 billion per month. In the fourth quarter of 2007, following the worldwide sub-prime crisis and collapse of various large retail and investment banks in the United States and Europe, the South African mortgage origination market declines rapidly as the four major banks lose their appetite for mortgages. Mortgage origination volumes decline by more than 80% in a six-month period, and Dr van Aardt and the Finbond Board make the strategic decision to diversify its business to short-term lending by acquiring 50% of Blue Chip Finance No. 1 (formerly part of Thuthukani founded by Dr van Aardt) with 57 branches and 100% of Blue Chip Finance Western Cape (also formerly part of Thuthukani) with its 17 branches and a number of other small short-term lenders.

### 2008

Dr van Aardt obtains €10 million offshore mezzanine funding from the Dutch Development Finance Corporation ("FMO") and R40 million from Standard Chartered Bank to fund and expand its short-term lending operations in an extremely difficult fundraising environment following the 2007 worldwide economic crisis. Finbond expands its short-term lending branch network by opening and acquiring a number of branches in the Eastern and Western Cape, Mpumalanga, Limpopo, Gauteng and North West.

### 2009

Dr van Aardt is introduced to Mr Herman Kotzé of Net 1 UEPS Technologies by its JSE Sponsor Grindrod Bank. Following discussions with regards to commencing a mutually beneficial business relationship, Finbond acquires 60 Moneyline Financial Services short-term lending branches from Net 1 Finance Holdings in order to gain a short-term lending footprint in the KwaZulu-Natal region and Net 1 Finance acquires 84,632,525 Finbond shares to become a 22.2% shareholder in Finbond. Finbond rebrands all Blue Chip Finance, Moneyline and other short-term lending branches to "Finbond Micro Finance". Finbond expands its business to also offer customers short-term insurance (Credit Life, Retrenchment and Funeral Insurance) through its own insurance cell captives. Finbond ends the year ended February 2009 with a loss of R57.7 million.

### 2010

Finbond applies to the South African Reserve Bank to establish and register a mutual bank in terms of the Mutual Banks Act No. 124 of 1993 in order to provide clients with a full range of low-cost banking services through its existing branch infrastructure.

### 2011

Facing various maturing debt obligations and an extremely difficult and hostile fundraising environment, Finbond raises R40 million from the South African high-yield debt capital markets in order to refinance a portion of existing maturing debt. In addition, Finbond raises R20 million in equity from its two largest shareholders, Dr van Aardt (Kings Reign) and Net 1, through a rights offer. The rights offer process is finalised in February 2012, with Dr van Aardt (Kings Reign) and Net 1 taking up 120,000,000 and 80,000,000 Finbond shares respectively. At this time, Finbond's share price is R0.07. Finbond ends the year with a loss of R20.3 million.

### 2012

During July 2012, Finbond receives formal consent from the then Registrar of Banks, Mr René van Wyk, in terms of section 11(1) and section 13(1) of the Mutual Banks Act to establish and register a mutual bank, namely Finbond Mutual Bank, in the Republic of South Africa. Finbond formally starts operating as a mutual bank during September 2012 and receives its first deposit of R550,000 from 85-year-old Mr Lambert Petrus van Sittert. Finbond ends the year ended February 2012 with a Net Profit After Tax ("NPAT") of R13.4 million.

\*Numbers in this section are presented as reported at the time before the effects of any restatements.

## 2013

Mr Sean Riskowitz of the Riskowitz Value Fund, based in New York, meets with Finbond's Dr van Aardt to discuss a potential investment in Finbond Group Limited. Following the meetings the Riskowitz Value Fund proceeds to acquire its first 6% shares in Finbond at R0.18. Mr Sean Riskowitz and the Riskowitz Value Fund have been a supportive major shareholder since becoming involved with Finbond.

## 2015

Following difficult trading conditions, a rapidly deteriorating currency and political turmoil in South Africa, Dr van Aardt and his executive team start investigating the possibility of expanding Finbond's core short-term lending business to either the EU or North America. Following a detailed study of the unsecured short-term lending markets in various countries in the EU and North America, Finbond makes the strategic decision to pursue opportunities in the United States of America and Canada. Mr Carel van Heerden, Finbond's Chief Operating Officer, is tasked with the responsibility to identify suitable acquisition targets in North America. Over the next six months Mr van Heerden identifies, inter alia, American Cash Advance, Cashbak, Cash in a Flash and Cash Shop that become Finbond's first four acquisitions in North America. During the course of 2015 Riskowitz increases its shareholding to 15%.

## 2016

Finbond raises R1.1 billion from its three major shareholders. The Riskowitz Value Fund represented by Mr Sean Riskowitz contributes R510 million, Net 1 Finance represented by Mr Herman Kotzé contributes R280 million and Kings Reign, Dr van Aardt's investment holding company, contributes R220 million. With the support of its three major shareholders Finbond expands its short term instalment lending operations to North America and Canada through the acquisition of 171 short-term lending branches, operating in the following states in the United States of America: Florida, Ohio, Missouri, Ontario, Michigan, Mississippi, Alabama, South Carolina, Illinois, Indiana, Wisconsin, California and Louisiana. Finbond's NPAT for the year ended February 2016 increases by 12.6% to R57.3 million.

## 2017

Finbond increases its branch network to 550 branches of which 379 are in South Africa and 171 in North America. Riskowitz increases its shareholding in Finbond to 36% with Dr van Aardt (Kings Reign) holding 24% and Net 1 Finance 26%. Finbond now employs 1,803 employees and operates in 16 states in the United States of America, Canada and South Africa. Finbond's NPAT for the year ended February 2017 increases by 142.3% to R138.7 million.

## 2018

Finbond expands its branch network to 672 branches, of which 415 are located in South Africa and 257 are located in North America. Total employees amount to 2,083. Finbond remains focused on its core competency which is short-term consumer loans. Finbond's Headline Earnings per share for the year ended 28 February 2018 increase by 81.2% and Finbond's NPAT for the year ended February 2018 increases by 64% to R227.4 million. In October 2018, London based Lafferty Group awards Finbond Mutual Bank with a 4-star quality rating as a high quality bank in the Lafferty Banking 500 global benchmarking study. Finbond is the second highest ranked bank in South Africa and one of the leading banks globally, ranking 11<sup>th</sup> in the world.

## 2020

Finbond increases total assets to R4.67 billion and value of loans advanced to R5.91 billion. Operating profit before tax increases by 78.0% to R260.0 million and earnings before interest, taxation, depreciation and amortisation ("EBITDA") increases by 78.8% to R722.3 million.

## 2022

Finbond's results continue to be influenced by the COVID-19 pandemic and the impact of regulatory changes in Illinois in March 2021. Recovery however continues slowly as the value of loans advanced increases by 25.9% to R5.02 billion. Gross consumer loans and advances increase by 30.4% to R1.13 billion and total assets end the year at R4.62 billion.

## 2026

The Group continues its recovery and ends the year with turnover of R1.77 billion and profit attributable to owners of R69.4 million (2025: R31.8 million).

\*Numbers in this section are presented as reported at the time before the effects of any restatements.

## BUSINESS PHILOSOPHY



**Character**

- Simplifying matters
- Focus
- Quality before growth
- Good communication
- Autonomy
- Good to Great



**Cost**

- Frugal
- Cost-conscious
- Budgets
- Targets
- Lean structure
- Profits
- Cash flow



**Culture**


- Excellence
- Compliance
- A+ effort
- Independent
- Entrepreneurial
- Rational, logical
- Exceed expectations
- Analytical



**Stakeholder**


- Staff training, development, and rewards
- Customer relations
- Community development
- Shareholder returns
- Regulatory compliance
- Fair compensation
- Share options

## SERVICE STANDARDS




**Warm & friendly**

The customer is our most important asset




**Trusting**

A customer who trusts you, will keep coming back




**Respectful**

A lasting relationship starts with respect



**Inviting**

Nothing is more inviting than a neat & tidy environment



**Quick & efficient**

Never make promises you can't keep

# VISION, MISSION, PURPOSE AND KEY PERFORMANCE INDICATORS

## OUR VISION

To be the leading short-term lender in South Africa and North America, improving the quality of life of our clients by offering them access to unique value and solution-based products which, tailored around their unique requirements, empower, develop and uplift them.

## OUR MISSION

To consistently satisfy the needs of our target market by offering innovative, superior and inclusive investment, saving and credit solutions and better service, adding value to our clients' lives by empowering them and contributing towards their financial growth, independence and freedom.

## OUR PURPOSE

Our aim is to improve and transform the lives and livelihoods of our clients and the societies we operate in by offering them modern, inclusive financial services and products that benefit and empower them and our stakeholders in a manner that is environmentally responsible.

## KEY PERFORMANCE INDICATORS

Finbond is not focused on making quick and short-term profits, but sets out to build critical market momentum that will secure long-term rewards and sustainable benefits for all stakeholders. Our business strategy is to exceed the expectations of our clients, shareholders, business partners and regulatory stakeholders and, in doing so, sustain the organic growth of Finbond.

## OUR CORE VALUES



### ACCOUNTABILITY



### TEAMWORK



### INTEGRITY



### EXCELLENCE



### HUMAN DIGNITY

#### ACCOUNTABILITY

*To accept responsibility for the work delegated and to execute it with excellence.*

#### TEAMWORK

*To strive for the greater benefit of the organisation through an appreciation of the role that each employee plays in achieving the overall goals.*

#### INTEGRITY

*To maintain social and ethical norms in all activities.*

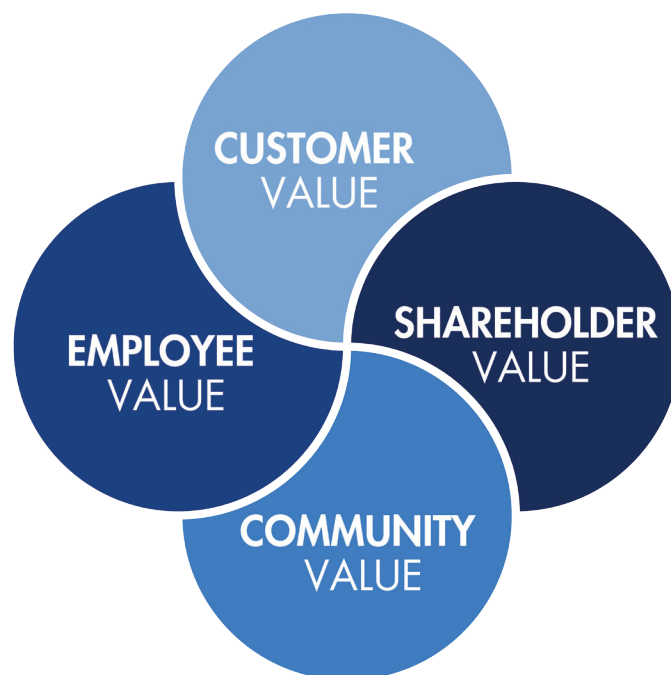
#### EXCELLENCE

*To be excellent in everything at all levels and at all times.*

#### HUMAN DIGNITY

*To at all times treat people with respect and show consideration for their unique needs, feelings and opinions.*

## VALUE GENERATION



One of Finbond’s primary goals is to create value for its stakeholders, including customers, employees, shareholders and the broader community. Below outlines the key drivers of value within Finbond:

1. Customer Value: Finbond strives to provide exceptional customer service and offers a wide range of customer-centric lending products and services to meet the diverse needs of our customers.
2. Employee Value: Finbond prioritises employee satisfaction and engagement in order to attract and retain top talent. This is achieved through ongoing training and development opportunities and a positive workplace culture that emphasises teamwork, diversity and inclusion.
3. Shareholder Value: Finbond generates sustainable financial returns for its shareholders over the long term. This is achieved through effective risk management, strategic investments in new business opportunities and a strong focus on operational efficiency and cost control.
4. Community Value: Finbond contributes to the social and economic well-being of the communities it serves. This is achieved through partnerships with local organisations, and investments in community development projects that promote economic growth and job creation.

By creating value for its customers, employees, shareholders and the broader community, Finbond aims to achieve long-term success and deliver positive outcomes for all its stakeholders. In addition, Finbond focuses on Environmental, Social, and Governance (“ESG”) practices to help further enhance its value creation model by promoting sustainable and responsible banking practices that benefit all stakeholders.

## VALUE GENERATION MODEL

CAPITALS	INPUTS	OUTPUTS
Manufacturing	Operational processes; branches; IT systems; product mix.	Finbond granted 1,426,162 loans during the financial year. Total deposits amounted to 1,290 and total commercial paper issued amounted to 1,762 notes as at 28 February 2026. Total branches amounted to 679, including investments in joint ventures and associates, being 67 more than the prior year.
Financial	Capital from depositors; fees and interest paid on loans; credit facilities; strong capital base.	Finbond's balance sheet remained strong. The increase in earnings resulted in additional financial value.
Intellectual	Banking systems; compliance and control systems; reputation; innovation; expertise; strategic partnerships.	Finbond had no material regulatory breaches during the financial year and maintained strict adherence to Treating Customers Fairly. Finbond continues to evolve through ongoing negotiations with strategic partners, while retaining scarce resources in expert areas. Finbond has developed a centralised loan management system, enhancing operational control.
Human	Skills; resources; knowledge and expertise; subject matter experts; skills development.	Finbond paid more than R461 million* in salaries during the financial year, with an absenteeism rate of 0.89% in South Africa. Finbond embarked on a culture programme in 2020 and continued to enhance employee well-being during 2025. 16 skills development programmes were implemented in the 2026 financial year and 216 learners successfully completed their training.
Social	Stakeholder engagement; customer centricity; BBBEE contribution; community; sponsorships and donations.	Finbond continued to maintain a healthy relationship with all stakeholders. During the financial year, Finbond donated more than R1.8 million to charities. Finbond maintained a level 4 BBBEE rating compared to a level 5 rating in 2020. FMB Regulatory complaints for 2025 amounted to seven for the year and there were no outstanding complaints on 28 February 2026.
Natural	Operational impact on the environment.	Finbond is predominantly "office-based" and leaves a limited carbon footprint on the environment. However, Finbond acknowledges the importance of the responsibility towards the environment to ensure that future generations can enjoy the environment in which we are ultimately investing. The total number of Person Hours Worked ("HW") was calculated as 5,631,704 for the reporting period.

\*Excludes joint ventures and associates

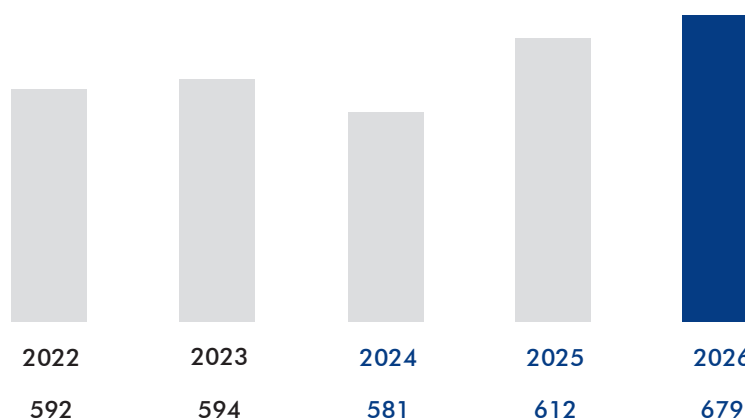
## BRANCH NETWORK, NUMBER OF EMPLOYEES AND ACTIVE CLIENTS<sup>1</sup>

### NUMBER OF BRANCHES

679 BRANCHES

South Africa 539

North America 140



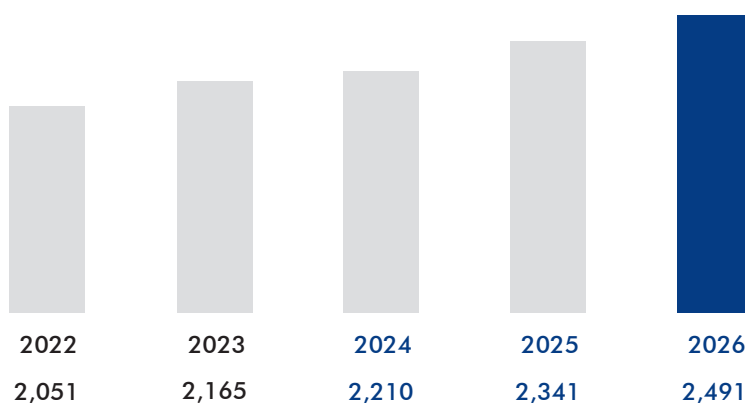
### NUMBER OF EMPLOYEES

2,491 EMPLOYEES

South Africa 1,881

North America 608

Malta 2

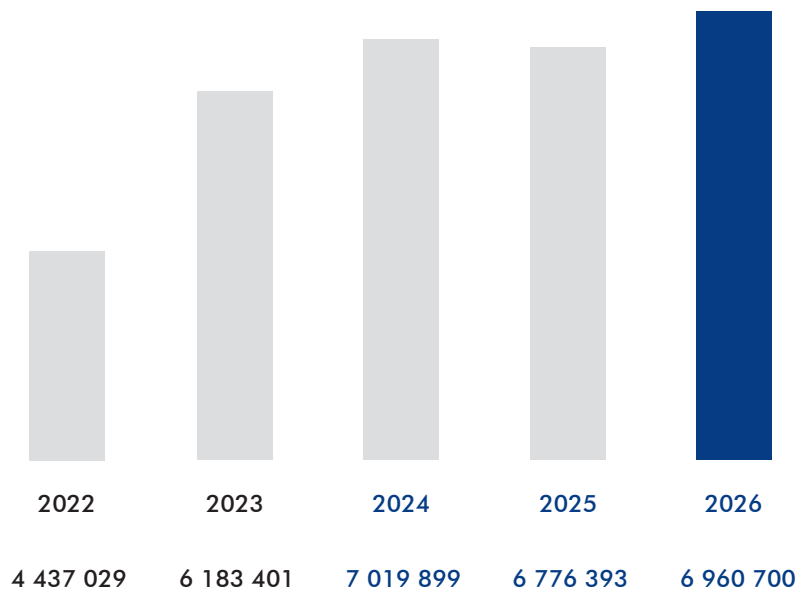


### VALUE OF LOANS ADVANCED (R'000)

R6 960 700

South Africa R2 047 810

North America R4 912 890



<sup>1</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. Branches and employees however include 100% of all investments i.e., the Group's full network.

## PRODUCTS

Finbond specialises in the design and delivery of unique value- and solution-based savings, insurance and transactional banking products tailored around depositor and borrower requirements, rather than institutional policies and practices.

We focus on our core strength and economic driver which is short-term cash generative lending (tenures on the majority of our loans are four months and less and average capital granted of R1,920 (SA) and \$488 (US)) in South Africa and the US (Finbond's "One Thing").

We believe we can be the best in the world at short-term consumer lending, which drives our economic engine. We are deeply passionate about being the best short-term lending company in South Africa and North America.

### SHORT-TERM CONSUMER LENDING

Short-term lending products are offered to the underbanked and underserved markets actively seeking credit solutions, but who remain largely unattended to and underserved due to the traditional banks' concentration on the higher income brackets of the population.

Finbond's South African short-term lending division currently operates through 539 branches and has 1,881 employees. Finbond's North American short-term lending division currently operates through 140 branches and has 608 employees. This includes joint ventures and investments in associates.

The remainder of the product range serves Finbond's "One Thing". Finbond will not launch new ancillary products unless they serve the "One Thing", are sufficiently profitable and in no way shift the focus of Management away from short-term cash-generative consumer lending.

### PERSONAL BANKING

Finbond Mutual Bank ("FMB") offers personal transactional banking with a range of benefits designed to make managing its clients' finances easy and affordable. With the ability to withdraw cash from both till points and ATMs, clients can access their funds quickly and conveniently.

With interest paid on positive credit balances and an affordable monthly fee, FMB's personal transactional banking options are perfect for anyone looking for flexible and accessible banking services.

The FinSave Value account is specifically tailored to fulfil clients' needs, offering competitive pricing in the transactional banking market.

The features of the FinSave Value Account include:

- 2.5% p.a. interest paid and monthly fee of R7.50 on balances up to R50,000;
- Access to credit and value-added services; and
- 24/7 access to a banker for assistance.

### OVERDRAFT FACILITY

Customers can qualify for an overdraft facility depending on the product requirements. FMB does not charge a fixed fee on the overdraft facility for social grant recipients. The client does however need to pay interest on the amount owed. Working customers are charged a fixed fee of R60 for every month during a 12-month period.

### BUSINESS BANKING

FMB's business bank accounts are tailored to meet the unique needs of businesses of all sizes, whether a small startup or an established enterprise.

FMB offers the following business banking products:

- Commercial account with a monthly administration fee of R100 and a required minimum account balance of R150;
- Business account with a monthly administration fee of R50 and a minimum required account balance of R150; and
- Small enterprise account with a monthly administration fee of R25 and a required minimum account balance of R150.

### BUSINESS CREDIT

FMB offers business financing from R5 million to R30 million to small and medium-sized businesses registered in South Africa, and with a trading history of three years or more.

FMB offers term loans, ranging from 12 months to 60 months, or revolving loans of 12 months or less.

### SAVINGS AND INVESTMENTS

Savings and investment products that offer a superior above-average rate of return are offered nationally to investors and pensioners seeking guaranteed higher fixed income. FMB's strategy is to stimulate savings by offering superior investment and savings solutions, and providing client-shareholders with better interest rates, better products and better service. Interest can be capitalized or paid monthly, quarterly, biannually or annually.

### ONLINE AND MOBILE BANKING

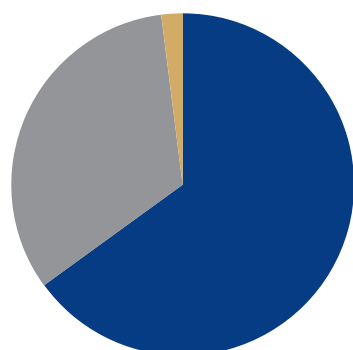
Customers can conveniently manage their finances online and on FMB’s mobile banking app. With all services accessible at their fingertips, they can bank anytime, anywhere.

### SECURED LENDING

Finbond’s North American operations also offer Auto Title Loans at some branches. An Auto Title Loan is a loan where the borrowers provide their car title as collateral for the repayment of the loan and the Group is placed as the first lienholder on the vehicle title. Auto Title Loans can range from \$100–\$10,000 depending on the value of the vehicle and jurisdiction, with the majority of repayment terms being between one and 24 months. Finbond North America’s average Auto Title Loan is \$3,944.

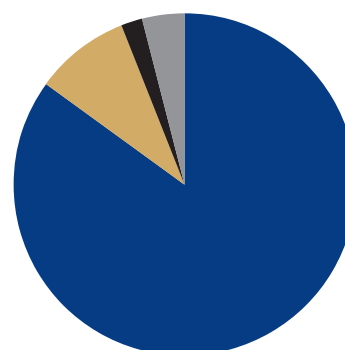
## PRODUCT MIX

CONSUMER SHORT-TERM LOAN PRODUCT MIX<sup>1</sup>



Geography	Rand value of loans
USA	65.0%
South Africa	33.0%
Canada	2.0%

SAVINGS AND INVESTMENT PRODUCT MIX



Products	Percentage
1. Commercial Paper (FGL) <sup>2</sup>	85.0%
2. Fixed-Term Deposits (FMB) <sup>3</sup>	9.5%
3. Fixed-Period Shares (FMB) <sup>3</sup>	1.6%
4. Permanent Interest-Bearing Shares (FMB) <sup>3</sup>	3.9%

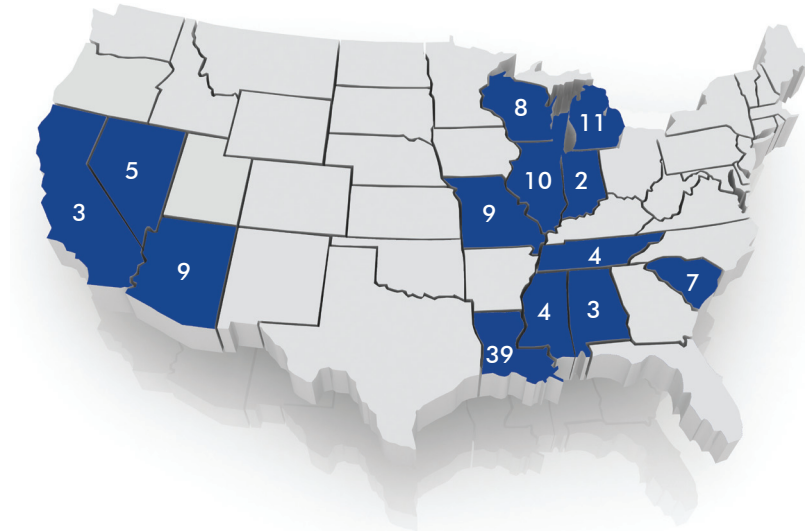
<sup>1</sup>Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For subsidiaries where ownership is below 75%, joint ventures and associates, results include only Finbond’s specific ownership percentage.

<sup>2</sup>Commercial paper offered by FGL is a South African fixed-term interest-bearing note, with capital and interest backed/guaranteed by the general creditworthiness of the company, issued to the general public with a minimum 60-month term.

<sup>3</sup>Notice and fixed-term deposit products offered by FMB in South Africa earn interest at the contracted fixed rate up to the expiry of the relevant product maturity. FMB offers maturity terms of 7 days and 30 days on notice deposits and fixed term maturities ranging from 6 to 72 months. All clients investing in a fixed-term deposit will also have voting rights in FMB. Fixed period shares have an investment period of 66 months with fixed dividend rates. Permanent interest-bearing shares earn interest at a fixed contracted rate. This investment is non-redeemable but is transferable after expiry of a 72-month period. Deposit holders have one vote per depositor at FMB annual shareholders’ meetings, irrespective of the value or number of deposits they hold.

# SHORT-TERM CONSUMER LENDING BRANCH NETWORK\*

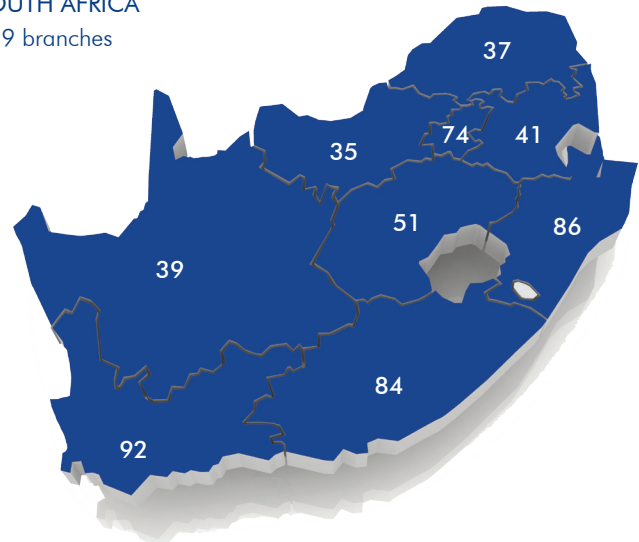
UNITED STATES OF AMERICA  
114 branches



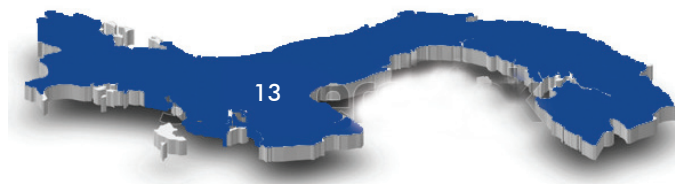
CANADA  
13 branches



SOUTH AFRICA  
539 branches

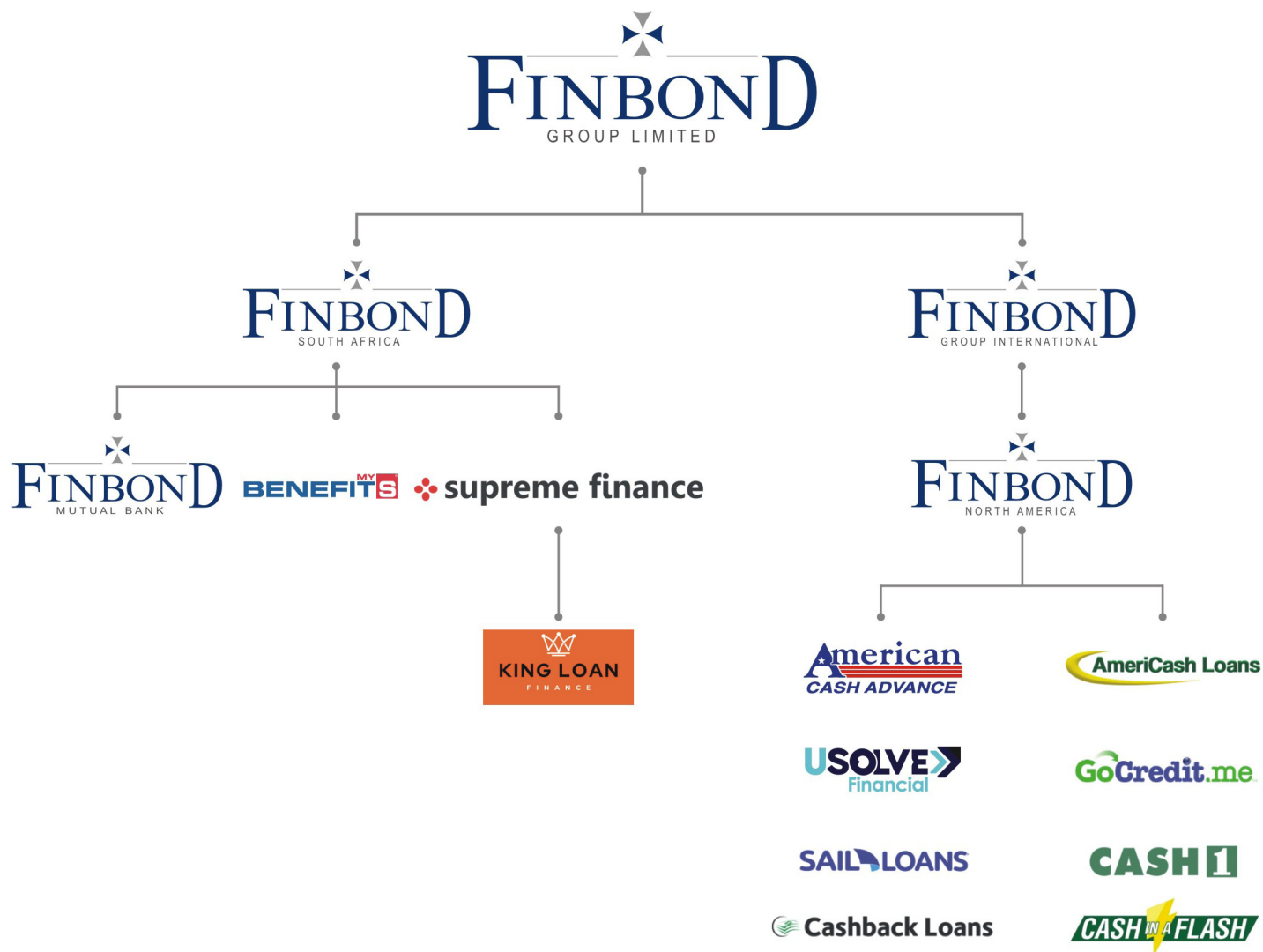


PANAMA  
13 branches



\*Including joint ventures and investments in associates.

## GROUP STRUCTURE\*



\*Above structure excludes dormant and insignificant subsidiaries.

## FINANCIAL HIGHLIGHTS AND INDICATORS

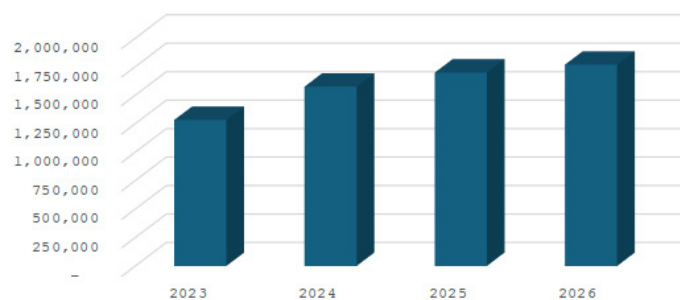
		2026	2025	2024
<b>Profitability and performance</b>				
Interest income	R'000	816 415	833 257	821 526
Interest expense	R'000	401 866	368 106	330 467
Revenue from operations (turnover)	R'000	1 765 509	1 699 062	1 575 340
Operating income/(loss) before taxation	R'000	96 330	61 890	30 646
Profit for the period attributable to owners of the Company	R'000	69 364	31 799	557
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	R'000	638 001	561 718	478 702
Cost-to-income ratio	%	58.2%	58.5%	60.4%
Ordinary shareholders equity	R'000	483 690	730 914	832 558
<b>Liquidity and return indicators</b>				
Share Price	cents	118	70	30
Weighted average number of shares in issue	shares	474,996,540	456,601,384	736,634,446
Earnings per share	cents	14.6	7.0	0.1
Diluted earnings per share	cents	14.6	7.0	0.1
Headline earnings per share	cents	5.2	(1.9)	(0.4)
Diluted headline earnings per share	cents	5.2	(1.9)	(0.4)
Return on ordinary shareholders' equity	%	11.4%	4.1%	0.1%
Total assets	R'000	4 410 013	4 527 784	4 278 331
Net asset value per share	cents	103.0	152.3	182.2
Return on assets	%	1.5%	0.7%	(0.1%)
Dividends declared	R'000	26 000	31 146	-
<b>Consumer loan portfolio quality</b>				
Gross loans and advances	R'000	1 149 597	1 108 346	1 061 546
Net loan impairment expense	R'000	271 553	264 285	260 120
Total arrears (Stage 2+) to gross loans ratio	%	61.5%	63.0%	60.5%
Loans in Stage 2+	R'000	707 132	698 514	642 502
Total non-performing loans (Stage 3) to gross loans ratio	%	50.0%	49.9%	47.9%
Expected credit loss (ECL) allowance/provision	R'000	608 273	586 910	543 088
ECL provision to gross loans and advances coverage ratio	%	52.9%	53.0%	51.2%
Past due (Stage 2+) coverage ratio	%	86.0%	84.0%	84.5%
Loan revenue	R'000	1 479 568	1 456 401	1 397 794
Loan revenue to average gross loans and advances	%	131.1%	134.2%	138.2%
Net loan impairment expense to loan revenue	%	18.4%	18.1%	18.6%
Net loan impairment expense to average gross loans and advances	%	24.1%	24.4%	25.7%
Collections rate (collection as a percentage of expected receipts)	%	100.6%	96.5%	98.9%
<b>Sales and operations (Consumer loans)<sup>2</sup></b>				
Value of loans advanced	R'000	6 960 700	6 776 393	7 019 899
Number of loans advanced		1 426 162	1 435 548	1 395 337
Average loan amount	R	4 881	4 720	5 031
Aggregate annual cash receipts	R'000	8 807 579	8 508 554	8 634 478
Ratio of cash receipts to loans advanced	%	126.5%	125.6%	123.0%
Number of branches		679	612	581
Employees		2 491	2 341	2 210

<sup>1</sup>Highlights figures are presented for 4 years (5 years for items within the Statement of Financial Position and sales and operations metrics) due to the restatement in 2024.

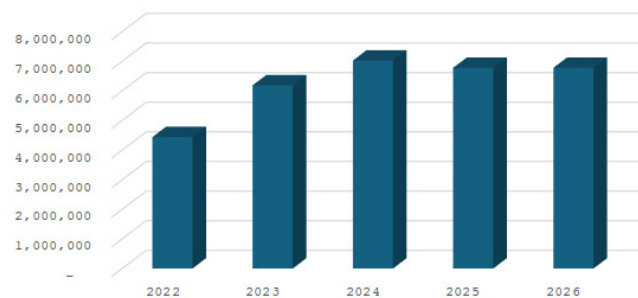
<sup>2</sup>Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For subsidiaries where ownership is below 75%, joint ventures and associates, results include only Finbond's specific ownership percentage. Branches and employees however include 100% of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

2023	2022 <sup>1</sup>	% change 2025/2026
720 948	1	(2.0%)
308 928	1	9.2%
1 283 114	1	3.9%
(298 613)	1	55.6%
(274 835)	1	118.1%
120 047	1	13.6%
68.5%	1	(0.5%)
796 966	846 412	(33.8%)
28	54	68.6%
837,576,796	853,865,498	4.0%
(32.8)	1	109.7%
(32.8)	1	109.7%
(19.1)	1	375.4%
(19.1)	1	375.4%
(33.4%)	1	180.8%
4 021 225	3 975 277	(2.6%)
99.8	100,9	(32.3%)
(7.0%)	1	(132.5%)
-	-	16.5%
961 896	795 765	3.7%
263 382	1	2.8%
59.8%	1	(2.4%)
574 820	1	1.2%
45.7%	1	0.1%
485 909	1	3.6%
50.5%	1	(0.1%)
84.5%	1	2.4%
1 261 276	1	1.6%
143.5%	1	(2.4%)
20.9%	1	1.1%
30.0%	1	(1.3%)
94.8%	92.6%	4.2%
6 183 401	4 437 029	2.7%
1 318 588	1 099 793	(0.7%)
4 689	4 034	3.4%
7 554 562	5 443 281	3.5%
122.2%	122.7%	0.8%
594	592	10.9%
2 165	2 051	6.4%

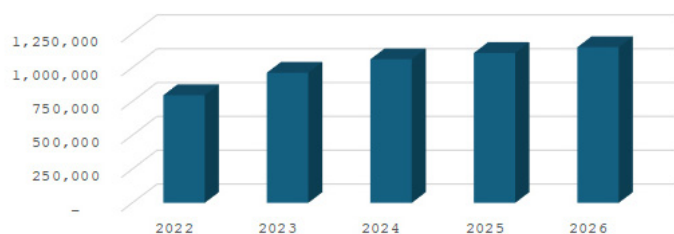
TOTAL TURNOVER (R'000)



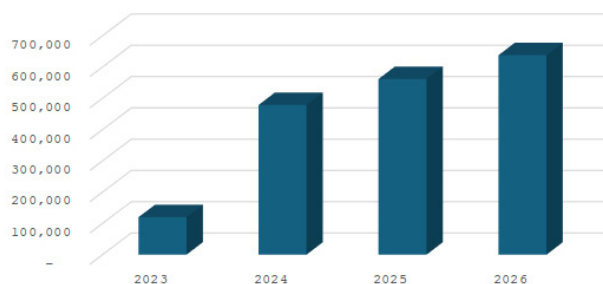
VALUE OF LOANS ADVANCED (R'000)



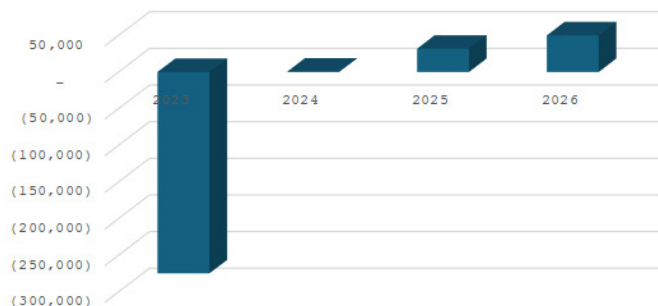
GROSS CONSUMER LOANS AND ADVANCES (R'000)



EBITDA (R'000)



PROFIT ATTRIBUTABLE TO OWNERS (R'000)



## COMBINED REVIEW OF THE CHAIR AND CHIEF EXECUTIVE OFFICER



**DR MALESELA MOTLATLA**  
CHAIR



**DR WILLEM VAN AARDT**  
CHIEF EXECUTIVE OFFICER

Dear Shareholders,  
Reflecting on the past year, we are pleased to report that the Group made further progress against the long-term strategic plan and strengthened the foundations for future earnings growth. The 2026 financial year was characterised by expanding the branch network, increased earnings, sustained cost discipline and a focus on delivering value to customers and shareholders alike.

In a dynamic market that continues to evolve in our various geographical areas of operations in North America and South Africa, our ability to adapt has remained one of the Group's most important assets.

What follows is a detailed account of how the results came together, the decisions behind them and how we are positioning Finbond for what comes next. As always, we remain committed to transparency, accountability and the patient creation of long-term value.

For the financial year ended 28 February 2026:

- Profit for the year attributable to owners of the Company increased more than 100% to R69.4 million (February 2025: R31.8 million);
- Earnings per share ("EPS") improved more than 100% to 14.6 cents per share (February 2025: 7.0 cents per share);
- Headline earnings per share ("HEPS") improved more than 100% to 5.2 cents per share (February 2025: loss of 1.9 cents per share);
- Earnings before interest, taxation, depreciation and amortisation ("EBITDA") increased 13.6% to R638.0 million (February 2025: R561.7 million);
- Turnover increased by 3.9% to R1.77 billion (February 2025: R1.70 billion);
- Operating costs were contained at R1.03 billion, an increase of 3.4% on the prior year (February 2025: R994.8 million) and the cost-to-income ratio improved 0.5% to 58.2% (February 2025: 58.5%);

- Return on ordinary shareholders' equity improved more than 100% to 11.4% (February 2025: 4.1%);
- Gross loans and advances increased 3.7% to R1.15 billion (February 2025: R1.11 billion);
- The cash receipts to loans advanced ratio improved 0.8% to 126.5% (February 2025: 125.6%), with total collections against expected receipts improving 4.2% to 100.6% (February 2025: 96.5%);
- The branch network expanded by 67 locations during the year, ending February 2026 at 679 branches – 539 in South Africa and 140 across North America (February 2025: 612); and
- Dividends per share amounted to 9.57071 cents per share (February 2025: 9.57071 cents).

### FINANCIAL RESULTS

The headline of the year was the increase in profitability, achieved on top of disciplined cost control and continued, deliberate growth in the consumer loan book, and despite the temporary dilution of profitability effect that opening new branches in South Africa had (as these new branches take time to reach profitability). Group gross consumer loans and advances grew 3.7% to R1.15 billion (February 2025: R1.11 billion), reflecting controlled expansion.

The bulk of revenue continues to come from short-term consumer lending. Total loan revenue rose 1.6% to R1.48 billion (February 2025: R1.46 billion), while total turnover was up 3.9% at R1.77 billion (February 2025: R1.70 billion). EPS more than doubled to 14.6 cents from 7.0 cents in the prior year, and HEPS returned to solid positive territory at 5.2 cents per share (February 2025: loss of 1.9 cents per share).

Operating cost discipline held throughout the year. Continued cost-savings, efficiency initiatives and structural changes meant operating expenses grew just 3.4% to R1.03 billion (February 2025: R994.8 million), a smaller increase than the 3.9% growth in turnover.

The cost-to-income ratio accordingly moved 0.5% down to 58.2% from 58.5%. By way of context, Finbond paid more than R461 million in employee compensation during the year, excluding joint ventures and associates, a measure of the people investment behind those numbers.

EBITDA at Group level reached R638.0 million, up 13.6% on the prior year's R561.7 million. North American operations contributed R286.2 million, South Africa R334.4 million, with Corporate adding another R17.5 million. Return on ordinary shareholders' equity increased more than 100% to 11.4% (February 2025: 4.1%).

By geography, R589.3 million of total revenue (33%) was generated in North America (February 2025: R574 million or 34%), while R1.10 billion (62%) was generated in South Africa (February 2025: R1.05 billion or 62%), with the remainder falling with the corporate division.

### SOLID LIQUIDITY POSITION

Group liquidity – cash, cash equivalents, and other liquid assets – stood at R801.9 million at the end of February 2026. Aggregate annual cash receipts increased by 3.5% to R8.81 billion (February 2025: R8.51 billion), and cash receipts as a percentage of capital granted edged up 0.8% to 126.5% (February 2025: 125.6%).

On the funding side, the FGL commercial paper book grew 5.3% during the year to R3.01 billion across 1,762 outstanding notes (February 2025: R2.86 billion), while FMB retail deposits eased 10.1% to R530.5 million across 1,290 deposits (February 2025: R590.3 million) as we sized the deposit base in line with funding needs. Average commercial paper investment size remained below R1.8 million for most of the period, while weighted-average outstanding note term and weighted-average interest rate at 28 February 2026 were 35.3 months and 10.97% respectively. The corresponding FMB retail deposit metrics at the end of the financial year were R398,264, 31.9 months, and 9.10%.

Importantly, the Group continued to fund itself with long-dated instruments – 60-month commercial paper and 6- to 72-month fixed-term retail deposits – with no exposure to short-term corporate call deposits. Set against short-dated assets (consumer loans with an average outstanding book term of 3.5 months in South Africa and 5.3 months in North America, weighted by outstanding balance and based on remaining book term), this leaves Finbond with a structurally low-risk liquidity profile.

### SOUTH AFRICAN OPERATIONS

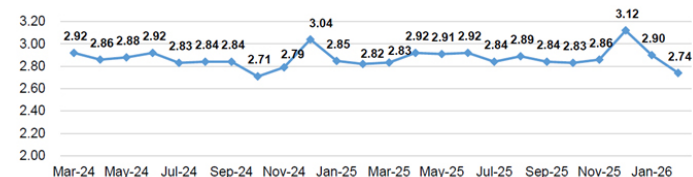
South Africa remains at the heart of the Group, and our local operations contributed to the majority of the Group's profit. Operating through 539 branches and approximately 1,881 employees, the focus stays where it has been for years: small, short-term, cash-generative consumer loans.

Total revenue from South African short-term lending activities increased by 5.0% to R1.10 billion for the year (February 2025: R1.05 billion). Net loans and advances on the South African balance sheet grew 11.8% to R586.9 million (February 2025: R524.9 million), reflecting deliberate book growth.

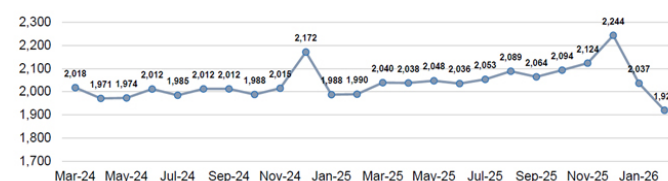
The volume engine in South Africa continued to produce. New loans advanced totaled R2.05 billion (February 2025: R1.97 billion), an increase of approximately 4%. South African operations received cash payments from customers of R3.06 billion, an increase of 4% on the prior year's R2.94 billion.

Finbond South Africa's average consumer loan size across the year was R1,920 (February 2025: R1,990) with an average term of 3.6 months (February 2025: 3.5 months), weighted by the capital originated during the financial year. The short tenor of these products keeps the portfolio cash-flow generative and provides a reliable internal source of liquidity – the loan portfolio turns over roughly four times a year.

### AVERAGE LOAN TERM



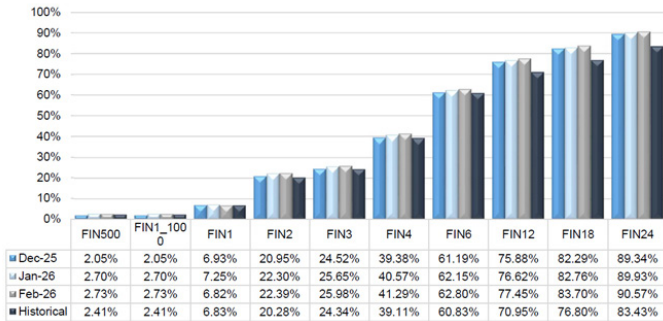
### AVERAGE LOAN AMOUNT



Net impairment on loans and advances as a percentage of SA revenue softened 1.6% to 19.6% (February 2025: 19.3%) in a more challenging SA collections environment. Provisions to gross consumer loans and advances coverage however improved 0.3% to 59.3% (February 2025: 59.5%), as our IFRS 9 ECL models continue to ensure that adequate provisions are held against the book.

Our credit-granting standards remain deliberately conservative as rejection rates in South Africa stayed between 76% and 90% on our 12- to 24-month products at the end of February 2026.

MONTHLY CODIX DECLINES TO HISTORIC DECLINES RATES



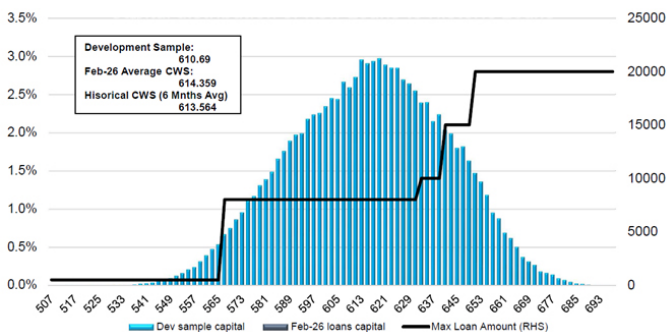
Capital Weighted Scores (“CWS”) remain relatively high, which suggests that the quality of loans being originated is satisfactory.

CAPITAL WEIGHTED SCORE

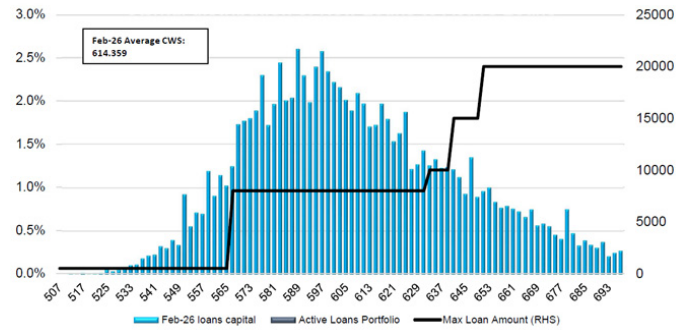


The graphs below show the shift in the distribution when considering the exposure that each approved application represents. It graphically illustrates the credit risk management methodology, where Finbond aims to offset the increased probability of default posed by a lower quality applicant through the management of the exposure at risk. It clearly shows that higher scoring clients qualify for larger loans. A further drift to the right should translate into higher collections and lower write-offs for more recently granted loans compared to historic averages.

CAPITAL DISTRIBUTION OF NEW LOANS TO HISTORIC LOANS



CAPITAL DISTRIBUTION OF NEW LOANS TO ACTIVE LOANS



NORTH AMERICAN OPERATIONS

In North America, Finbond operates through 140 branches, of which 114 are located in Alabama, Arizona, California, Illinois, Indiana, Louisiana, Michigan, Missouri, Mississippi, Nevada, South Carolina, Tennessee, and Wisconsin, with a further 13 branches each in Ontario (Canada) and Panama. Online consumer instalment loans are offered in California, Illinois, Indiana, Michigan, Missouri, South Carolina and Wisconsin via our online platforms. The North American business is supported by approximately 608 employees across our subsidiary, joint venture and associate operations.

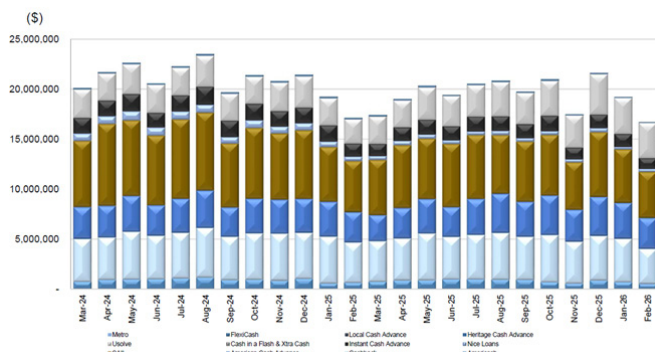
In the state of California, we closed all but three branches after we shifted the business strategy in December 2025 in order to focus on the more lucrative online lending model specific to that state.

On the balance sheet, net consolidated subsidiary loans and advances in North America held broadly flat at R149.8 million at February 2026 (February 2025: R150.8 million) mainly due to a stronger South African Rand against the U.S. Dollar (which reduced the Rand value of foreign-denominated loan balances). Investments in joint ventures (“JVs”) (primarily U.S.-based consumer lending businesses) decreased 6.1% to R879.9 million (February 2025: R937.4 million), while investments in associates (also primarily U.S.-based consumer lending businesses) decreased 10.4% to R665.0 million (February 2025: R742.5 million). The numbers, however, reflect strong underlying performance, with profitability across the JVs and an exceptional contribution from the associate (C1H), together with additional investment, supporting growth in investment balances. These gains were however more than offset by significant cash dividends received during the period (totalling R232.5 million), and a stronger S.A. Rand against the U.S. Dollar (which reduced the Rand value of foreign-denominated investments).

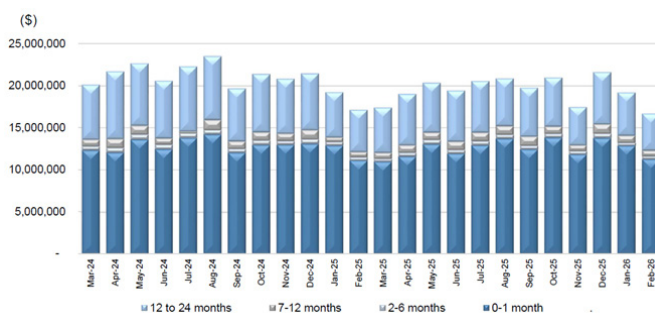
In volume terms, North American operations advanced R4.91 billion in new loans during the year (February 2025: R4.81 billion) – modest growth, in line with the deliberate decision to keep underwriting tight as we work through the U.S. recovery. Even after the stricter upfront credit scoring and the closure of underperforming branches that defined the period, current loan levels remain materially ahead of pre-COVID and pre-Illinois-regulatory-change levels – a clear signal that our strategic recovery in the region remains on solid footing. North American cash receipts from customers were R5.75 billion (February 2025: R5.57 billion).

Total revenue from Finbond’s North American short-term lending activities (including subsidiaries, joint ventures and associates) was R589.3 million for the period under review, up 2.7% on the prior year’s R574.0 million.

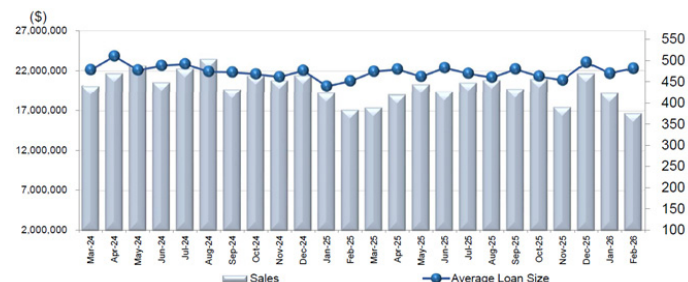
### MONTHLY SALES (\$) PER BUSINESS LINE



### MONTHLY SALES (\$) PER LOAN TYPE

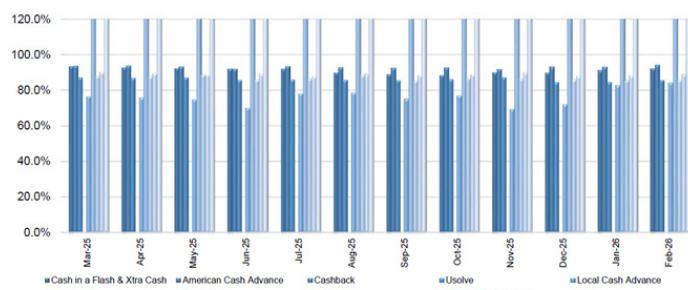


### MONTHLY SALES (\$)



Asset-quality indicators continue to support our underwriting stance. Collection rates (total collected as percentage of expected collections) in North America averaged a healthy 113.7%, while net impairment as a percentage of total loan revenue strengthened 4.3% to 17.7% (February 2025: 18.5%) and provisions-to-gross-loans coverage correspondingly strengthened 5.6% to 20.4% (February 2025: 21.6%) – all consistent with the conservative credit policies and rigorous collection processes that remain a hallmark of how we operate in the region.

### COLLECTION RATE PER BUSINESS LINE



### LOANS, BRANCHES AND STAFF

The volume engine continued to scale during the year. Loans advanced grew 2.7% to R6.96 billion (February 2025: R6.78 billion), of which R2.05 billion was originated in South Africa and R4.91 billion across our North American operations. Aggregate cash collections from customers increased 3.5% to R8.81 billion (February 2025: R8.51 billion) – a healthy reflection of the cash-generative character of the underlying book.

Branch network expansion was a deliberate priority. The South African network closed the year with 539 branches and the international network – the United States, Canada and Panama – with 140 stores, taking the Group total to 679 branches. That is a net addition of 67 locations year-on-year (an increase of 10.9%). Headcount moved up correspondingly to 2,491 (February 2025: 2,341), comprising approximately 1,881 employees in South Africa and 608 across the North American operations (subsidiary, joint venture and associate roles combined), with two in Malta.

The Board-approved Five-Year Strategic Plan of Action contemplates conservatively opening new branches if required over the next 12 to 60 months, achieved through a combination of organic openings and selective acquisitions in markets where we already operate.

### CLIENTS, EMPLOYEES AND SUCCESSION PLANNING

Our clients sit at the centre of how we make decisions. The Finbond model is built around products that respond to real, observable customer needs, delivered at a service level that earns repeat business – not just transactions.

As mentioned, the Group ended the year with 2,491 employees (February 2025: 2,341), and every new appointment moved through Finbond’s structured in-house onboarding and development programme. We invested meaningfully in skills and leadership development during the year, anchored on our “One Thing” – becoming the world’s leading niche consumer lending service provider. The 2026 financial year saw 16 distinct skills development programmes implemented across the Group, with 216 learners completing their training during the period.

Sitting alongside leadership development is succession planning, which we view as a core executive responsibility rather than an HR exercise. The objectives of the programme are deliberately practical:

- Identify high-potential employees who are ready for accelerated responsibility;
- Build the depth needed to fill key executive, management, technical and professional positions, including in the event of unplanned departures;
- Maintain a continuous flow of talent to meet the Group’s ongoing management needs; and
- Continue to broaden opportunities for previously under-represented candidates.

### PRUDENT RISK MANAGEMENT PRACTICES

Risk management at Finbond rests on a combination of clear individual accountability and structured collective oversight. Significant risk matters are addressed proactively at the level of the Chief Executive Officer, the Executive Committee and the independent

Risk Committee, while detailed risk-management policies, procedures and reporting frameworks operate inside every regional and divisional business unit.

The intent is straightforward: risk is everyone’s job, not that of a separate department. The tone is set from the top, but the culture is owned at branch and team level – which is where the most consequential underwriting and operational calls are actually made every day.

This embedded approach has been a major contributor to Finbond’s resilience over the past several years and continues to be one of the Group’s defining strengths.

### CONSUMER EDUCATION

In a market where new financial products and channels appear faster than most consumers can evaluate them, well-informed customers are a precondition for a healthy lending industry – and a competitive advantage for any lender willing to invest in genuinely empowering them. Customers who understand their rights, their obligations and the products they sign up for are better at protecting themselves, make stronger purchasing decisions and contribute to a more orderly marketplace.

We continue to engage proactively with customers who are struggling to repay against the original terms of their loans, working with them to find sustainable resolutions, and we continue to invest in financial-literacy resources distributed free of charge through the branch network.

Ms Ina Wilken-Jonker, Chair of the Finbond Group Social and Ethics Committee and Chairperson of GreyPower South Africa, has continued to update the two booklets she authored – one for Finbond Mutual Bank and one for Supreme Finance – titled “*Financial Freedom: Credit and Consumer Rights*”, which remain available to South African customers.

### REGULATION AND COMPLIANCE

Finbond Group Limited and its subsidiaries operate under the oversight of an extensive set of regulators. In South Africa these include the Prudential Authority, the National Credit Regulator, the Financial Sector Conduct Authority, the Johannesburg Stock Exchange and the Financial Intelligence Centre; in the United States, the Consumer Financial Protection Bureau and the various state departments of financial regulation; and, in Canada, the Consumer Protection Agency. We work hard to maintain transparent, cooperative relationships with each of them.

The financial-services regulatory environment continues to expand in scope and tighten in expectation, and our compliance universe spans

every statutory and regulatory requirement applicable to the Group's activities across these jurisdictions.

Compliance risk continues to be managed through internal policies and processes that combine legal, regulatory and business-specific requirements, supported by ongoing training and advisory engagement so that every employee – not only those in compliance roles – understands their obligations.

### BUSINESS PHILOSOPHY AND CULTURE

What holds the Finbond Group together is a shared business philosophy. Its roots are entrepreneurial; its content is captured in old-fashioned virtues – honesty, diligence, ethical conduct, innovation, durable partnerships and respect for the various stakeholders we serve.

The general principles by which we manage and grow Finbond have been consistent for a long time and will continue to be expected:

- Face the brutal facts. Stay realistic.
- Stick to our core values and core competencies.
- Manage and think long-term: 5–10–15 years.
- Grow conservatively, with discipline.
- Hire the best people; calibre wins over time.
- Put quality first, growth second.
- Be persistent. Don't quit until the end result is achieved.
- Learn from mistakes.
- Use adversity to invent, reinvent and recreate.
- See the obstacle as the way: advance through and over it.
- Aim to win when others lose.
- Keep moving forward; do not stand still.
- Stay positive, have faith in God, and trust that, by His grace, we will prevail and excel.

### SOCIAL RESPONSIBILITY

We treat social responsibility as something the Group does, not something the Group reports on. In practice, that means going beyond the legal minimums and weaving social, environmental and ethical considerations into the way we run, fund and grow the business.

Done well, this kind of work strengthens the brand, deepens trust with the communities we serve, mitigates risk and gives our customers and employees something to be proud of. Done honestly, it also forces questions about where we can do better – which is where we want them.

During the year we continued to support a number of charitable organisations close to Finbond's community-investment focus, including Tshwane House of Safety, Tshwane Place of Safety, Silwerkroon, Moeggesukkel and Uncle Ben's Den. Total charitable contributions for the 2026 financial year exceeded R1.8 million.

### BLACK ECONOMIC EMPOWERMENT

Finbond regards Broad-Based Black Economic Empowerment as an important consideration. The communities in which we operate are inseparable from the Group's commercial success, and we continue to back that view with action across hiring, procurement, lending and community-investment decisions.

Within South Africa we apportion resources – within reasonable means – to the goals of meaningful empowerment, in line with our vision, mission and the long-term character of the Group. We aim to be a workplace where opportunity is genuinely broadened, and where the outcomes of that effort can be tested in the data rather than asserted in a report.

Finbond Group Limited retained its level 4 BBBEE rating during the year (a level above the level 5 rating held in 2020) and continues to work towards maintaining or improving the level over the medium term.

### STAKEHOLDER ENGAGEMENT

How we engage with our stakeholders – customers, employees, the communities we operate in, regulators and investors – is one of the most important inputs into how we manage Finbond. Honest two-way communication builds the kind of trust that supports a business through both calm and turbulent periods and gives us early warning when something material in our environment is shifting.

We are guided in this by Principle 13 of the King V Code, which calls for a stakeholder-inclusive approach that balances the legitimate needs and expectations of material stakeholders over time. The depth, format and frequency of engagement vary with the stakeholder and the matter at hand, but the underlying discipline is consistent: listen first, respond candidly and report back.

### DIVIDENDS

On the back of a second consecutive year of profitable trading, the Board declared a final cash dividend of 4.06829 cents per ordinary share in addition to the interim dividend of 5.50242 cents per share that was declared in October 2025.

### STRATEGIC INITIATIVES

The markets in which we operate continue to present extraordinary challenges. We treat that as the operating environment rather than the exception, and remain firmly committed to building on what was delivered over the last two years.

Our growth thesis rests on three pillars – South Africa, North America and Latin America – supported by a strong balance sheet and by the resilience built up over the past two decades. We continue to invest

into all three pillars, with the relative emphasis driven by where the marginal capital generates the strongest risk-adjusted returns.

Our Board-approved Five-Year Strategic Plan sets the direction. The short- and medium-term initiatives we are executing against include:

- Growing South African operations through both higher business volumes and the conservative expansion of the branch network over the next 60 months;
- Stabilising and then growing the international operations through expansion of our store network across North America and Latin America;
- Rolling out our online SAIL GoCredit.Me product across all 50 U.S. states;
- Diversifying through key strategic partnerships that can add new distribution channels; and
- Increasing net profits through a combination of organic growth and selective strategic acquisitions.

#### LOOKING AHEAD

On the basis of the trajectory established this year and the pipeline of initiatives in execution, the Board expects Finbond's recovery to continue during the years ahead, considering difficult trading conditions and an uncertain external environment.

We expect macro conditions to remain demanding. We do not see that as a headwind so much as a recurring opportunity: when households are looking for value and better service, an inclusive lender with a multi-decade track record is a natural place for them to come.

#### IN CLOSING

Although work remains, this year has reminded us of what Finbond can achieve when its strategy, capital and people pull together. Sustained profitability is not, by itself, the destination – but it is a meaningful proof point of the discipline and judgement that have characterised the Group through several harder years.

Looking forward, the Board remains confident in management's ability to navigate the inevitable shifts in the operating environment, capitalise on emerging opportunities and continue to compound long-term value. The Board's role is to provide oversight, candour and support – and to make sure every important decision is taken with the long-term interests of shareholders and stakeholders firmly in view.

To our shareholders, thank you for your continued trust and the confidence you place in Finbond. We are proud of what was delivered this year and confident in what comes next.

To our fellow directors and to every Finbond employee – across all 679 branches and offices in South Africa, North America and Malta – thank you for the energy, the commitment and the conviction you continue to bring. Together, we will build the future this Group is capable of.

Last but not least we would like to thank our Lord, Jesus Christ for His faithfulness, grace and mercy and for continually blessing us with the necessary wisdom and ability to manage our business successfully through these challenging times. Without His love, goodness, mercy, kindness and abundant grace it will not be possible to live a successful, happy and fulfilled life.



Dr Malesela Motlatla  
Chair  
20 May 2026



Dr Willem van Aardt  
Chief Executive Officer  
20 May 2026

## CHIEF FINANCIAL OFFICER'S REVIEW



**MR GREG LABUSCHAGNE**  
CHIEF FINANCIAL OFFICER

### OVERVIEW

We are pleased to report a third consecutive year of profitability for the year under review, reflecting a sustained recovery from the effects of temporarily elevated consumer savings levels in the United States ("U.S."), as well as the impact of regulatory changes in Illinois, one of our key U.S. markets.

The Group's U.S. post-COVID recovery lagged broader economic trends, primarily due to the significant U.S. government stimulus programs implemented during the pandemic. While these programs have since concluded, they temporarily increased consumer liquidity, which suppressed demand for our credit products – in certain instances extending into the first half of the prior financial year.

In Illinois, the restructuring of investments impacted by the regulatory changes introduced in March 2021 is complete. Our Savings Account Instalment Loan ("SAIL") product continues to gain traction and has reached profitability. However, further growth will require access to additional funding at an appropriate cost to support portfolio expansion and achieve sustainable returns.

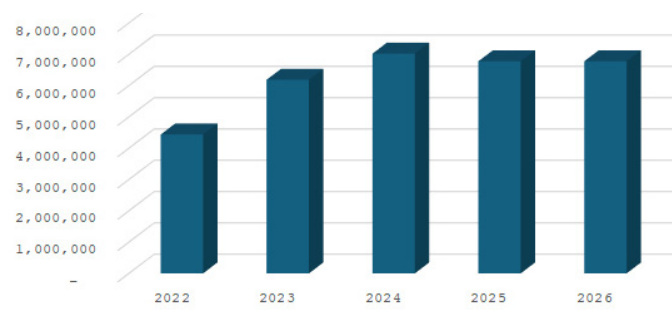
The year under review also marked a period of continued expansion in South Africa ("S.A."), primarily through the organic opening of new branches. While this expansion has had a short-term dilutive effect on profitability, as these branches take time to mature, it is expected to support earnings growth over the medium and longer term.

### FINANCIAL PERFORMANCE HIGHLIGHTS

#### Loans Advanced

Short-term consumer loans advanced increased by 2.7% to R6.96 billion. Loans advanced volumes demonstrate the continued progress in executing our strategic recovery and growth initiatives, particularly in mitigating the effects of regulatory changes in Illinois.

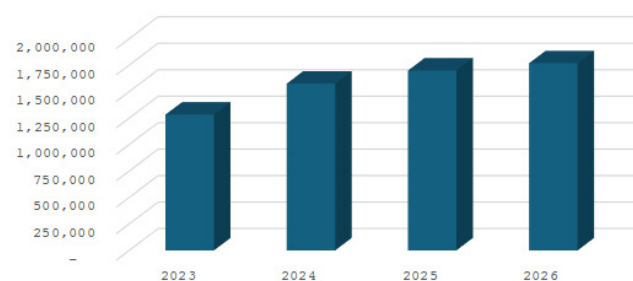
VALUE OF LOANS ADVANCED (R'000)



#### Revenue (turnover)

Total revenue (consisting of interest, fee, commission, joint venture and associate income) accordingly grew 3.9% to R1.77 billion (2025: R1.70 billion), supported by overall loan book growth and good performance across the Group.

TOTAL TURNOVER (R'000)



### Finance Costs

Finance costs increased by 9.2% to R401.9 million, primarily driven by higher Finbond Group Limited (“FGL”) Commercial Paper (“CP”) balances. These balances were increased to support strategic recovery and growth initiatives, as well as, on a temporary basis, to extend funding maturities and build surplus cash buffers to mitigate potential funding risk.

This temporary increase in funding has since been reduced following the introduction of alternative funding instruments. Further detail on the Group’s funding risk profile is provided in Note 43.

### Consumer Loan Collections and Impairments

Collections remained robust during the year under review, with the average collections rate improving by 4.2% to 100.6% (total collections as a percentage of expected collections). This performance was supported by strong results in the U.S. and generally stable, albeit marginally softer, performance in S.A. Collections in S.A. have, however, come under some pressure in the final quarter of the financial year and remain an area of ongoing management focus.

Net impairments, as a percentage of loan revenue, weakened modestly to 18.4% (2025: 18.1%), reflecting the more challenging conditions in S.A. Notwithstanding this, the ECL provision coverage ratio improved slightly to 52.9% (2025: 53.0%), reflecting the combined effect of stronger collections performance and prudent provisioning levels.

### Operating Expenses

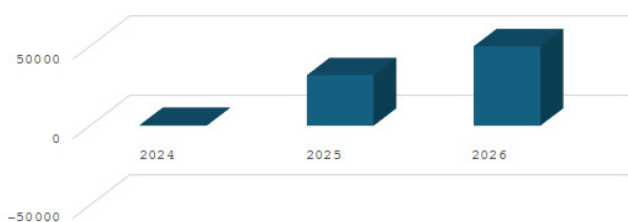
Operating expenses increased by 3.4% to R1.03 billion, remaining well contained below revenue growth. Efficiency and restructuring initiatives continued during the year, with further benefits expected to materialise in the coming financial period.

Despite the impact of short-term restructuring costs and continued new branch expansion in S.A., the cost-to-income ratio improved by 0.5% to 58.2%, reflecting solid underlying progress.

### Profitability

The Group reported profit of R69.4 million, representing a strong 118.1% increase from R31.8 million in the prior year.

#### PROFIT ATTRIBUTABLE TO OWNERS (R’000)



EBITDA grew by 13.6% to R638.0 million (2025: R561.7 million), reflecting improved underlying operational performance.

Earnings per share (“EPS”) increased by 109.7% to 14.6 cents per share (2025: 7.0 cents), while headline earnings per share (“HEPS”) improved significantly to 5.2 cents per share from a loss of 1.9 cents in the prior year.

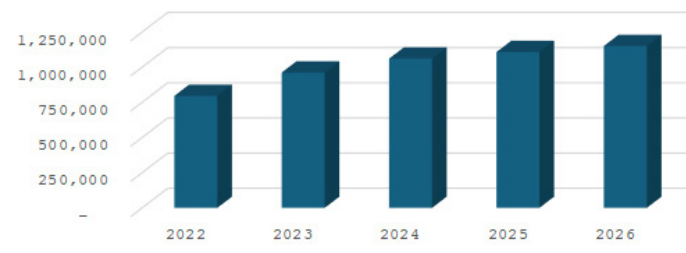
Overall, Group profitability reflects a strong recovery and continued positive momentum.

### LOANS AND ADVANCES

#### Consumer Loans and Advances

Subsidiary gross consumer loan books grew 3.7% to R1.15 billion. In S.A., gross loans increased 5.0% to R961.5 million, while North American gross loans declined marginally to R188.1 million due to a stronger S.A. Rand against the U.S. Dollar (which reduced the Rand value of foreign-denominated loan balances).

#### GROSS CONSUMER LOANS AND ADVANCES (R’000)



Investments in joint ventures (“JVs”) and associates – primarily U.S.-based consumer lending businesses – declined marginally by 1.3% to R1.66 billion. This reflects strong underlying performance, with profitability across the JVs and an exceptional contribution from the Associate (CIH), together with additional investment, supporting growth in investment balances. These gains were more than offset by significant cash dividends received during the period (totalling R232.5 million), and a stronger S.A. Rand against the U.S. Dollar (which reduced the Rand value of foreign-denominated investments).

#### Business Lending, Mortgage & Specialised Finance Loans

Gross loan books grew by 21.1% to R243.3 million, driven by strong business lending growth at Finbond Mutual Bank in S.A. Business lending represents a key growth opportunity, supported by increased demand from lower credit risk clients as larger S.A. banks have tightened lending criteria, limiting access for well-performing businesses.

## CAPITAL AND LIQUIDITY

Ordinary shareholders' equity decreased by 33.8% to R483.7 million.

While profitability of R69.4 million provided underlying support, the decrease was primarily driven by currency movements, with the Rand strengthening by approximately 13.5% against the U.S. Dollar during the reporting period. This reduced the ZAR value of the Group's USD-denominated assets, liabilities and foreign currency translation reserves.

Foreign currency reserves declined by R281.5 million to R87.9 million, largely reflecting these translation effects. Notwithstanding this, the Group's underlying foreign currency position remains strategically important, providing a natural hedge against long-term currency trends. While recent U.S. Dollar weakness has been influenced by current global dynamics, a relative strengthening of the U.S. Dollar against the Rand is expected to resume over the medium to long term.

Total cash receipts from customers improved 3.5% to R8.81 billion. Importantly, the larger improvement in cash receipts relative to loans advanced highlights continued operational progress. This is further underscored by a healthy cash received-to-cash granted ratio of 126.5%, up 0.8% year-on-year, demonstrating the Group's strong cash generation capability.

Cash and liquid assets (comprising cash, cash equivalents and other financial assets) decreased by 20.9% to R801.9 million. This reflects strong growth in both consumer and business loan books, continued investment and acquisitions to support future expansion, selective share buy-back activity, and interim dividends paid. These outflows were further impacted by the temporary strengthening of the Rand, which reduced the ZAR value of foreign cash balances, consistent with the broader currency effects noted above.

This was partially offset by solid cash dividend inflows and increased FGL CP funding. FGL raised an additional R152.8 million during the period, closing with a balance of R3.01 billion.

## REGULATION

We remain vigilant in monitoring regulatory developments across our jurisdictions. While no further changes as impactful as Illinois have occurred, we closely track federal and state-level developments in the U.S., as well as evolving regulations in SA. Refer to Note 43 for updates on proposed S.A. CP regulation changes.

## GOING CONCERN

The Financial Statements have been prepared on a going concern basis. See the Directors' Report and Note 43 for a detailed risk assessment.

## DIVIDENDS

The Directors declared a cash dividend of 5.50242 cents per share for the interim period ended 31 August 2025 and a final dividend after the reporting date of 4.06829 cents per share, bringing the total dividend declared relating to the reporting period to 9.57071 cents per share (February 2025: a scrip dividend of 17.82809 for every 100 ordinary shares held, with a gross cash dividend alternative of 9.57071 cents per share).

## APPRECIATION

I would like to extend sincere thanks to our exceptional Finbond team, Board of Directors, Finance team, consultants, investors, and regulators. Your support and dedication have been instrumental in our recovery and ongoing transformation.



Mr Greg Labuschagne  
Group Chief Financial Officer  
20 May 2026

## REGULATORY CHANGES

### REGULATORY CHANGES ON THE RADAR WHICH MAY IMPACT FINBOND GROUP LIMITED IN 2026/2027

<ul style="list-style-type: none"> <li>National Credit Regulator (“NCR”) (Debt Relief Bill)</li> </ul>	<p>No definite proclamation date has been set yet for full commencement of the changes, so monitoring remains mandatory.</p>
<ul style="list-style-type: none"> <li>Financial Sector Conduct Authority (“FSCA”)</li> </ul>	<p>The Conduct of Financial Institutions (“COFI”) Bill is expected to repeal several existing financial sector laws and consolidate and strengthen the conduct of business-related provisions they contain in a single, overarching conduct of business law. The COFI Act is also expected to introduce a new, more activity-based licensing framework for financial institutions. Once the COFI Act comes into effect, the primary regulatory instrument available to the FSCA will be conduct standards issued under the COFI Act. While it has not yet been fully enacted, the momentum and strategic regulatory planning indicate that financial institutions need to start preparing for the transition.</p> <p>The FSCA is in the process of developing a Conduct of Business Report (“COB Report”) that will apply to all regulated entities and which will have to be submitted to the FSCA on an annual basis. The COB Report, once finalised, will replace the compliance report contemplated in section 17(1)(c) of the FAIS Act. FSCA regulatory risk return submissions are expected from the end of 2026 and thereafter on an annual basis.</p> <p>The FSCA is in the process of developing a Conduct of Business Report (“COB Report”) that will apply to all regulated entities and which will have to be submitted to the Regulating Authority (FSCA) on an annual basis. The COB Report, once finalised, will replace the compliance report contemplated in section 17(1)(c) of the FAIS Act.</p>
<ul style="list-style-type: none"> <li>Financial Intelligence Centre (“FIC”)</li> </ul>	<p>AML/CFT/CPF risk returns to the PA/SARB: The Prudential authority (“PA”) of the South African Reserve Bank (“SARB”) has introduced enhanced AML/CFT/CPF risk returns to be submitted as of July 2026, covering a six-month period ranging from January to June and thereafter from July to December of each year. Returns are due biannually, in January and July of each year.</p>
<ul style="list-style-type: none"> <li>Revised Regulatory Framework for Mutual Banks</li> </ul>	<p>The PA in its Regulatory Strategy 2025 – 2030, indicates a “revised Mutual Banks Regulatory Framework” which is being planned.</p>
<ul style="list-style-type: none"> <li>Employment and Labour</li> </ul>	<p>The Employment Equity Amendment Act introduced significant amendments to the Employment Equity Act so as to amend, insert, substitute and delete a definition, to provide for the Minister to identify sectoral numerical targets in order to ensure the equitable representation of suitably qualified individuals from designated groups and to provide for matters connected therewith.</p>
<ul style="list-style-type: none"> <li>Canada</li> </ul>	<p>The Canadian government proposed in Budget 2023 to change the Criminal Code (relevant for installment loans) to lower the maximum annual interest rate that lenders can charge from a 60% effective annual rate to a 35% annual percentage rate and to change the maximum amount that payday lenders can charge customers for the amount they borrow to \$14 per \$100 borrowed (currently \$15 per \$100 in Ontario). The rate cap became effective on 1 January 2025.</p>
<ul style="list-style-type: none"> <li>USA</li> </ul>	<p>The Payment Provisions of the Consumer Financial Protection Bureau’s (“CFPB”) Payday, Vehicle, Title, and Certain High-Cost Installment Loans rule went into effect on 30 March 2025. The rule restricts lenders from attempting to withdraw payment from a borrower’s account after two consecutive failed payment transfers unless the borrower provides new authorisation for further attempts. The CFPB announced on 28 March 2025 that it will not prioritise enforcement or supervision actions of the rule, and that it is contemplating issuing a notice of proposed rulemaking to narrow the scope of the rule.</p> <p>Louisiana Act 510 (HB 582) of the 2025 Fiscal Legislative Session, which pertains to deferred presentment transactions and small loans subject to the Louisiana Deferred Presentment and Small Loan Act, became effective on 1 August 2025. The Act amends the “deferred presentment transaction” definition and increases the monetary amount paid to borrowers from \$350 to \$700, while it also removes the provision that prohibits the fee or interest from exceeding \$45 for deferred presentment and small loan transactions. The Act furthermore prohibits a licensee from reporting negative information about its customers to any credit bureau or credit reporting service.</p>

## **RISK MANAGEMENT AND CORPORATE GOVERNANCE**

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*"The key to risk management is never putting yourself in a position where you cannot live to fight another day."*  
- Richard S. Fuld, Jr. -

## DIRECTORATE



**DR MALESELA MOTLATLA**  
CHAIR

Independent Non-Executive Director

*[BA (Unisa), Post-Graduate Diploma in Marketing (Unisa), D.Com (Honoris Causa (Unisa), Diploma in Business Management and further studies through the Wharton School of Business (Philadelphia)]*

Age: 86

Period of Service: 20 years

Worked for South African Breweries ("SAB") for more than 20 years, where his main job functions included marketing and sales management, research, business development and training, corporate affairs, management consultancy and employee relations.

Established the first black business consortium in the Northern Cape region, Malesela Holdings (Pty) Limited, operating in the areas of logistics, health, power and energy and the cleaning industries.

Serves on the boards of several JSE listed companies as chairman.

Former Chairman of Tshwane University of Technology ("TUT").

Involved in various church activities.



**DR WILLEM VAN AARDT**  
CHIEF EXECUTIVE OFFICER

Executive Director

*[B Proc (Cum Laude), LL.M, LL.D, Admitted Attorney of the High Court of South Africa, QLTT (England and Wales), Admitted Solicitor of the Supreme Court of England and Wales, Extraordinary Research Fellow North-West University Research Unit: Law, Justice and Sustainability]*

Age: 53

Period of Service: 24 years

Founded Finbond in 2003.

Co-founder and Executive Director of Thuthukani Group Limited, a JSE listed short-term lending and debt collection company in 1998.

Doctorate in Public Law through the North West University Potchefstroom Campus in 2005.

Admitted as a Solicitor of the Supreme Court of England and Wales in 2008.

Completed International Development Ireland's "Strategy in Management and Banking Programme" in Dublin in 2009.

Founded Finbond Mutual Bank in 2012.

Appointed as Extraordinary Research Fellow North West University Research Unit: Law, Justice and Sustainability 2020.

27 years' experience in financial services and short-term lending sectors.

## DIRECTORATE



**MS INA WILKEN-JONKER**

Non-Executive Director  
*[BCom (Hons) (Unisa), MConSci (UP)]*

Age: 79  
Period of Service: 23 years

Appointed at Santam Bank in 1967 and held positions at the Bank of the Orange Free State, Barclays Bank, First National Bank and the SA Consumer Council prior to joining Finbond in 2003.

Former Chair of the Estate Agency Affairs Board and former Chair of the South African National Consumer Union ("SANCU").

Appointed to the Council for Debt Collectors by the Minister of Justice in 2007, to the Agricultural Research Council by the Minister of Agriculture in 2009, by the Minister of Trade and Industry to both the Estate Agency Affairs Board in 2010 and the FSB's FAIS Board.

Vice-Chair of the Banking Ombudsman from 2000 to 2010 and Vice-President of the Pretoria Chamber of Commerce, President of International Training and Communication in Pretoria, and Board Member of the SA Pharmaceutical Council.

Involved in developing various publications dealing with the rights and responsibilities of the consumer.

49 years' experience in the financial services, banking and consumer protection industries.

Chief Compliance Officer at Finbond until her retirement in 2013, whereafter she became a Non-Executive Director.

Current chair of GreyPower and co-opted as consumer specialist by the Cotton Board.



**ADV NEVILLE MELVILLE**

Independent Non-Executive Director  
*[BA Law, LLB (Natal), LLM (Cum Laude) (Natal), Postgraduate Diploma in Company Direction, Senior Executive Programme (Harvard Business School), AltX Company Directors' Induction (Wits Business School), Advocate of the High Court]*

Age: 71  
Period of Service: 14 years

Previously Chief Executive Officer of the South African Ombudsman for Banking Services for seven years, working alongside various experienced directors of public companies.

First Executive Director of the Independent Complaints Directorate and practised as an Advocate at the Durban Bar.

Office-bearer in various local and international voluntary associations, including Chairperson of the South African Ombudsman Association.

Former member of the Financial Services Ombuds Schemes Council and was the FSB/court-appointed Curator of PIT Group of Companies.

Founder Director of the Co-operative Banks Development Agency ("CBDA").

Honorary Research Fellow at the University of KwaZulu-Natal.

Former member of Chartered Institute of Arbitrators, London and Institute of Directors, South Africa.

Former consumer Goods and Services Ombudsman.

Former part-time adjudicator Community Schemes Ombud Service.

## DIRECTORATE



**MR GREG LABUSCHAGNE**

CHIEF FINANCIAL OFFICER

Executive Director

*[CPA (CA), BCom (Hons Acc), BCom (Fin Acc)(Cum Laude)]*

Age: 50

Period of Service: 10 years

Senior financial executive with over 20 years of experience in strategic and financial planning, day-to-day financial leadership, & operational business support.

Expertise combines deep business acumen, global experience, and strong technical finance skills, developed through senior and executive roles in both South Africa and North America.

Canadian Chartered Professional Accountant (CPA, CA). Articled with KPMG.

Served as Chief Financial Officer (CFO, an Executive Director of the Board) of Finbond Group Limited (FGL) from 2009 to 2011, rejoined as CFO of Finbond Group International (FGI) in 2018, and was reappointed as CFO and Executive Director of FGL in 2019.

Prior to rejoining Finbond, served as CFO of the Conservative Party of Canada.

Previous roles include Financial Manager at ABSA Bank Limited.



**MR SEAN RISKOWITZ**

Non-Executive Director

*[B Proc (Wits)]*

Age: 40

Period of Service: 4 years

Founder of Midbrook Lane Proprietary Limited, a private investment company.

Founder and Managing Member of Riskowitz Capital Management LLC (General Partner of the Riskowitz Value Fund LP) and Managing Member of Protea Asset Management LLC, an investment management business, incorporated in the United States of America.

Over 20 years' investment industry experience.

Director of Smith Playground, a non-profit in Philadelphia.

## DIRECTORATE



**MR DANIE PENTZ**

Independent Non-Executive Director  
*[BCom (Hons), Chartered Accountant (SA), AEP (Unisa)]*

Age: 79  
Period of Service: 6 years

Chartered Accountant, trained at one of the big four audit firms.

More than 48 years' experience as a financial manager, tax consultant and executive director of various JSE listed financial institutions, including JCI, ABSA Bank, Alacrity, African Bank, Fulcrum Bank and the unlisted Community Bank.

Participated in the application and registration process of Finbond Mutual Bank and the Community Bank.

Was Chief Operating Officer of the Community Bank and was responsible for the development and installation of financial and IT systems.

Over his years in these financial institutions he facilitated the strategic processes and supervised the implementation of these strategic plans and the resulting achievement of goals and action plans.

Managed a wide range of disciplines during his roles in senior management.



**MR PIET NAUDÉ**

Independent Non-Executive Director  
*[BCom (Marketing), Gaining Competitive Advantage (Michigan), IEP (INSEAD)]*

Age: 72  
Period of Service: 8 years

Commenced his career in the banking industry in 1976, and fulfilled multiple diverse Executive Level roles at Absa Corporate and Merchant Bank.

With portfolios ranging from Senior Manager: Relationships, to Manager for Corporate Banking Services, and Provincial General Manager, he accumulated substantial business acumen over the years.

Possesses extensive management experience in Discounting, Client Relationships, Asset Based Finance and Corporate Banking.

Holds a BCom in Marketing from the University of Pretoria, and successfully participated in and completed the IEP (International Executive Programme) through INSEAD, as well as 'Gaining the Competitive Advantage' Programme, through Michigan Business School.

Serves as non-executive director at Stratcol Holdings Limited.

## INTERNAL AUDIT\*

### PURPOSE AND AUTHORITY OF THE INTERNAL AUDIT FUNCTION

Finbond Mutual Bank's Internal Audit Function was established in accordance with Regulation 48 of the Banks Act which mandates a bank to establish an independent and objective internal audit function. Internal Audit strengthens the Bank's ability to create, protect, and sustain value by providing the Board and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal Audit enhances the Bank's:

- Successful achievement of its objectives;
- Governance, risk management and control processes;
- Decision-making and oversight;
- Reputation and credibility with its stakeholders; and
- Ability to serve the public interest.

Internal Audit plays a critical role in enhancing Finbond Mutual Bank's ability to serve the public interest. Although constant improvement of governance, risk management and control processes is Internal Audit's main goal, its impacts spread beyond the Bank. By ensuring operational efficiency, reporting reliability, compliance with laws and/or regulations, asset protection and ethical culture, Internal Audit contributes to safeguarding overall stability and sustainability.

The Internal Audit Function governs itself by adherence to the Institute of Internal Auditors' Global Standards, which guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. The Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

### SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, Management and outside parties on the adequacy and effectiveness of governance, risk management and control processes for Finbond Mutual Bank.

Internal Audit assessments include evaluating whether:

- Risks relating to the achievement of the Bank's strategic objectives are appropriately identified and managed;
- Significant legislative or regulatory issues impacting the organisation are recognised and addressed appropriately;
- The actions of Finbond Mutual Bank's officers, directors, employees and contractors comply with the Bank's policies, procedures and applicable laws, regulations and governance standards;
- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact Finbond Mutual Bank;
- The results of operations or programs are consistent with established goals and objectives;

- Operations or programs are being executed effectively and efficiently;
- Quality and continuous improvement are instilled in the Bank's control processes;
- Significant financial, managerial and operational information is accurate, reliable and timely;
- Information and the means used to identify, measure, analyse, classify and report such information are reliable and have integrity;
- Resources and assets are acquired economically, used efficiently and protected adequately; and
- Interactions with various governance groups within Finbond Mutual Bank are accurate, reliable and well-timed.

Internal Audit has specific responsibilities regarding Project Governance which include the introduction and roll-out of any new products, major new system development and/or material process changes. Internal Audit is also responsible for the Finbond Mutual Bank Whistle Blowing Hotline.

### LOOKING BACK OVER FY2026

The Audit Committee-approved Internal Audit plan for FY2026 has been successfully executed by the Internal Audit function. Areas of improvement have been identified and recommendations have been made to Finbond Mutual Bank's management.

In line with our mission to add value and improve the Bank's operations, Internal Audit keeps track of action items that management has committed to, in order to address the findings noted by Internal Audit and progress is reported to the Audit Committee on a quarterly basis.

### LOOKING FORWARD TO FY2027

Finbond Mutual Bank's Internal Audit aims to maintain an effective Internal Audit function, equipped with the right resources and skills aimed at keeping abreast of best practices, rapid changes and business complexity.

Finbond Mutual Bank's Internal Audit Strategy is guided by the overall organisational strategic pillars of customer service and growth, employee empowerment, growth and development, operational excellence, effectiveness and efficiency, discipline, compliance with controls and governance.

In response to the strategic pillars and King V recommendations for an effective internal audit function, the Bank's top priorities for FY2027 are to continue the development and strengthening of skills within the division, particularly concerning data analysis, artificial intelligence and other technologies, in order to improve coverage and increase productivity.

Internal Audit continues to be the advocate for combined assurance within Finbond Mutual Bank and will continue to ensure successful and effective implementation of the model and framework.

\*Please note that the Internal Audit function only applies to Finbond Mutual Bank, a South African subsidiary. The Group's Audit Committee receives quarterly updates from Finbond Mutual Bank's Internal Audit function.

## COMPLIANCE

In establishing an effective compliance framework, Finbond Group South Africa ("FGSA") has compiled a comprehensive set of policies, regularly updated in line with changes in legislation and business governance requirements, which all employees are obliged to comply with.

Compliance risk is defined as the current and prospective risk of damage to the FGSA's business objectives, reputation and financial soundness arising from non-adherence to Legal or Regulatory requirements, Codes of Conduct and Standards of Good Practice, applicable to its business.

The Compliance Universe comprises all the statutory and regulatory requirements of relevant legislation, regulations and industry codes applicable to the business and sound management of the Group. Compliance risks are managed through internal policies and processes, which include relevant legislation, regulations and business-specific requirements.

The three-line model, namely operational management (first line), risk and compliance monitoring (second line) and Internal Audit (third line), monitor the business and processes independently to ensure compliance with all policies and procedures.

Finbond's South African Compliance Governance Structure is in line with the Generally Accepted Compliance Practice ("GACP") framework of the Compliance Institute of South Africa. The GACP incorporates sound practices recommended, *inter alia*, by the Basel Committee on Banking Supervision and the King V Report on Corporate Governance.

This structure facilitates the achievement of the following key objectives:

- Top management's awareness of the regulatory requirements applicable to the organisation;
- Top management's understanding of the compliance framework;
- Top management's ability to assess and understand the status and level of compliance within the organisation;
- Effective reporting of the compliance monitoring results;
- Quick and effective resolution of compliance issues;
- The ability of the Compliance Function to function independently;
- Enablement of the Compliance Officer to have easy access to top management and all areas of the business;
- The promotion of the desired compliance culture;
- The avoidance of any conflict of interest; and
- Adherence to any specific and/or relevant regulatory requirements.

The Board, together with senior management, are ultimately responsible for understanding and overseeing the management of compliance risk.

The primary role of the compliance function is to assist senior and executive management in effectively managing the compliance risks faced by Finbond. The compliance function works closely with operational units to ensure consistent management of compliance risk.

The Chief Compliance Officer reports directly to the Audit Committee, and for administrative purposes, to the Chief Executive Officer.

For the period under review, Compliance's key focus areas included, *inter alia*:

- Submitting the annual compliance officer returns to the relevant regulators;
- Maintaining employee awareness relating to regulatory and policy requirements (compliance culture);
- Keeping business informed of and updated on all new regulatory developments and new legislation;
- Attending online workshops, webinars and meetings with the various regulators;
- Assisting executive management with regulator responses where applicable;
- Continuing to execute the annual compliance strategic plan, monitoring plans and related documentation as approved by the Board;
- Updating the annual strategic plan, monitoring methodology and monitoring plans for the following year in collaboration with the compliance team;
- Submitting the updated policy manual for annual review and approval by the Board;
- Conducting monthly compliance risk monitoring;
- Determining which acts, regulations and supervisory requirements affect the Group and also review and update the regulatory universe;
- Submitting S32 PAIA reports which were previously only mandatory for Public Bodies. The Information Regulator encouraged the heads of Private Bodies to submit their S32 PAIA reports to determine how many PAIA access requests Finbond had received;
- Continuing to promote high levels of compliance with the core legislation by regularly monitoring compliance levels and communicating matters of importance accordingly;
- Continuing to monitor and improve compliance with AML/CFT/CPF as well as updated policies;
- Assessing whether implemented procedures and controls align with the requirements of the new FIC Amendment Act;
- Continuing to focus on staff development, training and knowledge sharing;
- Continuing to maintain good, transparent and trusting relationships with Regulators;

- Submitting the AML/CFT/PF Risk Management and Compliance Programme as well as related AML/CFT/PF policies for the annual Board review and approval; and
- Providing relevant AML/CFT/PF training to senior management, relevant staff and the Board as required by the Financial Intelligence Centre Act.

Any detected incidents of non-compliance are duly reported to senior management for immediate remediation.

Planned areas of focus for Compliance in FY2027 are, *inter alia*:

- The annual review of the Finbond Regulatory Universe;
- The review of Risk Management Plans (“RMP’s”) for core risk legislation;
- The maintenance of high levels of compliance with the legislation and regulations listed in the Regulatory Universe;
- The continuous review of existing policies, procedures and controls pertaining to core legislation to ensure risk mitigation is effectively executed and to provide guidance to business where controls require enhancement;

- Compliance monitoring, assessments and self-assessments;
- Compliance advice and support to business in respect of current and new initiatives;
- Stakeholder management and regulator interventions;
- Continuous compliance training and awareness initiatives;
- Review and updating of the compliance manual and monitoring methodologies;
- Compliance Team development, communication, and meetings;
- Pro-active regulator interaction and relationship building;
- Annual AML/CFT/CPF related training of relevant stakeholders, senior management and Board members;
- Annual amendment of the Risk Management and Compliance Programme, and related policies and procedures, as well as when trigger events occur; and
- Enhancing Finbond Mutual Bank’s conduct standards in line with the Conduct Standards of Banks and regulatory reforms imposed by the FSCA.

## REGULATION

### A. SOUTH AFRICA

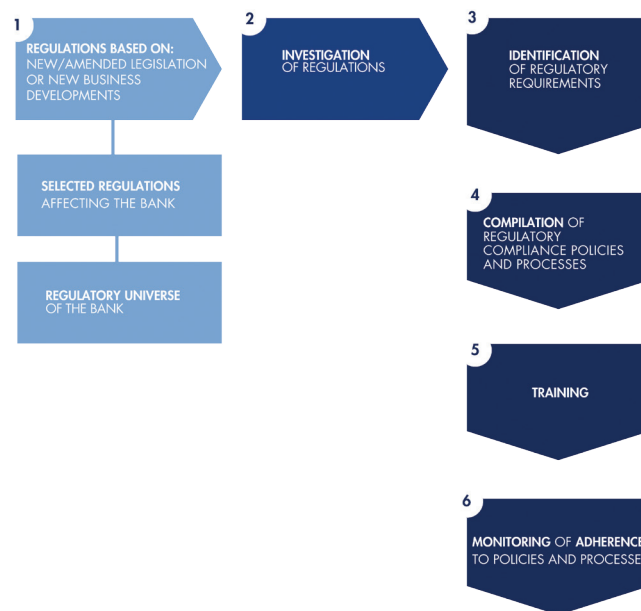
It is non-negotiable for Finbond to ensure that it maintains high levels of compliance with regulation and directives from Regulators. The Bank within the Group, Finbond Mutual Bank (“FMB”), remains an active member of the Banking Association of South Africa (“BASA”) and all staff of the Compliance function are active members of the Compliance Institute of South Africa (“CISA”). In order to ensure participation in the national payments system, FMB is also a member of the Payment Association of South Africa (“PASA”).

In terms of Finbond’s regulatory universe, the following primary legislation and regulations form the basis and focus of the independent compliance function and management system activities of Finbond:

- The Mutual Banks Act No. 124 of 1993 and its Regulations;
- Relevant Banks Amendment Act No. 94 of 1990 Regulations and Directives;
- The National Credit Act No. 34 of 2005 (as amended);
- The Basic Conditions of Employment Act No. 75 of 1997;
- The Labour Relations Act No. 66 of 1995;
- The Financial Advisory and Intermediary Services Act No. 37 of 2002;
- Conduct Standard for Banks, along with the Treating Customers Fairly (“TCF”) Principles that are incorporated into the Conduct Standard for Banks;
- The Financial Sector Regulation Act No. 9 of 2017;
- The General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act No. 22 of 2022;
- The Protection of Constitutional Democracy Against Terrorist and Related Activities Act No. 33 of 2004;
- The Financial Intelligence Centre Act No. 38 of 2001 as amended (by the FIC Amendment Act 1 of 2017);
- The Prevention of Organised Crime Act No. 121 of 1998;
- The Prevention and Combating of Corrupt Activities Act No. 12 of 2004;
- The Consumer Protection Act No. 68 of 2008;
- The Protection of Personal Information Act No. 4 of 2016;
- The Promotion of Access to Information Act No. 2 of 2000;
- The Foreign Account Tax Compliance Act Agreement for South Africa;
- The National Payments System Act No. 78 of 1998;
- The Labour Relations Act No. 66 of 1995 as amended;
- The Occupational Health and Safety Act No. 85 of 1993;
- The Income Tax Act No. 58 of 1962;
- The Tax Administration Act No. 28 of 2011;
- The VAT Act No. 89 of 1991;
- The Broad Based Black Economic Empowerment Act No. 53 of 2003;
- The Employment Equity Act No. 55 of 1998;
- The National Minimum Wage Act No. 9 of 2018; and
- The King V Code on Corporate Governance

### FINBOND REGULATORY COMPLIANCE MODEL (“FRCM”)

In order to understand and assess the impact of Regulatory changes and amendments on the business and the way Finbond conducts business, Finbond utilises the FRCM as depicted below.



Responsibilities and obligations imposed by new legislation are assessed, based on all the identified risk components, and remediation related controls are developed and implemented to mitigate the assessed risk.

Finbond recognises its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business, and is committed to high standards, integrity and fair dealing in the conduct of its business.

Finbond is ultimately committed to complying with both the spirit and the letter of applicable legislation and requirements and to always act with due care, skill and diligence.

## B. UNITED STATES OF AMERICA

The US sub-prime loan marketplace is regulated both at a Federal (National) and State level. Sub-prime loans are the nomenclature for the various types of short-term loans that are typically either due within two weeks to a month after being made, or are typically repaid in multiple payments over a period of months or years. The primary formats of these sub-prime loan types are payday, auto title and instalment loans.

In terms of Finbond's US regulatory universe, the following primary legislation and regulations will form the basis and focus of the independent compliance function and management system activities of Finbond:

- The Consumer Protection Act – “Dodd-Frank Act” (Federal Act - United States);
- The Truth in Lending Act (Federal Act - United States);
- The Equal Credit Opportunity Act (“ECOA”) of 1974, implemented by Regulation B (Federal Act - United States);
- The Military Lending Act (Federal Act - United States);
- Regulation F: Fair Debt Collection Practices Act (Federal Act - United States);
- Regulation Z: Truth in Lending (Federal Act - United States);
- Regulation P: Privacy of Consumer Financial Information (Federal Act - United States);
- The CFPB Regulations (Proposed Federal Rules - United States);
- The California Deferred Deposit Transaction Law (State Law - United States);
- The Indiana Code Ann. § 24-4.5-7-101 et seq. (State Law - United States);
- The Louisiana Deferred Presentment and Small Loan Act (State Law - United States);
- The Mississippi Check Cashers Act (State Law - United States);
- The Alabama Deferred Presentment Services Act (State Law - United States);
- The Illinois Payday Loan Reform Act (State Law - United States);
- The Economic Equity Bill (Illinois State Law – United States);
- The Missouri Revenue Statutes (State Law – United States);
- The Nevada Installment Loan Act: 45-1001- 1069 (State Law – United States);
- The Arizona Consumer Lenders Act 6-601 through 6-638 (State Law – United States); and
- The Tennessee Deferred Presentment and Flexible Credit Acts (State Law – United States).

## C. CANADA

- The Payday Loans Act of 2008 (Ontario, Canada); and
- The Criminal Code of Canada.

## RISK MANAGEMENT FRAMEWORK

### 1. Approach

Finbond’s approach to risk management is based on well-established governance processes (as summarised in the Corporate Governance section) and relies on both individual responsibility and collective oversight, supported by comprehensive reporting.

The approach begins at Board and Risk Committee level which includes full involvement and oversight by Non-Executive Directors and Risk Committee Members. This approach also balances strong corporate oversight at executive management level, beginning with pro-active participation by the Chief Executive Officer and the Executive Committee in all significant risk matters, with risk management structures, supporting policies, procedures and processes within all regional and divisional business units, enabling risk assessment in a controlled environment. Risk management is seen as the responsibility of each employee, following a top-down approach.

Risk culture can be defined as the financial institution’s norms and the collective attitudes and behaviours of its people that influence risk and impact outcomes. Risk culture provides a specific lens allowing general concerns about culture to focus on risk-taking and risk control activities.

A sound risk culture is likely to lead to the right risk outcomes while a weak risk culture may promote the wrong outcomes, for both the institution and its customers.

Principle 8 of the Basel Committee on banking supervision’s paper touches on risk communication and states that there should be ongoing communication about risk issues, including the risk strategy. This “bank” specific principle is applied within the Group as it also holds true for financial institutions in general. In this regard senior management actively communicates and consults with control functions on management plans and activities.

Rigorous focus on the fundamentals of risk management is critical for the success of any financial institution: those who get it right will succeed and those who do not will falter and fail.

Finbond has established a deeply embedded risk culture that stresses accountability at all levels and includes the full involvement of the Board of Directors and Senior Executive Officers.

The risk culture within Finbond follows a top-down process and starts with a risk culture and awareness at the highest level; this flows down and is embedded in the lowest operational level. This stresses individual accountability for all employees, and the sense of ownership over their direct risk environment further enhances a risk-aware approach to all daily tasks.

Senior Executives and Management set the example of a pro-active and risk-aware workplace. Finbond also believes in an open policy whereby any employee can approach the Risk and Analysis function and/or the Chief Risk Officer to escalate and/or discuss any possible risks.

Finbond further believes that an open discussion on risk enhances the risk culture and thereby commits to actively monitor risk and disclose and report on any risk associated with the business in an open and orderly manner.

Risk and Analysis will undertake actions to enhance the risk culture on an *ad hoc* and as-needed basis.

For South African operations, FMB Internal Audit will include the audit of the risk culture environment within their scope of audit and will deliver assurance on the above statements.

### 2. Governance Structure

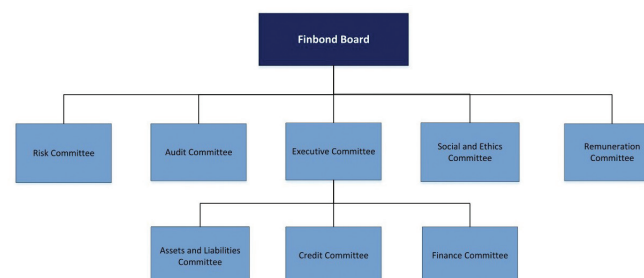


FIGURE 1. FINBOND GOVERNANCE

The various committees’ areas of responsibility, objectives, members, and meeting frequency are set out in the Committee Charters, as summarised in the Corporate Governance section.

The Board is accountable for the Group’s continuous monitoring of risks and risk management. The Board delegates this to the Executive and Risk Committees that establish and review the Risk Management Framework and oversee its implementation by the Risk and Analysis Department. The Risk and Analysis Department is responsible for the implementation and management of the Group’s Risk Management Framework which includes the identification, measurement, monitoring, reporting and mitigation of all risks. Findings are immediately communicated to the relevant business unit and escalated through the Chief Risk Officer’s membership of the Risk Committee and Executive Committee and Executive Subcommittees, the Credit Committee and the Asset and Liability Committee. The Chief Risk Officer also monitors the Risk and Analysis Department’s resource levels and ensures adequate resources are available across the organisation to implement and maintain risk management in

line with the Risk Management Framework by escalating resource requirements to the Executive Committee and Risk Committee.

Again, risk management is deeply embedded in all the Group’s decision-making behaviour through its deep-rooted risk culture. It is further embedded through a Limits of Authority Policy that ensures that decisions that could materially affect the Group’s risk profile are made at Executive Committee level or higher with representation by the Risk and Analysis Department. As part of the committee’s decision-making process the committee considers the effect of actions or inactions on the Group’s key risk indicators and how that will relate to the Group’s risk appetite. Decisions are also assessed by programmatically simulating scenarios to understand the impact of those decisions on the Group’s liquidity, capital, and risk position to further support the committee’s sound decision making.

### 3. Risk Appetite

Risk appetite is the maximum level of residual risk that the Group is prepared to accept to deliver its business objectives.

The Board establishes Finbond’s parameters for risk appetite by:

- Providing strategic leadership and guidance;
- Establishing the indicators to be included in the risk dashboard and the criteria for those indicators through its Risk Committee;
- Setting the low, medium, and high-risk thresholds for all key risk indicators on the risk dashboard through its Risk Committee;
- Reviewing and approving annual budgets and forecasts; and
- Regularly reviewing and monitoring the Group’s risk performance through detailed monthly Management Information Packs, Monthly Risk Management Reports and Quarterly Board Reports.

The Board delegates the determination of risk appetite to the Executive and Risk Committees and ensures that risk appetite is in line with Group strategy and the Group’s desired balance between risk and reward.

The Risk Committee reviews the key risk indicators on a quarterly basis, and duly considers whether those key risk indicators and thresholds are aligned with:

- The needs of, and dependencies on the Group’s stakeholders;
- Trends in social responsibility, trends in sustainability, and the Group’s values; and
- The Group’s purpose, strategic aims, and value generation model.

The Executive Committee reviews the Risk Dashboard monthly which provides a regular and ongoing forum to assess the positive and negative risk impacts on internal and external stakeholders.

A robust stakeholder engagement channel is achieved by the composition of the Executive Committee which is such that the interests of all internal and external stakeholders are represented here, including:

- Equity investors through the Chief Corporate Officer and Chief Executive Officer;
- Creditors through the Chief Financial Officer, further enriched by the Chief Financial Officer’s and Chief Risk Officer’s oversight and interaction with the Deposits team that are in regular and close communication with depositors and debt investors;
- Employees through the Chief Quality and Personnel Officer, Chief Executive and Chief Business Officers of operating units;
- Regulators through the Chief Compliance Officer, Chief Corporate Officer, Chief Executive and Chief Business Officers of operating units; and
- Suppliers and customers by the Chief Executive and Chief Business Officers of operating units.

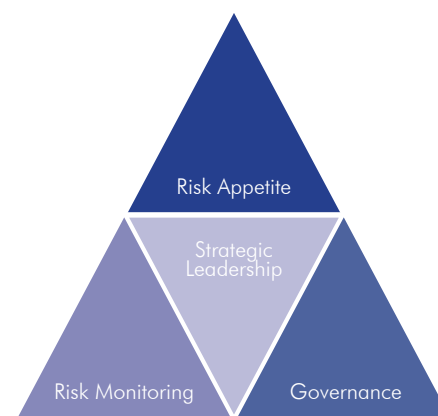


FIGURE 2. RISK APPETITE FRAMEWORK

### 4. Stress Testing

Stress tests are used in proactively managing the Group’s risk profile, capital, liquidity, cash flow, and strategic business planning. Stress testing is an integral component of Finbond’s liquidity management and is used to assess and manage liquidity, cash flow, debt to equity levels, and debt service coverage.

Stress testing may reveal a reduction in surplus capital or a shortfall in capital under specific scenarios. This may then serve as a leading indicator to the Group to raise additional capital, reduce capital outflows, restructure operations, adjust the capital structure and/or reduce its risk appetite.

The outcomes of stress testing on earnings, liquidity and capital adequacy are considered in determining an appropriate risk appetite to ensure that these remain above desired levels. Management reviews the outcome of stress tests and, where necessary, determines appropriate mitigating actions to minimise and manage the risks induced by potential stresses.

Examples of potential mitigating actions include reviewing and changing risk limits, enhancing credit policies, reallocating capital, implementing operational improvements or restructures, and diversifying revenue streams.

The objective of stress testing is to support several value-added business processes, which include:

- Assessment of potential changes in the risk profile and monitoring of risk appetite;
- Strategic planning and budgeting;
- Capital planning and liquidity management, including setting capital buffers;
- Communication with internal and external stakeholders;
- The assessment of the impact of stresses on headline earnings; and
- *Ad hoc* assessment of the impact of changes in short-term macro-economic factors on the performance of the Group.

## 5. Risk Dashboard and Early Warning Indicators

Finbond makes use of a Risk Dashboard to understand salient risk features of exposures. The Risk Dashboard is an easy-to-use and easily understandable visualisation of the risk exposures and the current position relative to the appetite for that risk indicator.

Early warning indicators are used to assess future expected performance of the portfolio and to identify any emerging trends that may impact performance or risk appetite.

## 6. Risk Management Process



FIGURE 3. RISK MANAGEMENT PROCESS

### 6.1. Risk Identification

Risk identification is the first step in the proactive risk management process. It provides the opportunities, indicators and information that allow the organisation to raise major risks before they adversely affect the Group. The various risks that the Group is exposed to are listed in the Risk Barometer (FRB) and Risk Register (FRR). The biggest reside in credit extension, liquidity and operations, and emphasis is therefore placed on these three areas.

### 6.2. Risk Measurement

In terms of the FRB, the various risks are allocated a risk colour at time of measurement:

- Green:** Low to Medium Risk that is manageable
- Amber:** Medium to High Risk that is difficult to manage
- Red:** High Risk that cannot be managed

The FRR monitors key risk variables against predetermined limits to assign a risk status (green, amber or red) to a specific risk category and risk subcategory.

- Green:** Low to Medium Risk that is manageable
- Amber:** Medium to High Risk that is difficult to manage
- Red:** High Risk that cannot be managed

### 6.3. Risk Monitoring

The various risks that the Group is exposed to are continuously monitored and, on at least a monthly basis, considered by the Executive Committee and Risk Committee who update the FRB and FRR. Detailed reports are generated as part of the monthly Management Information Pack (MIP) and monthly Risk Management Report (RMR) to enable monitoring of risks at all levels. Specific risk relating to the Asset and Liability Committee and the Credit Committee is also monitored at each of these meetings.

### 6.4. Risk Reporting

The various risks that the Group is exposed to are reported in the FRB and FRR which is included in the MIP and RMR. The MIP is distributed to all Executive Directors, Non-Executive Directors, the FMB Internal Auditor (SA), the External Auditors, the Executive Committee, the Asset and Liability Committee and the Credit Committee on a monthly basis.

The Risk and Analysis Department immediately reports any adverse findings to senior management and the relevant business units and regions. The Risk and Analysis Department also produces a monthly RMR that is distributed to all members of the Risk Committee, the Executive Committee, the Asset and Liability Committee and the Credit Committee.

6.5. Risk Mitigation

Risk management and reduction is at the core of the operating structure of the Group. The various risks that Finbond is exposed to are mitigated through various internal business processes and policies as set out in the Finbond Policy Manual (FPM). Existing controls and policies are assessed and, if necessary, adjusted and updated. Mitigating strategies are also considered when the Risk dashboard indicates a breach or near-breach of an approved appetite level.

7. Risk Categories

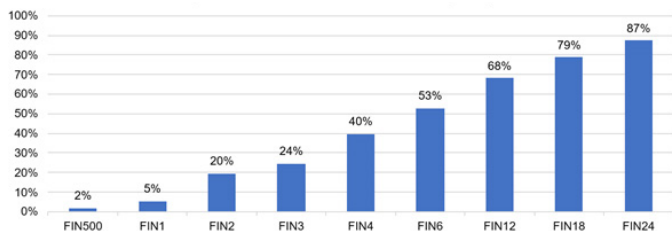


FIGURE 4. ENTERPRISE RISK TYPES

7.1. Credit Risk

Credit risk is the Group’s most material risk and can be defined as the risk of loss arising from the failure of a client or counterparty to fulfil its financial and/or contractual obligations to the Group. The credit risk that the Group faces arises mainly from consumer loans and advances. The adjacent graphs present decline rates from the credit scorecard in South Africa and decline rates per product type at a significant US based subsidiary.

AVERAGE SOUTH AFRICAN DECLINE RATE PER PRODUCT



AVERAGE NORTH AMERICAN DECLINE RATE PER PRODUCT

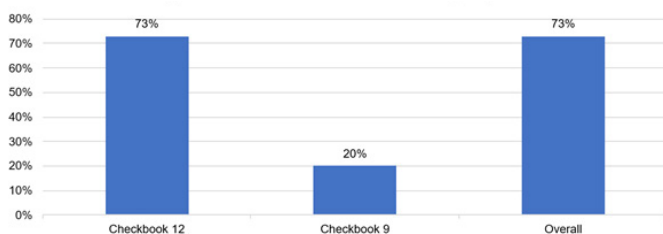


FIGURE 5. DECLINE RATES

Given that credit risk is the most material risk, considerable resources are dedicated to controlling credit risk effectively within the Group Credit Risk Control Framework. The Credit Policy sets out the principles under which the Group and its subsidiaries are prepared to assume credit risk.

Credit risk management is overseen by the Credit Committee as a subcommittee of the Executive Committee. The Credit Committee meets at least monthly to evaluate the activities and operations of the aggregated credit operations of the group, new business, results, arrears, provisioning, regulatory compliance and any potential amendment to the Credit Policy or Credit Scores as are material at group level.

7.1.1. Credit Risk Appetite and Credit Policies

Finbond’s strategy does not entail the elimination of credit risk but rather takes on credit risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring credit risk is therefore designed to ensure that it can be assessed accurately, and that relevant, timely and accurate credit risk information is always available at an operational and at a strategic level.

At a strategic level, the Group seeks to manage its credit risk profile within the bounds of overall risk appetite, while ensuring optimal returns for the level of risk taken. The Group seeks to achieve an appropriate balance between risk and reward and continues to build and enhance credit risk management capabilities that assist in delivering growth in a controlled environment.

The Group’s credit risk appetite and Credit Risk Control Framework are defined by the Group’s Credit Policy and upfront credit scoring rules as approved by the Executive Committee and Credit Committee from time to time. Policy changes are recommended to the Credit Committee as and when required and the Credit Committee reviews the various policies at least quarterly. Finbond’s Credit Risk Management Model is continually adjusted to maintain and improve levels of arrears in a volatile and changing economic climate.

Individual entity management (within the Group) assesses credit risk (including concentration risk) differently, by monitoring various (and differing) metrics, as and when information is available to them.

7.1.2. Sector and Geographical Exposures

The Group’s portfolios are comprised of many customers with small, short-term unsecured and secured loans, dispersed across different geographical areas, different legislative environments, and various different sectors.

Sector and geographical concentration risk is monitored regularly through:

- Portfolio Analysis in South Africa and North America, at individual entity level; and
- Vintage Curves and Loan Spread per Sector Reports in South Africa, at country/regional level.

### 7.1.3. Risk Acceptance and Monitoring of Credit Risk

The Credit Risk Control Framework provides a structure within which credit risk is managed and for which compulsory credit policies are prescribed. These policies are approved by the Executive Committee. In South Africa Finbond has implemented a robust Credit Scoring approval process in line with Finbond's Credit Policy which makes use of reputable vendors to obtain credit scores and Codix for decision making that ensures upfront Credit Scoring as well as affordability assessments of each client. In North America similar processes are followed by each subsidiary as are relevant to the specific operating region, product mix and legislative environment.

The overall principle to be applied is that the credit acceptance decision should be based on the applicant's:

- Behaviour (willingness to pay):  
In South Africa the willingness to pay is established externally by enquiries performed and credit bureau-related policy rules. This information is supplemented internally, and fraud checks are included. In North America a similar external enquiry is performed where relevant;
- Ability to pay:  
In South Africa the ability to pay is assessed after authentication and capturing of income, expenditure and financial obligation information, as prescribed by the National Credit Act, while in North America a similar assessment is performed following a unique process for each subsidiary as relevant; and
- Source of payment:  
In both South Africa and North America the source of payment is established from the salary slip details and bank statement, and again when confirming employment.

Credit Risk is actively monitored on an ongoing basis through, *inter alia*:

- Maximum exposure to credit risk reports;
- Revenue, asset and cash analysis;
- Loan balance analysis;
- Portfolio analysis;
- Vintage curves;
- Default vintages;
- Net impairment loss ratios;
- Portfolio at risk (PAR 30 and PAR 90);
- Risk coverage ratios (RCR 30 and RCR 90); and
- Roll rate analysis.

Loans and advances in arrears are actively monitored at group, product, state and regional level to ensure operational efficiency by identifying changes in trends and variances from tolerance levels. Further, credit risk for loans and advances in arrears is actively monitored by select region and/ or entity level staff at product and state/ province level.

At a Group level however, to ensure operational efficiency and in line with data points available consistently across the Group, credit risk (including concentration risk) for loans and advances in arrears is actively monitored by key management personnel at class, maturity, regional and total Group levels.

Branch performance and targets include arrears targets, appropriately balanced with sales and profit targets.

### 7.1.4. Credit Concentration Risk

Concentration risk is measured by calculating geographical, sector and gender concentration in the loan portfolio noting that gender concentration risk is measured by monitoring:

- Loan portfolio by gross carrying amount in South Africa, at country/regional level; and
- Sales volume (dollar value) by loans advanced in North America, at country/regional level.

Concentration risk is managed on a centralised basis through the monitoring of exposures at Executive Committee, Asset and Liability Committee, Operational Committee and Credit Committee level.

### 7.1.5. Credit Control and Loss Recovery

The collection method used in South Africa involves the use of the DebiCheck system. TT1, TT2 and TT3's will be used to load new transactions.

- TT3: Terminal based solution (card and pin authentication) which allows the South African subsidiaries to load future dated transactions on a 3rd party account. The old AEDO transactions process becomes reversible if amendments are made to the future-dated transactions without re-authentication by client.
- TT2: Bulk file import and authentication via USSD, Bank app, ATM etc.
- TT1: Single transaction authentication via USSD, bank app, ATM etc.

The primary method that will be used by South African subsidiaries is TT3 (Card and Pin).

In North America each subsidiary makes use of credit control and loss recovery processes that are unique to the specific operating region, product mix and legislative environment. These processes are aligned

to the overall group's credit control and loss recovery approach on a principle's basis. Accordingly North American subsidiaries leverage automated collections as far as possible and track accounts by default status to ensure that delinquent accounts are handed over to legal and specialized collection teams.

In South Africa in the case of an initial default by a client, the branch will first attempt to rehabilitate the default by contacting the client. Should the branch not have secured payment within the first 33 days of default, the matter is outsourced to external debt collectors (EDCs) for soft collections. This early-stage collection process is managed by the Legal Department.

Legal collections (post write-off) are handed over to various EDCs who are responsible for securing payment through various legal avenues. The EDCs are managed in terms of mandates and their performance is reviewed monthly. These EDCs, the handed-over-accounts, database and recoveries are managed by the Collection Department.

The EDCs are managed in terms of mandates and their performance is reviewed monthly.

Similarly in North America subsidiaries, joint ventures and associates track accounts by default status and hand over delinquent accounts to specialized teams for collection. This includes both external debt collectors and in-house collection teams.

#### 7.1.6. Provisions and Impairments

Finbond implements a sound impairment methodology to identify, monitor, measure and report the credit risk quality of each portfolio. The Group identifies and recognises impairment in a loan when it is probable that it will not be able to collect, or there is no longer reasonable assurance that the Group will collect all amounts due according to the contractual terms of the loan agreement.

The Group continuously reviews its portfolios to assess impairment. The Group makes use of historical loss experience of assets with similar credit risk characteristics, as well as forward-looking information to derive expected credit losses (ECL). In line with the principles of IFRS 9 Financial Instruments, the Group makes use of forward-looking information in its model parameters. Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed continuously in order to reduce any difference between loss estimates and actual loss experience

#### 7.1.7. Counter Party Risk

Credit risk related to the investment of surplus cash with banks and fixed income funds is managed by the Asset and Liability Committee, which proposes a list of all counterparties and related limits for approval by the Asset and Liability Committee.

#### 7.2. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations when they fall due or, within the context of the Group's banking subsidiary, to replace funds when they are withdrawn, the consequence of which may be failure to meet obligations to repay depositors or noteholders and fulfil commitments to lend. Liquidity risk also refers to the Group's inability to continue operating as a going concern due to a lack of funding. This type of event may arise when counterparties, who provide the Group with funding, withdraw or do not reinvest that funding. This event may also arise as a result of a generalised disruption in financial markets, causing normally liquid assets to become illiquid.

The safe and efficient management of liquidity is of utmost importance to Finbond in ensuring the confidence of the financial markets and to support the Finbond business plan. The efficient management of liquidity risk is further essential to ensure that:

- All stakeholders in the Group are protected; and
- Liquidity risk is managed in line with the regulatory liquidity requirements as applicable to the Group's regulated subsidiaries.

Finbond operates an uncomplicated liquidity profile with a preference for long- term funding at interest rates aligned with the structure of the asset book and the risk profile of the Group. The management of liquidity risk takes preference over the optimisation of interest rate risk.

##### 7.2.1. Liquidity Risk Management, Measurement and Monitoring

The Asset and Liabilities Committee (ALCO) is responsible for the management of liquidity risk. ALCO meets monthly to consider the activities of the treasury team, which operates in terms of an approved Asset and Liability Management (ALM) policy and in line with approved limits.

In managing liquidity risk, Finbond aims to maintain a balance between liquidity and profitability. In order to effectively manage liquidity risk, the Group is required to:

- Maintain a sufficiently large liquidity buffer;
- Ensure a structurally sound statement of financial position;
- Manage short- and long-term cash flow;
- Preserve a diversified funding base;
- Undertake regular liquidity stress testing and scenario analysis; and
- Maintain adequate contingency funding.

In managing liquidity risk, cognisance is taken of business-as-usual liquidity conditions, stress liquidity scenarios, liquidity risk guidelines and limits. Liquidity risk is managed by maintaining sufficient liquid assets or assets that can be translated into liquid assets at short notice without capital loss to meet cash flow requirements.

Assets and liabilities and capital management are monitored by the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Business Officers, EXCO and ALCO through:

- Daily, weekly and monthly cash balance analysis, microcredit operational weekly cash sweepings and net microcredit operational cash flows;
- Stressed liquidity and cash flow forecast and testing, updated monthly;
- Monitoring non-operating cash flow specific to funding liabilities (both capital and interest) in stressed liquidity and cash flow testing, as well as commercial paper maturity analysis, updated monthly;
- Asset and liabilities matching through the maturity ladder, updated monthly;
- Treasury desk deposit book maturity analysis, updated monthly;
- Deposit concentration analysis, updated monthly;
- Short-term Group surplus cash monitoring, updated monthly;
- Minimum liquid asset and reserve balance compliance reports, updated monthly; and
- Specific liquidity analysis as is relevant to the legislative environment of various individual subsidiaries.

### 7.2.2. Principal Policies and Products

Given the long-term and predictable nature of liabilities versus the short-term nature of assets, Finbond possesses a low-risk liquidity structure. Finbond's liabilities consist of longer-term fixed-term deposits, five-year fixed term notes and indefinite-period notes with a restricted long-term redemption mechanism and as such the Group's major funding sources are not exposed to the uncertainty of debt instruments that are puttable. Finbond Mutual Bank's (a SA subsidiary) deposit portfolio has a weighted average outstanding term to maturity of 32 months, while their microcredit loan book is short-term in nature with a weighted average outstanding term of 3 months. Furthermore, at Group level the fixed-term interest-bearing notes have a weighted average outstanding term to maturity/potential notice of 37 months while the Group's overall loan portfolio has a weighted average outstanding maturity of less than 8 months.

The principal risk management policies governing the management of liquidity risk as set out in the ALM policy are as follows:

- For Finbond Mutual Bank wholesale deposit funding consists of fixed-term contractual maturities ranging from six months to 72 months and shorter-term notice deposits (seven-day and 32-day);

- For Finbond Group Limited funding consists of fixed-term interest-bearing notes and cumulative redeemable preference shares with 60-month maturities and interest and capital guaranteed by the Group as well as indefinite period notes with restricted notice periods only available every 60 months;
- At Finbond Mutual Bank surplus short-term retail funding is maintained in call accounts with South African Banks or Fixed Income Unit Trusts operated by large reputable South African Asset Managers, Treasury Bills issued by the South African Treasury and South African Reserve Bank debentures; and
- At Finbond Group Limited surplus funding is maintained in call accounts with international banks with high grade credit ratings.

### 7.2.3. Business-as-usual Liquidity Risk Management

Business-as-usual liquidity management refers to the management of the inward and outward cash flows experienced in the ordinary course of conducting business.

The business-as-usual environment tends to result in high probability, low severity liquidity events and requires the balancing of the day-to-day cash needs. Finbond's approach to managing its business-as-usual liquidity needs focuses on several key areas, including:

- Forecasting daily cash requirements at Group level. This is achieved by forecasting liquidity commitments which are considered as day-to-day flows and those that relate to large singular obligations;
- Analysing and forecasting the growth in the loan book, inflows from settlements adjusted for expected inflows and outflows in terms of Finbond's funding programmes;
- The active daily management of the funding and liquidity profile, taking cognisance of historical cash flow patterns to determine business-as-usual cash flow requirements, including cash stress points in any given month. The modelling is adjusted for seasonal variations based on historical experience, adjusted for expectations around projected growth and current market dynamics;
- The maintenance of a portfolio of highly liquid assets that can easily be liquidated to meet unexpected variances in forecast requirements as protection against any unforeseen interruption to cash flow;
- Actively pursuing medium- and long-term funding opportunities to fund the budgeted growth (in line with the preference for long-term fixed-term funding) in order to achieve an optimal funding profile; and
- The monitoring and managing of liquidity costs and average cost of funding.

The above are inputs into the Liquidity Stress Testing (as further described below).

7.2.4. Liquidity Stress Testing and Scenario Analysis

The ALCO reviews liquidity scenario analyses and stress testing on a regular basis in order to assess the adequacy of the Group’s funding sources, liquidity buffers and contingency funding strategies to meet unexpected outflows arising from Finbond specific, systematic and market stress events.

Concentration risk limits are used to ensure a wide diversification by provider, product and term. Limits are set internally to restrict single and top ten depositor and noteholder exposures to below 10% for a single depositor or noteholder and 20% for the top 10 depositors or noteholders of funding-related liabilities, respectively.

7.2.5. Stable Liquidity Base

Given that Finbond mostly has fixed-term funding between six and 72 months, efforts are directed towards giving clients and investors excellent service and excellent returns for new clients and investors to continue investing and for old clients to re-invest with Finbond on maturity.

The fact that Finbond is mainly funded through fixed-term notes or indefinite period notes with restrictive notice periods and fixed-term deposits with different maturities, significantly reduces rollover risk. Interest rates are reviewed monthly to ensure that rates on new notes and deposits remain competitive and appropriate. Note and Deposit rates are advertised nationally in the print media and on selected radio stations in order to attract depositors to the bank and investors to the Group. Over the years, the Group has developed the infrastructure, processes and teams that enable the Group to manage funding according to required levels.

7.2.6. Diversified Funding Base

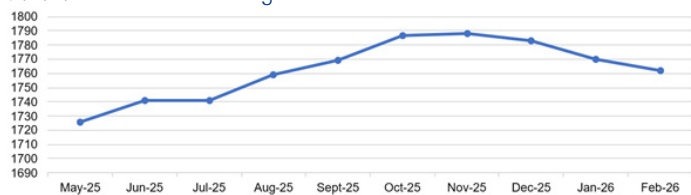


FIGURE 6. NUMBER OF ACTIVE NOTES

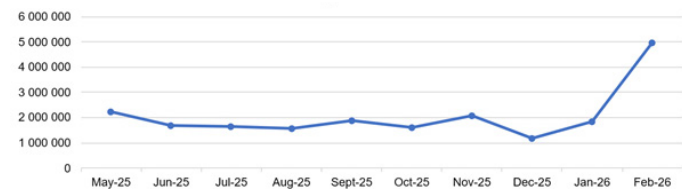


FIGURE 7. AVERAGE NOTE SIZE

Although Finbond employs a diversified funding strategy, sourcing funding lines in the domestic and offshore markets, Finbond’s main focus and source of funding is South African fixed-term interest-bearing notes with maturities of 60 months or indefinite period notes with restrictive notice periods only available every 60 months.

As at the end of February 2026, the commercial paper portfolio consisted of 1,762 noteholders with an average note size of ca. R1.6 million based on notes outstanding.

7.3. Operational Risk

Operational risk arises from the potential that inadequate management, information systems, operational problems, breaches of internal controls, fraud or unforeseen catastrophes will result in unexpected losses.

Operational risk is associated with human error, system failures and inadequate procedures and controls. Operational risk exists in all products and business activities. Operational risk event types that have the potential to result in substantial losses include internal fraud, external fraud, employment practices, business disruption, system failures and damage to physical assets.

The objectives of operational risk management are to quantify the extent of Finbond’s operational risk exposure; to understand what drives it; to mitigate the impact thereof, to allocate capital against it and to identify trends internally and externally that would help to mitigate it.

The operational and management committees of the Group’s subsidiaries have been established to oversee the operational risk profile at each operating division and subsidiary. These committees execute, recommend and monitor day-to-day operations and practices.

The committees also review and implement risk management policies, processes and procedures, and business strategies, taking into consideration internal as well as external conditions, best practice, innovation, and financial performance within the approved risk management framework. The committees are comprised of the Chief Business Officers for Finbond Mutual Bank, CEO of Supreme Finance, Chief Business Officer of Finbond North America, Regional General Managers, Heads of Departments, and the Groups regional operational business partners. Furthermore, in South Africa the Heads of Internal Audit and Compliance provide independent monitoring and are invited to attend all OPCO meetings.

### 7.3.1. Day-to-day operational risk management

The management of operating risk is inherent in the day-to-day execution of duties by management and is the central element of all management processes within Finbond. Line management accepts accountability and responsibility for the identification, management, measurement, monitoring, reporting and mitigation of operational risks.

### 7.3.2. Insurance programme

A comprehensive insurance programme is maintained to cover losses from professional liability claims, damage to physical assets and theft of certain assets. Cash losses in branches and opportunity costs of lost revenue are not insured.

### 7.3.3. Fraud Prevention

A zero-tolerance approach is followed with respect to fraud, theft and dishonesty. Information regarding any irregularities received from employees, management or the independent fraud hotline is immediately investigated by internal audit and referred to the police's commercial crime unit.

### 7.3.4. Information Technology Systems

In South Africa all banking systems, credit scoring systems and loan management systems (including mission critical systems) are outsourced to reputable external service providers. This principle is followed at smaller North American subsidiaries, while larger and more sophisticated subsidiaries utilize proprietary loan management systems.

Relationships with external service providers are formalised by way of Service Delivery Agreements.

### 7.3.5. Data Aggregation and Risk Reporting Process Risk

This is the risk that the underlying data is not accurate or not delivered in a timely manner and that the models used within the risk management process (which includes reporting) are flawed or used incorrectly.

Finbond relies on accurate and timely risk reporting to effectively manage all risks to which the Group is exposed. As the Group and its subsidiaries grow, the complexity of data aggregation grows as well. As part of the Group's strategy, risk and analytics teams strive for continuous incremental improvement of all processes relating to the sourcing, aggregation and manipulation of data, as well as specific risk calculations. The incremental improvement process allows for fast delivery of material data with lower granularity being added and accuracy improved over time. The process of continuous incremental improvement ensures that over the long-term risk data aggregation systems will be robust, under normal and stress conditions, and will be thoroughly tested and documented without holding back strategic growth. Coding and logical data mapping is standardised and continuously documented to enable the wider understanding and mitigate against staff turnover-related losses. Data aggregation and risk reporting processes are documented incrementally, with the most material risks taking precedence, and controls are implemented to monitor the accuracy and completeness of data.

### 7.4. Other Risks

In addition, various other risks are constantly monitored by the Executive Committee, Risk Committee, and the Board in terms of Finbond's Risk Barometer and Risk Register, which is updated on a monthly basis.

These other risks include market and security price risk; cash flow and fair value interest rate risk; interest rate risk; investment risk; foreign currency risk; reputational risk; legal risk; financial crime risk; regulatory and compliance risk and insurance risk.

## GROUP INFORMATION TECHNOLOGY

### OVERVIEW

Group Information Technology (Group IT) continued to advance the Finbond Group's digital transformation agenda during the year under review, with clear momentum across cybersecurity, customer-facing digital channels, data capability and infrastructure modernisation. The period was defined by focused execution: translating the strategic priorities set in the prior year into tangible, in-production delivery, while sustaining a stable and resilient operating environment.

The Group's technology environment operated without material incidents during the reporting period, reflecting the maturity of the controls, monitoring and change-management practices that have been progressively reinforced over recent years. This stability provided the foundation to pursue an ambitious delivery agenda in parallel, without compromising service to our customers or the confidence of our regulators.

### STRATEGIC PRIORITIES FOR THE YEAR

Group IT concentrated delivery around four interconnected priorities, each chosen for its direct contribution to the Group's strategic ambitions and the long-term resilience of the organisation:

- Advancing cloud migration to modernise our infrastructure, improve elasticity and reduce long-term operating complexity;
- Enhancing customer-facing digital channels, with particular focus on the mobile banking application;
- Establishing a formal data governance framework and building out a Group data platform to support better decision-making, more efficient regulatory reporting and future analytics and AI use cases; and
- Strengthening the human layer of cybersecurity through a sustained, Group-wide awareness and phishing resilience programme.

### HIGHLIGHTS OF THE YEAR

#### Cybersecurity and Operational Resilience

Cybersecurity governance, incident response readiness and regulatory alignment continued to advance alongside awareness activities and the absence of material security incidents during the year reflects the collective effect of these layered defences.

#### Digital and Customer Experience

We delivered meaningful enhancements to our digital customer channels, with focused investment in the mobile banking application. These improvements expanded self-service functionality, streamlined existing journeys and broadened digital access for customers who rely on basic-feature devices. This work directly supports the Group's community banking mandate by lowering the barriers to digital participation — ensuring that digital inclusion is a practical reality, not an aspiration, for the communities we serve.

#### Data and Governance

A key strategic achievement during the year was the establishment of a formal data governance framework that defines ownership, quality standards and stewardship responsibilities across the Group. In parallel, we progressed the build of a consolidated data platform to serve as the foundation for reporting, analytics and future artificial intelligence use cases. Together, these initiatives position the Group to extract meaningfully greater value from our data assets while reinforcing compliance with evolving regulatory expectations and industry best practice.

#### Infrastructure and Cloud

Cloud migration advanced materially during the year, with workloads progressively moved to cloud-hosted environments to improve scalability, resilience and overall estate agility. This programme is laying the foundation for a more modern, modular and cost-effective infrastructure base that will support the Group's digital ambitions over the coming years, while providing a stronger platform for disaster recovery and business continuity.

### OUR STRATEGY

The Group's IT strategy remains centred on enabling sustainable digital growth through cost-effective innovation, strengthened IT governance and active employee engagement. Customer centricity, operational resilience and disciplined execution continue to guide how we prioritise investment and deploy capability. As we deepen our role in supporting inclusive, community-focused banking, technology continues to serve as both a core enabler of the Group's strategic ambitions and a source of meaningful competitive differentiation.

### 2027 VISION

Through disciplined execution, strategic alignment, proactive risk management and efficient resource utilisation, Group IT will continue building a resilient and future-ready organisation — one that is equipped to navigate technological change and consistently meet the evolving needs of our customers and communities. Our ambition is an IT function that is indistinguishable from the business it enables: responsive, trusted and relentlessly focused on creating long-term, shared value for the Group's members and stakeholders.

## CORPORATE GOVERNANCE

The Finbond Board of Directors (“the Board”) sets the Group’s overall policy, and provides guidance and input in areas relating to strategic direction, planning, acquisitions, performance measurement, resource allocation, key appointments, standards of conduct and communication with shareholders.

The Board’s objectives are the development and sustainable growth of the Group’s business in accordance with applicable regulatory requirements, for the benefit of all stakeholders. The achievement of these objectives is dependent on the adherence to good corporate governance throughout the organisation.

The Board fully supports and materially complies with the principles of effective corporate governance, and understands the need for integrity and high ethical standards in the conduct of its business. The Directors have implemented several key recommendations based on the principles outlined in the King V Code on Corporate Governance, some of which are:

- The roles of the Chair and the Chief Executive Officer are separated;
- A Non-Executive Director serves as Chair; and
- The majority of the Board members are non-executive.

Finbond complies with King V and the Companies Act No. 71 of 2008, as amended, in all material aspects. Finbond is also aligned to the principles of ISO 37000.

### ROLE OF THE BOARD

The Board holds the view that the corporate governance framework needs to be in line with the size of the Group, its complexity, its structure and the risks that have an influence on it, and should be a structure through which objectives are set and monitored.

Mr Piet Naudé is the Lead Independent Director (“LID”). The LID’s responsibilities include the following:

- Lead the Board in absence of the Chair;
- Act as a sounding board for the Chair;
- Act as an intermediary between the Chair and the other Board members;
- Deal with shareholders’ concerns;
- Chair the discussion when the Chair has a conflict of interest; and
- Lead the performance appraisal of the Chair.

Dr Willem van Aardt is the Chief Executive Officer of the Group, and Dr Malesela Motlatla is the Independent Non-Executive Chair. The Remuneration, Risk, Investment, Social and Ethics, and Audit Committees are chaired by Non-Executive Directors, none of whom is also the Chair of the Board of Directors.

### CODE OF CONDUCT

The Directors acknowledge the importance of sound corporate governance and the guidelines set out in the King Code on Corporate Governance (“King Code”). The Directors therefore embrace the King Code as far as is appropriate, with due regard to the size and nature of the various companies which make up the Group. The Board takes whatever measures necessary to comply with the King Code in every way practically possible.

All Directors and employees are required to maintain the highest ethical standards in order to ensure that the Group’s business is conducted in a manner that is beyond reproach.

For the year under review, the Board is satisfied that its decision-making capability and the accuracy of its financial results have been maintained at a high level at all times, with appropriate reliance being placed on Management, Internal as well as External Audit, and the Group Audit Committee to raise any issues of financial and risk concerns.

### COMPOSITION OF THE BOARD

The Board is of the view that the number of members should be large enough to accommodate the necessary skills, but small enough to promote cohesion and effective participation.

The appointment of all Directors is subject to shareholders’ approval at any general/annual general meeting pursuant to the JSE Listings Requirements and Companies Act requirements. The appointment of a director to fill a casual vacancy or as an addition to the Board is to be confirmed by shareholders at the next annual general meeting.

The Board at 28 February 2026:

#### Non-Executive

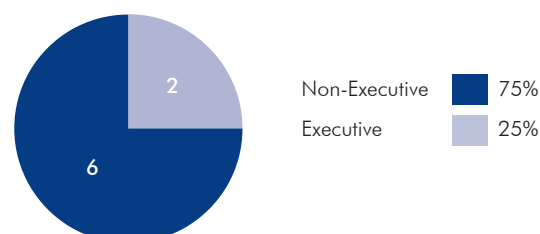
Dr Malesela Motlatla (Chair\*)  
Ms Ina Wilken-Jonker  
Mr Piet Naudé  
Mr Danie Pentz  
Adv Neville Melville  
Mr Sean Riskowitz

#### Executive

Dr Willem van Aardt  
Mr Greg Labuschagne

*\*Historically disadvantaged South African Directors in office at 28 February 2026 numbered one (12.5%).*

The composition of the Board is depicted in the following table:



#### NUMBER OF DIRECTORS IN OFFICE AT 28 FEBRUARY 2026

The majority of Non-Executive Directors are fully independent of Management, and free to make their own decisions and independent judgements. They enjoy no benefits for their service as Directors other than their fees. The Non-Executive Directors provide the Board with valuable, independent judgement based on their diverse range of skills and commercial experience.

Non-Executive Directors are selected only after the completion of a process that includes the identification of candidates with the requisite experience and standing in the banking and financial services environment in order to be able to provide genuine value to the Group; interviewing and vetting of potential candidates by the existing Board of Directors; and a period of induction during which candidates are exposed to the Group's existing governance structures before making appointments final by approval at Board level.

The Non-Executive Directors are high-calibre professionals and sufficient in number. Their independent views carry significant weight in the Board's deliberations and decisions and the Board retains full and effective control over the Group.

Apart from the quarterly meetings, additional Board meetings are arranged whenever necessary to review strategy, planning, operations, financial performance, risk and capital expenditure, human resources and environmental management.

The Board is also responsible for monitoring the activities of the Executive Management, and is balanced in such a way that no individual or small group is able to dominate decision-making.

#### INTERNAL CONTROL

The Board of Directors is responsible for the Group's system of internal control. The internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the Financial Statements, and to adequately safeguard, verify and maintain accountability of the assets.

#### BOARD RESPONSIBILITY

The Board and its non-executive committees accept responsibility for their different roles and responsibilities as detailed in this section. The Board and its non-executive committees are satisfied that they act independently from management and that they make their own decisions, free from any influence from management or any other internal or external parties. Measures to ensure that management does not influence the Board or any of its non-executive committees include the following:

- The membership of all non-executive committees consists exclusively

of non-executive directors, the majority of whom are independent;

- Executives are only invitees to non-executive committee meetings should their input be absolutely required;
- The CEO is not an invitee to the meetings of the Audit Committee, Risk Committee or Social and Ethics Committee;
- The CFO is not an invitee to the meetings of the Social and Ethics Committee or Remuneration Committee;
- The CRO is not an invitee to the meetings of the Board, Audit Committee, Social and Ethics Committee or Remuneration Committee;
- The Company Secretary is an invitee to all Board and committee meetings, but mainly for the purposes of ensuring corporate governance principles are followed and taking minutes of the meetings; and
- No other members of management are invitees to the meetings of the Audit Committee, Risk Committee, Social and Ethics Committee or Remuneration Committee, except to table and field questions on their specific reports or on specific requests from the committee in question.

#### BOARD ASSESSMENTS

All Board Members have individually completed the annual King IV assessment, and have thereby indicated that Finbond's Board of Directors and respective Board Committees comply with all the material aspects of the King Report on Governance for South Africa, 2016. The assessments are formally completed, cover all aspects of the King Code and are facilitated by the Company Secretary. Remedial action is taken whenever necessary. The Board is satisfied that the assessments improve performance and effectiveness and the Board confirms that it and its non-executive committees act independently from management and that they make their own decisions, free from any influence from management or any other internal or external parties. The assessments have been updated to align with King V.

#### BOARD DIVERSITY

The Board has adopted a Diversity Policy which sets out the approach to diversity on the Board of Directors of Finbond Group Limited and is available at [www.finbondgroup.com](http://www.finbondgroup.com).

The aim of the policy is to outline the commitment held by Finbond to create fair, equitable and respectful workplaces where race, gender, culture, age, field of knowledge, skill and experience are supported in an inclusive environment, are given recognition based on individual merit and are considered for opportunities to advance and succeed regardless of gender, race or term of employment. The Board's aim remains to ensure that at least 10% of the Board is comprised of either gender and made up of historically disadvantaged South African candidates.

The Board applies the policy as and when director appointments are considered.

### BOARD COMMITTEES

Both the Executive and Independent Non-Executive Directors are members of the various Board Committees, with Independent Non-Executive Directors being the sole members of the Audit Committee. The Committee members were rotated in October 2024 in line with King IV.

The various Committees' areas of responsibility, objectives, members and meeting frequency are set out in the Committee Charters. The following section outlines a summary of the Board Committees that were in operation at 28 February 2026.

#### Audit Committee

The Audit Committee meets at least quarterly, and meetings are generally attended by the Chief Financial Officer and representatives of the external auditors. The Audit Committee is constituted as a Committee of the Board of Directors of Finbond Group Limited. The duties and responsibilities of the members of the Committee are in addition to those as members of the Board. The role of the Committee is to provide independent assurance and assistance to the Board of Directors on control, governance and risk management. The Committee does not replace established management responsibilities and delegations.

The Committee will provide the Board of Directors with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to Finbond Group Limited.

In its report, the Audit Committee has set out its role and responsibilities and the meetings held during the period. This is included in its own section of the Integrated Annual Report on pages 83 to 85.

#### Audit Committee Members

##### Permanent

Mr Danie Pentz	Chair/Non-Executive Director
Mr Piet Naudé	Non-Executive Director
Adv Neville Melville	Non-Executive Director

##### By invitation

Mr Hannes Cloete	Chief Compliance Officer (South Africa)
Mr Greg Labuschagne	Chief Financial Officer
Mr Christo Quinn	Chief Business Officer (North America)
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

#### Remuneration Committee

The Remuneration Committee is constituted as a Committee of the Board of Directors of Finbond Group Limited. The duties and responsibilities of the members of the Committee are in addition to those as members of the Board.

The role of the Committee is to assist the Board to ensure that:

- Finbond remunerates Directors, Executives and staff members fairly and responsibly; and
- The disclosure of Directors and their remuneration is accurate, complete and transparent.

The Committee met on 28 May 2025 and 3 December 2025. All the members were present, and Dr Van Aardt attended part of the meetings as an invitee.

The Remuneration Committee undertook the role of a Nominations Committee and the selection and appointment of new directors was agreed on by the Remuneration Committee and recommended to the Board of Directors. The Chair of the Board of Directors also assumes the role of the Chair of the Nominations Committee, in line with the JSE Listings Requirements and King V.

The objectives and areas of responsibility of the Committee are to:

- Ensure that the remuneration policy is adhered to and implemented;
- Review the outcomes of the implementation of the remuneration policy and whether the set objectives are being achieved;
- Ensure that the mix of fixed and variable pay - in cash, shares and other elements - meets the Company's needs and strategic objectives;
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Consider the results of the evaluation of the performance of the Chief Executive Officer and other Executive Directors, both as Directors and Executives in determining remuneration;
- Select an appropriate comparative group when comparing remuneration levels;
- Review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- Examine skills and characteristics required from Board candidates;
- Identify suitable candidates for Director positions;
- Recommend the eligibility of prospective Directors;
- Review and update the Board Succession Planning Policy;

- Appoint suitable individuals to the Board of Directors when necessary;
- Oversee induction and ongoing training of Directors; and
- Evaluate and keep under review the size, structure and composition of the Board and make recommendations to the Board on any proposed changes, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience required.

### Remuneration Committee Members

#### Permanent

Mr Danie Pentz	Chair/Non-Executive Director
Dr Malesela Motlatla	Non-Executive Director
Ms Ina Wilken-Jonker	Non-Executive Director

#### By invitation

Dr Willem van Aardt	Chief Executive Officer
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

### Social and Ethics Committee

The Social and Ethics Committee is constituted as a Committee of the Board of Directors of Finbond Group Limited.

Corporate ethics receive attention from the highest level of Management and are communicated to staff and made available on the intranet. The Social and Ethics Committee's function, with its strong community and stakeholder focus, makes this the Board's best placed subcommittee to monitor the progress of the Group's strategic Global Reporting Initiative project to include transparent reporting on the sustainability of the business. The duties and responsibilities of the members of the Committee are in addition to those as members of the Board. The role of the Committee is to assist the Board in ensuring that Finbond complies with Regulation 43 of the Companies Act No. 71 of 2008.

The Committee met on 28 March 2025 and 1 October 2025 and discharged its responsibilities to the Group as mandated by the Board of Directors.

The duties of the Committee are to:

1. Monitor the Company's activities pertaining to any relevant legislation and other legal requirements of prevailing codes of best practice, with regard to matters relating to:
  - i) Social and economic development, including the Company's standing in terms of the goals and purposes of:
    - (aa) the 10 principles set out in the United Nations Global Compact Principles;
    - (bb) the Organisation for Economic Cooperation and Development (OECD) recommendations regarding corruption;

- (cc) the Employment Equity Act; and
- (dd) the Broad-Based Black Economic Empowerment Act;
- ii) Good corporate citizenship, including the Company's:
  - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - (cc) record of sponsorship, donations and charitable giving;
- iii) The environment, health and public safety, including the impact of the Company's activities and of its products or services;
- iv) The management of shareholder interest;
- v) Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws;
- vi) Labour and employment, including:
  - (aa) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
  - (bb) the Company's employment relationships, and its contribution toward the educational development of its employees; and
- vii) ESG (Environment, Social and Governance); and

1. Draw matters within its mandate to the attention of the Board as occasion requires.

### Social and Ethics Committee Members

#### Permanent

Ms Ina Wilken-Jonker	Chair/Non-Executive Director
Adv Neville Melville	Non-Executive Director
Dr Malesela Motlatla	Non-Executive Director

#### By invitation

Mr Abie Muller	Chief Quality & Personnel Officer (South Africa)
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, and accordingly in terms of the Companies Regulations, and the Committee confirms that there are no instances of material non-compliance to disclose.*

### Risk Committee

The Risk Committee met on 27 March 2025, 28 May 2025, 3 October 2025 and 4 December 2025. The Committee is responsible for providing oversight and advice in relation to Finbond's Risk Management Framework (including the significant policies, procedures and practices employed), current and potential future risk exposures of the Group and future risk strategy, including determination of risk appetite and tolerance.

The Risk Committee implements risk management and measurement strategies across the Group and the procedures for monitoring the adequacy and effectiveness of those processes. The Committee also considers the Group's risk profile relative to current and future Group strategy and Group risk appetite and identifies any risk trends, concentrations or exposures and any requirements for policy change.

The Committee will consider and recommend the Group's risk appetite framework and tolerance for current and future strategy to the Board of Directors for approval, taking into account the Group's capital adequacy and external risk environment. Another function is to review, consider and update the Finbond Risk Barometer after receiving information relative to the Group's risk.

Ensuring rigorous stress and scenario testing of the Group's business, receiving reports that explain the impact and crystallisation of identified risks and threats to the Group, and ensuring a sufficient level of risk mitigation is in place, are also responsibilities of the Risk Committee. Another responsibility is considering the adequacy and effectiveness of the technology infrastructure insofar as it supports the Risk Management Framework.

The objectives and areas of responsibility of the Committee are to:

- Review the design and implement risk management and measurement strategies across the Group and the procedures for monitoring the adequacy and effectiveness of those processes;
- Consider the Group's risk profile relative to current and future Group risk appetite and identify any risk trends, concentrations or exposures and any requirement for policy changes;
- Consider and recommend for approval by the Group's Board, the Group's risk appetite framework and tolerance for current and future strategy, taking into account the Group's capital adequacy and external risk environment;
- Review, consider and update the Finbond Risk Barometer after receiving information relative to the Group's risk, including:
  - Material regulatory or rating agency issues;
  - Material emerging risks to the Group's aggregate risk profile, as appropriate;
  - Key risk indicators and performance to established tolerance limits;
  - Other significant matters relating to liquidity, interest rate sensitivity, credit risk, market risk and operational risk; and
  - Capital adequacy and allocation of capital to business units, including the overall return on allocated business equity.
- Ensure rigorous stress scenario testing of the Group's business and to receive reports that explain the impact of crystallisation of identified risk mitigation in place; and
- Review and/or approve new or proposed products, services or business initiatives that may expose the Group to new material types of risks or significantly alter the Group's risk profile.

The Risk Committee is mandated by the Board of Directors to review and approve new or proposed products, services or business initiatives that expose Finbond Group Limited to an amount equal to or lower than 25% of the total share capital. If the exposure is more than 25% of the share capital, the Risk Committee will recommend a course of action to the Board for consideration.

### **Risk Committee Members**

#### *Permanent*

Mr Piet Naudé	Chair/Non-Executive Director
Mr Danie Pentz	Non-Executive Director
Adv Neville Melville	Non-Executive Director
Mr Sean Riskowitz	Non-Executive Director

#### *By invitation*

Mr Greg Labuschagne	Chief Financial Officer
Mr Schalk Klopper	Chief Risk and Analytics Officer
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

### **Investment Committee**

The Investment Committee is constituted as a subcommittee of the Board of Directors to establish investment guidelines (including the significant policies, procedures and practices employed) and supervise investment activity in line with the investment mandate. The Committee is also responsible for providing oversight and advice in relation to Finbond's current and future investment initiatives and future investment strategy, including determination of risk appetite and tolerance. The Committee has the following objectives and responsibilities with respect to Finbond's investment transactions, management, policies and guidelines:

- Consider projects, acquisitions and disposal for assets in line with the Group's overall strategy;
- Review and approve on a regular basis any loan or investment made by or on behalf of Finbond;
- Periodically review and approve policies and guidelines governing Finbond's investment portfolio and monitor compliance with those policies;
- Periodically review and approve policies and guidelines regarding Finbond's use of derivatives and monitor compliance with those policies;
- Periodically review and approve any investment benchmarks or other measurement devices employed by Finbond to monitor the performance of its investment portfolio;
- Monitor on an ongoing basis the performance of Finbond's investment advisers and retain or terminate the services of such advisers as it deems appropriate;
- Perform other such responsibilities regarding Finbond's investment activities or policies or other matters as the Board may from time to time assign the Committee;

- Ensure that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment mandate and applicable investment constraints;
- Delegate authority to Management to execute individual investment transactions on behalf of Finbond within policies and limits approved by the Committee;
- Approve all external investment manager selections and funding;
- Make periodic reports available to the Board;
- Annually review and reassess the adequacy of its charter and recommend any proposed changes to the Board for approval;
- Hire legal, accounting, financial or other advisors as the Committee may deem necessary in its judgement with due regard to cost, without the need to obtain prior approval of any officer of Finbond; and
- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets.

#### Investment Committee Members

##### *Permanent*

Mr Piet Naudé	Chair/Non-Executive Director
Mr Sean Riskowitz	Non-Executive Director
Mr Danie Pentz	Non-Executive Director

##### *By invitation*

Dr Willem van Aardt	Chief Executive Officer
Mr Greg Labuschagne	Chief Financial Officer
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

#### Executive Committee

The Executive Committee which meets monthly is responsible for the daily management of the Group and on a monthly basis reviews current operations in detail. The Executive Committee also implements the strategy and policy proposals approved by the Board of Directors.

The objectives and areas of responsibility of the Executive Committee are to:

- Formulate, review, communicate and manage the delivery of the Group’s strategy;
- Agree on and recommend the Group’s Business Plan to the Board;
- Manage the delivery of the agreed Business Plan;
- Define and allocate overall budgets and resources (finance and people) to ensure the organisation has the capabilities and resources to deliver or exceed the objectives in the Business Plan;
- Review and approve the Group’s Human Resources strategy;
- Ensure there is an effective management structure and organisation within the Group that is consistent with the effective delivery of the Group’s Business Plan;

- Ensure there is an effective succession management process which is designed to ensure effective succession for all critical roles;
- Review and approve all senior appointments as well as the terms of reference of the executive subcommittees;
- Ensure that the Group maintains an effective internal Risk Control Framework which is designed to enable the Group to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Group’s strategic objectives;
- Help ensure the quality of internal and external reporting;
- Help ensure compliance with applicable laws and regulations and with the Group’s Business Principles; and
- Maintain a Risk Barometer which is presented to the Board at each meeting.

#### Executive Committee Members

##### *Permanent*

Dr Willem van Aardt	Chair/Chief Executive Officer
Mr Greg Labuschagne	Chief Financial Officer
Mr Schalk Klopper	Chief Risk and Analytics Officer
Mr Marthinus Vermaak	Chief Executive Officer: Supreme Finance
Mr Christo Quinn	Chief Business Officer (North America)
Mr Ben Bredenkamp	Chief Corporate Officer

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

There are also a number of committees constituted as subcommittees of the Executive Committee of which Executive Directors and Senior Management are members. The areas of responsibility, objectives, members and meeting frequency of the various Committees are set out in the Committee Charters.

The following Executive Committees were in operation at 28 February 2026:

#### Asset and Liability Committee

The Asset and Liability Committee is constituted as a subcommittee of the Executive Committee.

The Committee recommends and monitors Finbond’s Asset and Liability Management Policy (“ALM Policy”) and reviews the structure of its balance sheet and business strategies, taking into consideration market conditions, and maintains liquidity contingency plans.

The objectives and areas of responsibility of the Committee are to:

- Monitor the liquidity position of Finbond, and liquidity management activities undertaken by Finbond, including wholesale funding activities, contingency funding and any other relevant liquidity measures the ALCO deems advisable or appropriate;

- Approve liquidity risk tolerances by reviewing how the Group's inability to meet its obligations when they become due may affect the Group's earnings, capital and operations;
- Monitor the management and interest rate risk activities and Finbond's overall interest rate risk profile, the sensitivity of Finbond's earnings under varying interest rate scenarios and potential changes in market interest rates;
- Monitor trends in the economy in general and interest rates in particular with a view to limiting any potential adverse impact on the Company's earnings;
- Approve interest rate risk tolerances by reviewing how movements in interest rates may adversely affect Finbond's earnings and capital using Finbond's projected earnings and capital as a benchmark;
- Monitor the capital position of Finbond and the capital management activities undertaken to ensure that capital levels are maintained in accordance with regulatory requirements and management directives;
- Monitor Management's investment activities such as purchase, sale, exchange and other disposition of the investments;
- Review the status of the securities and derivative portfolios, including performance, appreciation or depreciation, quality, maturity profile and any actions taken by Management with respect thereto;
- Review and determine whether to approve the holdings of investment securities (including prudent investments) that are subject to the ALCO's authority under the ALM Policy or Board of Directors' resolutions;
- Monitor management of FMB's treasury functions, including its operations and funds management process;
- Review ALM Policy limits relating to interest rate risk liquidity and capital level;
- Monitor compliance with both external regulations and the ALM Policy with respect to the asset and liability management processes of the Group; and
- Delegate specific authority to the Group's Chief Financial Officer or other appropriate members of Management.

The Committee meets monthly.

#### **Asset and Liability Committee Members**

##### *Permanent*

Dr Willem van Aardt	Chair/Chief Executive Officer
Mr Greg Labuschagne	Chief Financial Officer
Mr Schalk Klopper	Chief Risk and Analytics Officer
Mr Marthinus Vermaak	Chief Executive Officer: Supreme Finance

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

#### **Credit Committee**

The Credit Committee is a subcommittee of the Executive Committee, established by resolution of the Executive Committee, to which the Executive Committee has delegated responsibility for exercising oversight of Senior Management's identification and management of the Group's credit exposures and the Group's responses to trends affecting those exposures, as well as oversight of Senior Management's actions to ensure the adequacy of the allowance for credit losses and credit-related policies.

The objectives of the Committee are to:

- Approve proposed changes in Lending Prudential Guidelines, major credit policies and credit scoring methodologies;
- Approve discretions and onward delegation guidelines for the next level of management;
- Consider and determine proposals exceeding Management's discretions;
- Receive and review reports on credit quality, credit risk management and policy/procedure adherence;
- Oversee Senior Management's establishment of and adherence to appropriate policies, procedures and guidelines that support measurement and control of credit risk, and to periodically review Management's strategies, policies and procedures for managing credit risk, including credit quality administration, underwriting standards, and the establishment and testing of allowances for credit losses; and
- Oversee Senior Management's administration of the credit portfolio, including Management's responses to trends in credit risk, credit concentration and asset quality, and to receive and review reports from Senior Management.

The Committee meets monthly.

#### **Credit Committee Members**

##### *Permanent*

Dr Willem van Aardt	Chair/Chief Executive Officer
Mr Greg Labuschagne	Chief Financial Officer
Mr Schalk Klopper	Chief Risk and Analytics Officer
Mr Marthinus Vermaak	Chief Executive Officer: Supreme Finance

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

#### **Finance Committee**

The Finance Committee is a subcommittee of the Executive Committee, established by resolution of the Executive Committee, to which the Executive Committee has delegated responsibility for exercising oversight of Senior Management's identification and management of the Group's financial, taxation and reporting exposures.

The Finance Committee meets monthly and has the following objectives and areas of responsibility:

- Effectively manage all financial, financial regulatory and internal financial reporting;
- Effectively manage all financial and tax risks of the Group;
- Ensure compliance with IFRS Accounting Standards and taxation legislation applicable within the various jurisdictions within which the Group operates;
- Oversee Senior Management’s establishment of and adherence to appropriate policies, procedures and guidelines that support measurement and control of financial and tax risks;
- Periodically review Management’s strategies, policies and procedures for managing financial risk, including safeguarding of the Group’s assets;
- Monitor and eliminate, or as a minimum report on, any forms of wastage within the financial function or which may come to the attention of the Committee from any other source within the Group;
- Continuous assessment of tax assets held within the Group;
- Review of the status of all tax returns submitted;
- Consideration of all tax risks to which companies within the Group may be exposed;
- Consultation with tax experts within the various jurisdictions which the Group operates (including external auditors) on tax risks and opportunities available to the Group; and
- Report, through one of its members, to the Audit Committee on matters within its mandate.

### Finance Committee Members

#### Permanent

Mr Greg Labuschagne	Chair/Group Chief Financial Officer
Ms Lanelle Rosema	Group Financial Manager
Mr Schalk Klopper	Chief Risk and Analytics Officer
Ms Minette Kruger	Financial Manager: International
Ms Juanita Caroto	Financial Manager: South Africa

*The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.*

### COMPANY SECRETARY

All Directors have access to the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and who plays an active role in the improvement and monitoring of corporate governance processes, especially in terms of the Companies Act of 2008, King Code on Corporate Governance and the JSE Listings Requirements.

As required by the JSE Listings Requirements, the Board confirms that:

- The Company Secretary is competent and has the relevant qualifications and experience to be the Company Secretary;
- The Company Secretary is not a Director of the Company; and
- The Board has an arm’s length relationship with the Company Secretary.

If appropriate, individual Directors are entitled to seek independent professional advice concerning the discharge of their responsibilities at Finbond’s expense.

The Company Secretary attends all Board and Committee meetings. The Company Secretary advises the Board, Management and employees of closed periods when trading Finbond securities is prohibited.

Details of Directors’ and the Company Secretary’s dealings in Finbond securities are disclosed to the JSE through the Stock Exchange News Service (“SENS”).

The Company Secretary’s certificate, confirming that all returns and notices have been filed and are true, correct and up-to-date, can be found on page 82 of this Annual Report.

The checklist confirming Finbond’s compliance with the principles of the King Code on Corporate Governance has been completed and is available on the Company’s website, [www.finbondgroup.com](http://www.finbondgroup.com)

**MEETING ATTENDANCE\*:**

N1 BOARD MEETINGS						
DIRECTOR	28 March 2025	28 May 2025	3 October 2025	5 December 2025	11 March 2026	
Dr van Aardt	o	o	o	o	o	
Adv Melville	o	o	o	o	o	
Mr Naudé	o	o	o	o	o	
Ms Wilken-Jonker	o	o	o	o	o	
Dr Motlatla	o	o	o	o	o	
Mr Labuschagne	o	o	o	o	o	-
Mr Pentz	o	o	o	o	o	
Mr Riskowitz	o	o	o	o	o	

N2 AUDIT COMMITTEE MEETINGS						
DIRECTOR	27 March 2025	16 May 2025	2 October 2025	4 December 2025	10 March 2026	
Adv Melville	o	o	o	o	o	
Mr Labuschagne	o	o	o	o	o	-
Mr Pentz	o	o	o	o	o	
Mr Naudé	o	o	o	o	o	

N3 RISK COMMITTEE MEETINGS						
DIRECTOR	27 March 2025	28 May 2025	3 October 2025	4 December 2025	10 March 2026	
Adv Melville	o	o	o	o	o	
Mr Pentz	o	o	o	o	o	
Mr Labuschagne	o	o	o	o	o	-
Mr Naudé	o	o	o	o	o	

N4 SOCIAL AND ETHICS COMMITTEE MEETINGS						
DIRECTOR	28 March 2025	1 October 2025	11 March 2026			
Ms Wilken-Jonker	o	o	o			
Dr Motlatla	o	o	o			
Adv Melville	o	o	o			

N5 REMUNERATION COMMITTEE MEETINGS						
DIRECTOR	28 May 2025	3 December 2025				
Dr van Aardt	-	o				
Dr Motlatla	o	o				
Ms Wilken-Jonker	o	o				
Mr Pentz	o	o				
Mr Riskowitz	o	-				

\*From 1 March 2025 to 30 April 2026.

## KING V GOVERNANCE DISCLOSURE

Finbond Group Limited ("FGL") is committed to the principles of good corporate governance as set out in the King Code on Corporate Governance for South Africa ("King V"). The Board of Directors has assessed FGL's governance arrangements for the financial year ended 28 February 2026 and is satisfied that the application of the King V principles has realised value for FGL within its economic, social and environmental context.

### SUMMARY OF KING V PRINCIPLES

PRINCIPLE NUMBER	SUMMARY DISCLOSURE
1	<p><b>Ethical and effective leadership</b></p> <p>The Board leads ethically and effectively. All directors individually and collectively demonstrate the King V leadership characteristics. A formal annual Board performance evaluation confirmed effective functioning. The Board held four scheduled meetings during the year.</p>
2	<p><b>Governance of ethics and responsible corporate citizenship</b></p> <p>The Board, through the Social and Ethics Committee, oversees ethical culture. FGL's Code of Ethics, Conflict of Interest Policy, Fraud Prevention Policy and AML/CFT/CPF programme are in place. Whistleblowing procedures are operational. No significant ethics incidents requiring Board escalation were identified during the period.</p>
3	<p><b>Strategy, performance and sustainable value creation</b></p> <p>The Board reviewed and approved FGL's Five-Year Strategic Plan and annual budget. The business model is reviewed annually. The Board applies integrated thinking across all six capitals. FGL's purpose is to provide responsible, accessible financial services.</p>
4	<p><b>External reporting</b></p> <p>FGL's reporting suite comprises the Annual Report (including audited annual Financial Statements prepared under IFRS Accounting Standards), this King V Governance Disclosure and the Social and Ethics Committee Report. The Audit Committee oversees integrity of all external reports.</p>
5	<p><b>Board composition, diversity and succession</b></p> <p>The Board comprises a majority of non-executive directors, the majority of which are independent. Board composition as at 28 February 2026: Dr Malesela Motlatla (Chair, Independent NED), Mr Danie Pentz (Independent NED), Ms Ina Wilken-Jonker (Non-Executive), Mr Piet Naudé (Independent NED), Adv Neville Melville (Independent NED), Mr Sean Riskowitz (Non-Executive), Dr Willem van Aardt (CEO), Mr Greg Labuschagne (CFO). A Lead Independent Director has been appointed.</p>
6	<p><b>Delegation to committees and management</b></p> <p>The Board operates five permanent sub-committees: Audit, Risk, Remuneration, Social and Ethics and Investment. Each committee operates under formally approved terms of reference. The Audit Committee confirmed the effectiveness of the three-line model, the independence of the external auditor and the effectiveness of internal financial controls. No material control failures or financial losses occurred.</p>
7	<p><b>Delegation to management</b></p> <p>The CEO reports directly to the Board and leads strategy execution. The CEO is not a member of the Audit, Risk, Remuneration, Social and Ethics or Investment Committees. A Delegation of Authority framework defines decision-making authority. The Company Secretary has unfettered access to the Board and appropriate independence.</p>
8	<p><b>Risk governance</b></p> <p>The Board, through the Risk Committee, is satisfied that the Enterprise Risk Management framework is effective across all material risk categories (credit, market, liquidity, operational, compliance, technology and reputational). No significant unaddressed control weaknesses were identified during the reporting period.</p>

PRINCIPLE NUMBER	SUMMARY DISCLOSURE
9	<p><b>Compliance</b></p> <p>FGL complies with all applicable laws including the Companies Act and the JSE Listings Requirements. The Board, through the Audit Committee, is satisfied that the organisation-wide compliance system is adequate and that where deficiencies were identified, appropriate remedial action was promptly taken.</p>
10	<p><b>Data, information and technology governance</b></p> <p>The Board is satisfied that the management and control of data, information and technology are effective, compliant and ethical. POPIA compliance controls are in place. No significant information privacy breaches or material cyber incidents were reported during the reporting period.</p>
11	<p><b>Fair and responsible remuneration</b></p> <p>The Remuneration Committee oversees all remuneration practices. Executive remuneration is benchmarked externally. The remuneration policy is designed to attract, motivate and retain talent while discouraging excessive risk-taking. A comparison of executive to average employee remuneration is disclosed in the Remuneration Report.</p>
12	<p><b>Assurance and internal control</b></p> <p>A combined assurance model integrates assurance from line management, specialist risk and compliance functions, internal audit and external audit. The Audit Committee is satisfied that Finbond Mutual Bank's internal audit function is independent and effective, operating in accordance with international internal auditing standards.</p>
13	<p><b>Stakeholder-inclusive governance</b></p> <p>FGL's governance model is inherently stakeholder-inclusive. As a listed company, shareholders' interests are placed at the centre. FGL engages shareholders through the annual general meeting, Annual Report and SENS announcements. Stakeholder relationships are guided by the philosophy of Ubuntu-Botho and responsible corporate citizenship.</p>

#### FULL KING V DISCLOSURE

The summary above provides an overview of FGL's governance arrangements and King V application. The full King V Governance Disclosure Framework for the financial year ended 28 February 2026, containing detailed principle-by-principle disclosures and specific governance information, is available on FGL's website at [www.finbondgroup.com](http://www.finbondgroup.com).

*“One of the most common mistakes  
and one of the costliest  
is thinking that success is due to some genius,  
some magic – something or other  
which we do not possess.  
Success is generally due to  
holding on and failing to let go.  
You decide to learn a language, study music,  
take a course in reading, train yourself physically.  
Will it be a success or a failure?  
It depends how much pluck and  
perseverance that word ‘decide’ contains.  
The decision that nothing will overrule,  
the grip that nothing can detach will bring success.”*

*- Maltbie D Babcock -*

## STAKEHOLDERS

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*"If you don't take care of your customer, your competitor will."*  
- Bob Hooey -

## STAKEHOLDER ENGAGEMENT

### INTRODUCTION

King V requires a company to have a stakeholder engagement policy in place to guide the company's approach to communicating and working with stakeholders.

Many groups have an interest in and influence on how Finbond performs. Accordingly, the Stakeholder Engagement Policy outlines Finbond's approach to communicating and working with these stakeholders. Interacting with them is an integral part of developing an understanding of their needs, interests and expectations, and assists the Group with strategic, sustainable decision-making, for both the short and the long term.

Collaboration is also essential to the Group's long-term resilience and to the effectiveness of its integrated sustainability approach. Therefore, Finbond considers its various stakeholders as key partners in its endeavours.

Finbond Group's Executive Committee has ultimate responsibility for stakeholder engagement, but the Group's various business divisions are mandated to maintain inclusive, mutually beneficial relationships with their stakeholders and to be proactive in engaging with them in a transparent and on-going manner.

### STAKEHOLDER ENGAGEMENT FEEDBACK

Finbond's stakeholder feedback is derived from staff, customer surveys, vendor scorecards, client complaint lines, regulator reviews and prudential meetings, conferences and other regular monthly meetings.

### OWNERSHIP AND ACCOUNTABILITY

The stakeholder engagement policy is monitored annually for compliance by the Board of Directors as part of the Code of Conduct and Policy Manual review. The Board of Directors is regularly briefed on the state of stakeholder relationships and stakeholder needs, interests and expectations. It serves as strategic input for planning and decision-making.

Finbond employees are accountable for managing relationships and meeting expectations of internal and external stakeholders within their areas of responsibility. Should a stakeholder not be satisfied with the service or assistance that they receive from their Finbond point of contact, there are opportunities to voice their dissatisfaction.

### MEASURING

In addition to regular qualitative feedback received from stakeholders, the following key performance indicators are used to measure the success of Finbond's stakeholder engagement activities:

- Staff:
  - KPA assessments
  - Training interventions
  - Staff turnover monitoring
- Customers:
  - Customer surveys
  - Complaint reporting lines
- Shareholders:
  - Share movements
  - Ad hoc feedback from JSE sponsors
- Regulators:
  - Key regulatory thresholds and interactions
  - Prudential meetings' feedback from regulators
  - Regulatory reviews' feedback
- Communities:
  - Community involvement activities
  - Related BBBEE scorecard categories
- Suppliers and Vendors:
  - Monthly meetings with vendors
  - Monthly vendor scorecards

## STAKEHOLDER ENGAGEMENT PRINCIPLES

Customer centricity	Key to the success of Finbond is our commitment to putting the needs of our customers first. It is an integral part of our customer-centric business model which focuses on creating solutions that deliver value to our clients. Finbond is also fully committed to the Treating Customers Fairly (“TCF”) principles.
Human capital development	The sustainable performance of Finbond’s business is directly linked to and dependent on the performance of its people. Therefore, staff development and training are key priorities.
Social responsibility	Finbond is committed to the principles of socio-economic upliftment of the marginalised and previously disadvantaged in society. Significant investments into the communities in which it operates are of utmost importance to Finbond.
Regulators’ interaction	Open and honest interaction with regulators is of crucial importance to ensure that practical and regulatory efficiency is considered to the benefit of all stakeholders.
Shareholders’ collaboration and communication	Finbond regularly engages with shareholders and the investment community in order to provide timeous and relevant information on strategy, financial performance and future prospects. This is to enable shareholders and investors to make informed decisions with regard to their investment with Finbond.

## CUSTOMERS

### CUSTOMER-CENTRICITY

Key to the success of Finbond has been its commitment to putting the needs of our customers first. Our customer-centric approach forms an integral part of our business philosophy and constitutes the foundation of our business model.

Finbond's customer-centric business model is focused on creating solutions that deliver value to our clients. We specialise in the design and delivery of unique value and solution-based savings and credit products tailored around depositor and borrower requirements, rather than institutionalised policies and practices.

Our:

- Short-term lending and transactional solutions are offered to the unbanked and underserved emerging market actively seeking credit and banking solutions, but remaining largely unattended to and underserved due to the traditional banks' concentration on the higher income brackets of the population.
- Investment and savings products, which offer a superior above-average rate of return, are offered nationally to investors and pensioners looking for guaranteed higher fixed income in the current environment of depressed low yields.

Key to customer-centricity is product innovation that addresses the needs of the client first. Product innovation alone does not create sustainable value. However, in combination with strong customer focus, consumer education and service excellence – in line with Finbond's service standards of being warm and friendly, inviting, quick and efficient, trusting and respectful – product innovation becomes a powerful competitive advantage.

Customer-centricity is ingrained in Finbond's organisational culture and, unlike product design, it is not something that can easily be copied by competitors. It is this culture that helps Finbond to create sustainable value.

### EMPOWERING AND EDUCATING OUR CUSTOMERS

We go the extra mile to provide simple and easy to understand financial education material such as our "Your Guide to Budgeting in Times of Crisis" booklets, now available in six languages, which teach customers how to create a monthly budget and warn customers not to incur any unnecessary debt that they cannot afford.

Finbond is committed to educating consumers about the credit industry, their rights and their responsibilities when using credit facilities, and the role of the National Credit Regulator. For this reason, the Group distributes accessible and easy-to-read booklets and pamphlets to customers on a regular basis.

"Financial Freedom: Credit and Consumer Rights", which was developed and written by Ms Ina Wilken-Jonker (former Chair of the South African Consumer Union (SANCU)) and is distributed nationally to clients through the Finbond branch network, serves as a guide to budgeting, personal financial planning, managing credit and achieving financial security. It also provides useful information on credit services, as outlined by the National Credit Act and the Regulator. It is aimed at fulfilling Finbond's customer education objectives, and building strong, lasting relationships with clients.

The Consumer Protection Act entrenches the consumer's right to fair value, good quality and safe products, while protecting them against defective or inferior goods.

To further advance consumer education, Finbond also distributes a second booklet nationally through the Finbond branch network written by Adv Neville Melville (former CEO of the Consumer Goods and Services Ombud of South Africa), entitled "Know Your Customer Rights". It is a pocket guide to the Consumer Protection Act, intended to assist consumers in understanding the Consumer Protection Act, knowing their rights and protecting themselves.

### BRANCH NETWORK

Face-to-face communication and excellent customer service are integral to our business model.

At the end of the past financial year, Finbond's branch network consisted of 539 branches in South Africa and 140 in North America, including investments in associates. As part of our client-centric focus, we ensure that our distribution channels reflect the demographics of our clients.

### TREATING CUSTOMERS FAIRLY

A true client-centric approach also requires a firm commitment to Treating Customers Fairly ("TCF"). Finbond therefore considers the TCF legislation good business practice to be a core part of its commercial and customer strategy. For this reason, a key focus area for Finbond is the successful implementation of TCF.

## EMPLOYEES

### HUMAN CAPITAL

Our employees are the backbone of our business. We have a servanthood mindset and a culture of excellence. It is expected of ALL employees to represent Finbond well, to adhere to the “Finbond Business Philosophy and Culture” and to live according to our values and beliefs. EVERYONE, EVERYWHERE, EVERY DAY!

Jim Rohn said: “Success is nothing more than a few simple disciplines practised every day”.

Finbond’s single biggest value driver consists of its people, who deliver on the commitments and promises made. At the core of Finbond’s business are the commitments to different stakeholders and a promise to:

- Provide excellent service;
- Treat customers with dignity and respect;
- Pay an insurance claim;
- Manage depositors’ money effectively;
- Create long-term value for shareholders; and
- Be a responsible corporate citizen.

These promises are only as good as the people making them – namely the Finbond staff.

The Finbond “Senior Management Expectations and Management Dimensions” that all Managers commit to and sign at the beginning of each financial year provides all Finbond employees with 24 principles or enablers that are necessary to ensure success. All Finbond employees are expected to apply the “Finbond Senior Management Expectations and Management Dimensions” principles in everything they do to ensure that Finbond is taken from “Good to Great”.

### PERFORMANCE MANAGEMENT

What truly motivates employees is a sense of pride in their work. If work is not performed with a sense of pride, employees will never be motivated, but only moved. An experience of success, responsibility and recognition of achievement are the three key factors that give employees a sense of pride in their work.

Finbond follows an integrated management approach based on the principles set out in Dr Arnold Mol’s book “Creating Winners in the Workplace”, which is based on the following key principles:

- Ownership;
- Pre-agreed performance areas and yard sticks;
- Confirming the target;
- Letting them prove themselves;
- Stimulating innovation;
- Keeping score of performance;
- Dealing with non-performance; and
- Providing rewards that motivate.

The Finbond Performance Management Framework allows us to measure the Key Performance Areas of our employees on a monthly basis and provides us with the tools needed to motivate them to strive for excellence.

### EMPOWERING EMPLOYEES

The Human Capital Development Department’s main purpose is to build widespread commitment and capabilities among all employees to achieve the Finbond vision. This is achieved by developing the organisation into a community of shared purpose marked by high levels of connection, trust and respect.

To continuously improve two-way communication throughout the Company, employees are encouraged and empowered to raise their concerns through the following platforms:

- Anonymous surveys where employees can bring various matters that they want addressed, changed or improved to Senior Management’s attention;
- Anonymous Report Fraud internet and telephonic hotlines where suspicious or fraudulent actions by fellow employees can be reported;
- Line management where employees have an open invitation to discuss matters of concern with their Line Managers; and
- The General Manager, Regional Managers, Area Managers, Training Managers, Internal Audit and Compliance regularly visit branches to interact with branch employees and to discuss matters of concern with them.

Employees are also kept abreast of Company-related issues through a monthly electronic magazine, The Finbond Compass. Employee wellness is important to us and we encourage and promote wellness events such as charity days, blood donation, HIV/AIDS testing and national Breast Cancer Awareness Day. In addition, employees who excel in sports are also sponsored for events such as the Iron Man and the Two Oceans.

### TRAINING AND EDUCATION

The sustainable performance of our business is directly linked to and dependent on the performance of our employees. Staff development and training are key priorities. It takes skilled, committed, competent and motivated people to deliver on promises such as treating clients fairly, providing innovative and appropriate product solutions and providing excellent customer service to clients. Therefore, investing in people is one of the ways that Finbond nurtures this important value driver. In 2025, Finbond invested more than R9.3 million in the training and development of its employees. Finbond has a comprehensive Policy and Training Manual to guide managers and employees in best practice. Employees’ performance is measured monthly and continuous feedback is provided to them.

All employees receive regular training on all policies and processes. Emphasis is placed on ensuring that employee competency levels meet the required levels through training and development and that every employee has the correct skill-set to be able to perform his/her work function at an exceptional level. Training and development of our staff remains a core focus area and one of our business priorities.

Management is dedicated to the development of staff. Ongoing training is provided to staff by regional training managers, who focus on compliance and enhancing staff capabilities, as well as through the distribution of a Training and Compliance Manual to all employees. Finbond also makes study loans and bursaries available to its employees to enable them to further their studies.



COMPENSATION PAID TO EMPLOYEES*	
Rand value of net profit per employee (R'000)	27.9
Rand value of total compensation paid to employees (R'000)	461,875
Contractors	178
Rand value of total compensation paid to employees including contractors (R'000)	486,111
Average compensation per employee and contractor (R'000)	212
Ratio of net profit after tax per employee to average compensation per employee	12.7%

\*Excludes joint ventures and associates.

EMPLOYEE LEVELS*	2026
Top management	28
Senior management	30
Middle management	108
Junior management	703
Semi-skilled	1,321
Unskilled	8
Total staff	2,198

Trade Unions and Freedom of Association

There is no representative trade union for Finbond, nor is the Company aware of any employees who are members of a trade union. During the period under review, no work days were lost due to industrial action. Finbond, however, recognises the Constitutional rights of employees to freedom of association, collective bargaining and to be a member of a union.

\*Excludes investments in associates.

## EMPLOYMENT EQUITY REPORT

Every designated employer is required in terms of Section 22 of the Act to publish a summary of their employment equity report in that employer's annual report. Every employer who is required to comply with Section 22 must follow the format below.

Please report the total number of employees (including employees with disabilities) in each of the following occupational levels.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

OCCUPATIONAL LEVELS											
	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top management	0	0	0	7	2	1	0	3	0	0	13
Senior management	4	1	0	9	0	0	0	4	0	0	18
Professionally qualified and experienced specialists and mid-management	14	7	2	20	15	2	1	12	0	0	73
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	79	19	2	12	309	86	7	48	1	0	563
Semi-skilled and discretionary decision-making	178	51	2	9	700	183	1	10	0	0	1 134
Unskilled and defined decision-making	0	0	0	0	7	1	0	0	0	0	8
TOTAL PERMANENT	275	78	6	57	1 033	273	9	77	1	0	1 809
Temporary employees	0	0	0	0	1	2	0	0	0	0	3
GRAND TOTAL	275	78	6	57	1 034	275	9	77	1	0	1 812

\*This report is submitted on 30 September each year and therefore reflects employee numbers as at 30 September 2025.

\*\*This report represents a combination of the occupation levels of Finbond Mutual Bank, Supreme Finance (Pty) Ltd and King Loan Finance (Pty) Ltd.

Please report the total number of employees for people with disabilities ONLY in each of the following occupational levels.  
 Note: A=Africans, C=Coloureds, I=Indians and W=Whites.

OCCUPATIONAL LEVELS												
	MALE				FEMALE				FOREIGN NATIONALS		TOTAL	
	A	C	I	W	A	C	I	W	MALE	FEMALE		
Top management	0	0	0	0	0	0	0	0	0	0	0	
Senior management	0	0	0	0	0	0	0	0	0	0	0	
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0	0	0	
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	2	0	0	2	
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PERMANENT	0	0	0	0	0	0	0	2	0	0	2	
Temporary employees	0	0	0	0	0	0	0	0	0	0	0	
GRAND TOTAL	0	0	0	0	0	0	0	2	0	0	2	

\*This report is submitted on 30 September each year and therefore reflects employee numbers as at 30 September 2025.

\*\*This report represents a combination of the occupation levels of Finbond Mutual Bank, Supreme Finance (Pty) Ltd and King Loan Finance (Pty) Ltd.

## COMMUNITY AND SOCIAL RESPONSIBILITY

Finbond aims to improve the quality of life of its customers and employees by empowering them and contributing towards their financial growth, independence and freedom. Short-term loans have been made more accessible to communities, including those in rural areas.

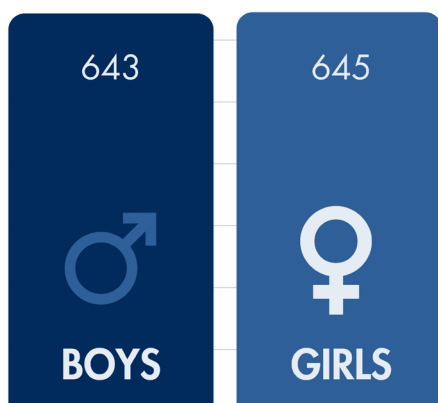
Investing in the communities in which we operate is something that has always been important to the Group. Finbond Group Limited is committed to the principles of socio-economic upliftment of the marginalised and previously disadvantaged in society.

Finbond Group Limited contributed more than R1.8 million to a number of charitable causes through cash donations during the financial year. These include: Tshwane Place of Safety, Tshwane Haven, Silwerkroon, Moeggesukkel and Uncle Ben's Den, along with various other smaller donations. Finbond contributes to and is proud to be associated with Tshwane Place of Safety Association (TPOSA), which focuses on providing orphaned and abandoned babies as well as babies infected with HIV with good homes, frail care and shelter.

### TOTAL CORPORATE SOCIAL INVESTMENT EXPENDITURE

Figures in Rand	FY2026
Bursaries	83 159
Infrastructure	-
Other donations	78 366
Basic need and social development donations	178 679
TPOSA's right to use property	1 409 979
Arts, sports and culture	88 439
<b>Total spend</b>	<b>1 838 622</b>

TPOSA - BOYS VS GIRLS  
(OCTOBER 2003 - FEBRUARY 2026)

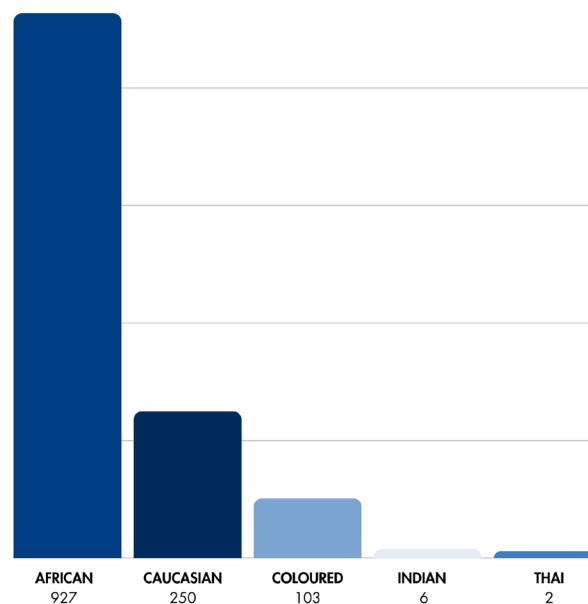


Since opening its doors in October 2003, TPOSA has saved and made a difference in the lives of 1,288 children. The racial breakdown of the children saved is: 927 Black African, 250 Caucasian, 103 Coloured, six Indian and two Thai. 643 of the children were boys and 645 were girls. The haven cares for up to nine special needs children.

Finbond Mutual Bank continues to make its properties in Waterkloof Ridge and Queenswood available to TPOSA free of charge. The Waterkloof Ridge house is used as a haven to accommodate children with various medical and other problems, while the house in Queenswood is used for financial administration and the distribution of basic supplies. Finbond Group South Africa recently acquired another property in Queenswood for the exclusive use of TPOSA.

For further info see: [www.placeofsafety.co.za](http://www.placeofsafety.co.za)

TPOSA - RACIAL BREAKDOWN OF CHILDREN ADMITTED





The Silwerkroon Centre started to operate in 1985 under the Pretoria Council for the Care of the Aged.

In 2007 the Centre was awarded its own NPO licence and started to function independently. The Silwerkroon Centre has rendered a unique service to the elderly for all these years. This service is aimed at empowering independent older persons to stay self-reliant as long as possible and to ensure that the elderly have access to information, education, counselling, affordable meals and programmes to maintain active ageing.

The goal is to provide opportunities that will promote the optimal level of social, physical, mental and emotional well-being of residents, with the utmost respect, fairness and equality at all times.

The Silwerkroon Centre promotes two main operational programmes:

- Active Aging Programme; and
- Home Based Care.

For further info see: [www.silwerkroon.org.za](http://www.silwerkroon.org.za)



victory over life's challenges

Moeggesukkel is a non-governmental organisation that proudly reflects on its role in housing, feeding, reconciling and creating job opportunities for thousands of people. It serves as a vital support system for many, striving to restore hope in situations that seem hopeless.

The story of Moeggesukkel began with a spark of compassion in the heart of its founder, Jacques Papefus, who shared a meal with two homeless people called 'Basie' and 'Klasie'. His vision to bring hope to those suffering became the foundation of its journey, igniting a flame of hope that continues to burn brightly today.

For further info see: [www.moeggesukkel.co.za](http://www.moeggesukkel.co.za)



GreyPower is a nationwide non-profit organisation founded in 1995. The main purpose of GreyPower is to mobilise, organise and practically activate older people for their own benefit as well as the benefit of others in South Africa. GreyPower uses its collective bargaining power to be a mouthpiece, protector and representative of its seniors during negotiations with authorities.

The vision of GreyPower is to actively and positively promote and develop the dignity, quality of life and social security of its members in order to enable them to continue to function as participative, responsible and active members in the community.

The mission of GreyPower is to keep its members informed of developments that affect their interests and to support them through specialised information and guidance so that they can manage their personal affairs effectively. Through the involvement of experts in the portfolio committees of the Board and cooperation with the bi-monthly magazine Plus50, attention is given to current issues, such as housing, health, safety and security, welfare services, economic matters, consumer affairs, legal matters and active aging.

For further info see: [www.gryskrag.co.za](http://www.gryskrag.co.za)



Uncle Ben's Den is committed to provide a safe and comfortable environment for those 60 and older. It is dedicated to ensure Uncle Ben's Den is a safe haven for seniors in need of shelter and assistance. Uncle Ben's Den is an NPO Herberg where the down-winged find rest and the body, soul and spirit are cared for.

For further info see: [www.unclebensden.com](http://www.unclebensden.com)

## SOCIAL AND ETHICS REPORT

### INTRODUCTION

The Social and Ethics Committee of Finbond Group Limited (“FGL”) is entrusted with the oversight of social and ethical governance within the Finbond group. In accordance with our Social and Ethics Committee Charter, the Committee monitors and ensures that FGL operates as a responsible corporate citizen.

### COMMITTEE COMPOSITION AND GOVERNANCE

The Social and Ethics Committee consists of at least three members, all who are Non-Executive Directors. The Chief Quality and Personnel Officer is a permanent invitee to the Committee’s meetings. The Committee is chaired by a Non-Executive Director and meets bi-annually, with additional meetings as needed. In FY2026, the Committee successfully held its required meetings, ensuring all matters related to social responsibility, ethics and corporate governance were adequately addressed.

### SOCIAL AND ECONOMIC DEVELOPMENT

#### *Adherence to International Standards*

FGL is committed to upholding the 10 principles of the United Nations Global Compact, which include supporting human rights, fostering labour rights, addressing environmental challenges and combating corruption.

#### *Broad-Based Black Economic Empowerment (B-BBEE)*

In pursuit of social and economic transformation, FGL has achieved a Level 4 B-BBEE rating. FGL remains focused on improving this score through strategic initiatives in employment equity, skills development and enterprise development.

#### *Corporate Social Responsibility (CSR)*

FGL continues to make significant contributions to the communities in which it operates. During the 2026 financial year, FGL continued with its contributions towards Tshwane Place of Safety Association (TPOSA), GreyPower, Moeggesukkel, Silwerkroon and Uncle Ben’s Den.

### GOOD CORPORATE CITIZENSHIP

#### *Stakeholder Engagement and Community Investment*

FGL remains committed to its role as a good corporate citizen by promoting equality, combating corruption, and contributing to community development. FGL engages with stakeholders through transparent communication, supporting customer needs and promoting financial inclusion. During the reporting period, FGL contributed R1,84 million to charitable organisations, with a primary focus on supporting children and retirement homes.

#### *Compliance and Ethical Practices*

The Committee closely monitors FGL’s compliance with ethical standards and regulatory requirements, ensuring that FGL’s policies align with the principles of good governance and transparency. The Committee also reviews and oversees whistleblowing, with a commitment to investigating and addressing any unethical behaviour.

#### *Environmental Sustainability*

FGL recognises the importance of its environmental responsibility. Although primarily office-based with a minimal carbon footprint, FGL endeavours to promote sustainability. This includes ensuring that future decisions reflect environmental consciousness, contributing to the reduction of its environmental impact.

### LABOUR AND EMPLOYMENT PRACTICES

#### *Development and Well-being*

FGL is committed to the educational development of its employees. FGL invested in various training programmes, including skills development and leadership training. 16 skills development programmes were implemented in the 2026 financial year and 216 learners successfully completed their training. FGL also supports employees through ongoing career development and offers learnerships for both unemployed individuals and current employees to gain formal qualifications.

#### *Employment Equity*

FGL is dedicated to fostering diversity and inclusion in the workplace, aligned with the Employment Equity Act.

### CONSUMER RELATIONS AND HEALTH AND SAFETY

#### *Customer Service and Fair Treatment*

In alignment with its customer-centric strategy, FGL consistently strives to treat customers fairly, offering transparent and accessible financial products.

FGL’s identity and culture is centered upon achieving results. We strive for excellence and are passionate about achieving goals. Tasks are undertaken in a harmonious and creative way, constantly measuring results against the key performance indicators.

FGL prioritises establishing substantial market momentum to ensure long-term profitability and sustainable benefits for all stakeholders, rather than seeking immediate, short-term gains. Our business strategy is to exceed our clients’ shareholders’, business partners’ and regulatory stakeholders’ expectations and, in so doing, sustain the organic growth of the Finbond Group.

Ethics and integrity are treated as essential core fundamentals in FGL, and not just token words. FGL is committed to:

- The highest standard of service and professionalism;
- Responsibility to uphold financial protection for the public, clients, depositors and the industry while ensuring full compliance with all applicable laws;
- Client confidentiality;
- Equality and non-discrimination;
- Best interest of the clients; and
- Transparency and disclosing of information in order for clients to make a rational decision.

#### *Health and Safety*

The health and safety of employees and customers is paramount. FGL has robust health and safety policies in place, which are regularly reviewed to ensure a safe working environment for all.

#### CONCLUSION

FGL continues to uphold its social and ethical responsibilities, fostering a culture of accountability, inclusivity and responsible corporate citizenship. The Social and Ethics Committee is satisfied with the progress made during financial year 2026 and remains committed to enhancing FGL's social impact, ethical governance and ESG performance in the years to come. Through continuous engagement with stakeholders, investment in employee development and dedication to community upliftment, FGL aims to contribute meaningfully to the South African financial landscape and beyond.

## ETHICS AND CORPORATE CITIZENSHIP

The Board of Directors has delegated the governing and management of ethics and corporate citizenship to the Social and Ethics Committee.

The duties of the Committee include:

1. To monitor the company's activities, having regard for any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to-
  - a) social and economic development, including the Company's standing in terms of the goals and purposes of-
    - (aa) the 10 principles set out in the United Nations Global Compact Principles;
    - (bb) the OECD recommendations regarding corruption;
    - (cc) the Employment Equity Act; and
    - (dd) the Broad-Based Black Economic Empowerment Act;
  - b) good corporate citizenship, including the company's-
    - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
    - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
    - (cc) record of sponsorship, donations and charitable giving;
  - c) the environment, health and public safety, including the impact of the Company's activities and of its products or services;
  - d) the management of shareholder interest;
  - e) consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws;
  - f) labour and employment, including-
    - (aa) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
    - (bb) the Company's employment relationships, and its contribution toward the educational development of its employees; and
  - g) ESG (Environment, Social and Governance);
2. To draw matters within its mandate to the attention of the Board as occasion requires; and
3. To report, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate if requested.

The 10 United Nations Global Compact Principles are:

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.

### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: The elimination of all forms of forced and compulsory labour;
- Principle 5: The effective abolition of child labour; and
- Principle 6: The elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: Undertake initiatives to promote greater environmental responsibility; and
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Social and Ethics Committee continuously monitors Ethics and Corporate Citizenship at its biannual meetings and through delegation of certain functions to the Executive Committee and the Human Capital Development function.

Planned areas of future focus include expanding the donations portfolio, considering additional community involvement and improving Finbond's BBBEE score.

## REGULATORS

### A. SOUTH AFRICA

Finbond’s South African operations regularly engage with its regulators and other important entities, which include:

- The Prudential Authority (“PA”), the Resolution Authority (“RA”) and National Payments System Division (“NPSD”) of the South African Reserve Bank (“SARB”);
- The National Credit Regulator (“NCR”);
- The Financial Sector Conduct Authority (“FSCA”);
- The Financial Intelligence Centre (“FIC”);
- The Information Regulator (“IR”) (re POPI);
- The Department of Labour;
- The National Financial Ombud (“NFOSA”); and
- The Banking Association of South Africa (“BASA”).

Interaction between industry players and regulators is of crucial importance to ensure practical and regulatory efficiency to the benefit of all stakeholders.

### B. NORTH AMERICA

#### Federal Regulation

At a federal level, the Dodd–Frank Wall Street Reform and Consumer Protection Act created and gave the Consumer Financial Protection Bureau (“CFPB”) specific authority to regulate all small lenders, regardless of size and, since the CFPB’s powers emanate at a federal level, its regulations are enforceable on both a national and state level.

The CFPB is an independent agency of the United States government responsible for consumer protection in the financial sector. Its jurisdiction includes banks, credit unions, securities firms, sub-prime lenders, mortgage-servicing operations, foreclosure relief services, debt collectors and other financial companies operating in the United States. The CFPB was created to provide a single point of accountability for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. Before, that responsibility was divided among several agencies. However, the Dodd-Frank Act (which created the CFPB) specifically barred the agency from putting caps on interest rates.

The CFPB can accordingly act against institutions or individuals engaged in unfair, deceptive, or abusive acts or practices or which otherwise violate federal consumer financial laws.

#### State Regulation

Each State has its own legislation, regulations and regulators in addition to the Federal Regulators. No material changes are envisaged in the US states or one Canadian province where Finbond currently owns consumer lending entities.

## ENVIRONMENT

Finbond is predominantly “office-based” and leaves a limited carbon footprint on the environment.

Finbond acknowledges the importance of the responsibility towards the environment to ensure that future generations can enjoy the environment in which we are ultimately investing.

Finbond actively seeks to reduce its carbon footprint and CO<sub>2</sub> emissions and promote a healthy and sustainable environment for all our branches in our regions. We do this by complying with local and international legislation regarding the environment and recycling as far as possible all materials used.

The total number of Person Hours Worked (“HW”) for Finbond was calculated as 5,631,704 for the reporting period.

The following indicators calculated according to “per person hours worked” returned insignificant results and have therefore not been reported:

- Total electricity consumed per person hour worked (MWh/HW);
- Average volume of carbon emissions per person worked (Tonnes CO<sub>2</sub>e/HW);
- Average volume of non-hazardous waste per person hour worked (Tonnes/HW); and
- Total Direct Energy consumed per person hour worked (MJ/HW).

The Group does not report a target for:

- Electricity consumption;
- Energy consumption;
- Carbon emissions; and
- Water consumption.

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### ENVIRONMENTAL IMPACT STATISTICS

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Total direct energy consumption (Gigajoules, GJ) - that is, from fuels burned	368
Total electricity consumption (MWh)	10,892
Total energy consumption in Gigajoules - calculated (NEW)	42,943
Total carbon emissions (tonnes of carbon dioxide equivalents, CO <sub>2</sub> e) - calculated	10,443
Total water consumption (kilolitres, or Kl)	58,591
Average quantity of water (litres) consumed per person hours worked (l/HW)	12
Total quantity of non-hazardous waste disposed (tonnes)	255
Total quantity of waste sent for recycling (tonnes)	398
Percentage of waste sent for recycling	66%

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## SHAREHOLDERS

Finbond is an owner-managed company to an extent, with Management controlling 34.9% of the issued shares in the Group at the end of the financial year.

As at 28 February 2026, Finbond’s institutional shareholders included:

- Protea Asset Management LLC; and
- Kings Reign Investments (Pty) Ltd.

Value creation must be consistent and sustainable over the long term; short-term gains cannot be considered true value creation. Over the past 14 years the Finbond share price grew from R0.07 at the end of February 2012 to R1.18 per share at the end of February 2026. This means R100,000 invested in Finbond shares 13 years ago was worth R1.69 million as at 28 February 2026.

Finbond engages with shareholders and the investment community in order to provide timeous and relevant information on strategy, financial performance and future prospects to enable shareholders and investors to make informed decisions with regard to their investment in Finbond.

Finbond achieves this by engaging with them in the following ways:

- Johannesburg Stock Exchange News Service (“SENS”) Announcements;
- Integrated Annual Reports;
- Annual General Meeting;
- Updates on ratings received from ratings agencies;
- FGL website;
- Press releases; and
- Media interviews.

Finbond’s major shareholders at the end of February 2026 are listed in the table below:

### SHARE REGISTER ANALYSIS

Shareholder	Amount of Shares at 28 February 2026	Shareholding at 28 February 2026
Kings Reign Investments*	179,956,275	34.9%
Protea Asset Management**	154,049,502	29.9%
Finbond Private Equity	45,985,086	8.9%
Sean Riskowitz	25,640,950	5.0%
Roderick Howie	8,407,597	1.6%
Eugene du Plessis	5,254,000	1.0%
Thomas Gillham	5,004,001	1.0%
Limovax (Pty) Ltd	4,598,368	0.9%
Ignatius Leenstra	2,135,943	0.4%
Donald Mulligan	2,080,144	0.4%

### SHAREHOLDER SPREAD at 28 February 2026 (Financial year-end)

	Number of shares held	% of total shares issued	Number of shareholders	% of total shareholders
Public Shareholders	108,927,722	21%	10,431	99.9%
Non-Public Shareholders	360,807,284	70%	5	0.0%
Directors	26,801,507	5%	3	0.03%
Associates of Directors	334,005,777	65%	2	0.02%
Prescribed Officers and Trustees	0	0%	0	0%
	469,735,006	91%	10,436	99.99%
Subsidiaries	45,985,086	9%	1	0.01%
	515,720,092	100%	10,437	100%

\*Controlled through Dr W van Aardt.

\*\*Controlled through Mr S Riskowitz.

## REMUNERATION POLICY AND REPORT

### REMUNERATION PHILOSOPHY

Being a financial services organisation, Finbond is dependent on its human resources for its success. Finbond recognises that its people are critical to enable it to meet its business goals and strategic objectives. The Board determines the broad principles for the Group's remuneration philosophy, taking into consideration the Group's strategy and objectives. Finbond's remuneration philosophy is to employ the highest calibre individuals, who are characterised by integrity, intellect and innovation and who adhere and subscribe to our culture, values and philosophies. We strive to inspire entrepreneurship by providing a working environment that stimulates extraordinary performance, so that Executive Directors and employees may be positive contributors to our clients, their communities and the Group.

To sustain this on a consistent basis, the organisation continuously:

- Develops and retains talent that is currently employed in the Group;
- Attracts and retains the right people with the appropriate skills to meet the present and future demands; and
- Develops a high performance culture in an organisation which is focused on achieving results.

We have a strong entrepreneurial, merit and values-based culture, characterised by passion, energy, commitment and perseverance. The ability to live and perpetuate our values, culture and philosophies in the pursuit of excellence in a regulated industry and within an effective risk management environment is considered paramount in determining overall reward levels.

### REMUNERATION PRINCIPLES

Our remuneration policy is based on the following overarching principles:

- Remuneration policies, procedures and practices are consistent with and promote sound and effective risk management, and do not encourage risk-taking that exceeds the level of tolerated risk of Finbond;
- Our remuneration policy is in line with the business strategy, objectives, values and long-term interests of the Finbond Group;
- The payment of variable remuneration does not limit Finbond's ability to maintain or strengthen its capital base; and
- Remuneration practices are recognised as a key instrument in attracting and retaining the required talent to meet Finbond's strategic objectives.

### REMUNERATION COMMITTEE ("RemCo")

Details of the RemCo, its members and activities are set out under the Corporate Governance section of the Finbond Group Limited Annual Report. The Committee assists the Board in formulating and monitoring the implementation of the Group's remuneration policy.

Only non-executive directors are members of the Committee, the majority of which are independent. The Chair of the Committee is an independent non-executive director. The Committee members possess the necessary skills and experience and the Committee oversees all significant remuneration-related matters.

The Committee strives to display ethical leadership with regards to remuneration decisions, considering value drivers and fairness. These drivers include ESG performance, culture and ethics. Remuneration is aimed at being fair throughout the Finbond group, with consideration of minimum wage requirements, pay-gaps and equality among genders.

Key performance assessments are performed across the Group and these are considered when increases and bonuses are allocated. The impact of inflation is also considered when annual salary increases are determined. Increases and bonuses are only awarded to employees that perform in accordance with expectations, or exceed these expectations.

The role of the Committee is to assist the Board to ensure that Finbond remunerates Directors, Executives and staff members fairly and responsibly and that the disclosure of Director remuneration is accurate, complete and transparent.

The objectives and areas of responsibility of the Committee are to:

- Ensure that the remuneration policy is adhered to and implemented;
- Review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;
- Ensure that the mix of fixed and variable pay in cash, short-term incentives, long-term incentives, shares and other elements meet the Group's needs and strategic objectives;
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Consider the results of the evaluation of the performance of the Chief Executive Officer and other Executive Directors, both as Directors and as Executives in determining remuneration;
- Select an appropriate comparative group when comparing remuneration levels; and
- Review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules.

## EXECUTIVE DIRECTORS' REMUNERATION

Executive Directors' remuneration consists of:

- Payment of an industry-, country- and currency-specific competitive annual guaranteed package (base salary and benefits) in South Africa, the United States of America, Canada and Malta;
- Short-term incentives ("STI") where rewards are determined against achievement of individual performance criteria and annual financial and strategic targets;
- Long-term incentives ("LTI") aligned with shareholder interest where rewards vest over a five year period and subject to a retention arrangement; and
- Ownership in the form of share incentive scheme participation.

LTIs reward and motivate executives to grow the Group's business and improve results, leading to increased value for shareholders. Retention arrangements require executives to repay a pro rata amount of bonuses received should they leave the employ of the Group within the five year period.

RemCo has the authority to approve guaranteed packages that will attract and retain the correct calibre of talent. Guaranteed packages are recommended by the Chief Executive Officer after taking into account individual experience, current performance and contribution. These are then benchmarked against the market in the various countries of operation on an annual basis. Salaries and benefits are reviewed annually and reflect the relative skills and experience of and contribution made by the individual.

It is the Group's policy to seek to set base salaries and benefits (together known as gross remuneration) at medium market levels when compared like-for-like with peer group companies. The Human Resource division provides guidelines to business units on recommended salary levels for all employees within the organisation to facilitate the review. These guidelines include a strategic message on how to set salary levels that will aid Finbond in meeting its objectives while remaining true to corporate values. They also incorporate guidance on increasing levels to take account of changes in the cost of living over the year to ensure that salary levels always allow employees to afford a reasonable standard of living and do not encourage a reliance on variable remuneration.

Finbond considers the aggregate of the above as the overall remuneration package designed to attract, retain, incentivise and drive the behaviour of our employees over the short, medium and longer term in a risk-conscious manner. Overall, rewards are considered as important as our core values of work content (greater responsibility, variety of work and high level of challenge) and work affiliation (entrepreneurial feel to the Company and unique culture) in the attraction, retention and motivation of employees.

## SERVICE CONTRACTS

Each of the Executive Directors and prescribed officers has a letter of appointment from the Company.

## SHARE PLANS

During the 2014 financial period, Finbond Group Limited implemented an employee share incentive scheme. Refer to the notes to the annual Financial Statements for share options granted during current and prior periods.

These awards were offered subject to the achievement of Net Profit After Tax Performance Targets and the employees will be entitled to the award only on achievement of the following Net Profit After Tax:

- 25% when Finbond Group Limited achieves an audited Net Profit After Tax of R300,000,000 (three hundred million rand).
- a further 25% when Finbond Group Limited achieves an audited Net Profit After Tax of R500,000,000 (five hundred million rand).
- a further 25% when Finbond Group Limited achieves an audited Net Profit After Tax of R700,000,000 (seven hundred million rand).
- the balance when Finbond Group Limited achieves an audited Net Profit After Tax of R900,000,000 (nine hundred million rand).

The Conditionality Periods applicable to these tranches are equal to the amount of time it takes to reach the Net Profit After Tax targets. Only after the Audited Net Profit After Tax Performance Targets have been achieved will the awards become unconditional.

## NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors receive a fixed level of remuneration for their services based on their participation in Board meetings and other Committees. The Non-Executive Directors do not participate in incentive bonus schemes, nor have they been granted share options. Their remuneration is approved at the Annual General Meeting of the Group.

Non-executive remuneration includes committee fees and monthly retainers. For Board and committee meetings that are postponed or for multiple meetings that are held to consider the same matter(s), non-executives are paid the fee for only one meeting. Any ad hoc meetings or interviews will form part of the monthly retainer fees. Additional fees may be paid in terms of consulting or mentorship agreements as agreed with any specific non-executives.

The criteria applied to determine non-executive fees include industry benchmarks, contributions made by non-executives during the year and the consideration of inflationary trends.

REMUNERATION REPORT - KEY STATISTICS

Total rand value of compensation paid to Executive Directors - excluding gains on the exercise of share options (R'000)	60,852
Average compensation per Executive Director - excluding gains on the exercise of share options (R'000)	30,426
Ratio of average compensation paid to Executive Directors relative to average compensation paid to employees - excluding gains	138.79
Total rand value of gains on the exercise of share options - Executive Directors (R'000)	-
Average compensation per Executive Director - including gains (R'000)	30,426
Ratio: Average compensation paid to Executive Directors relative to average compensation paid to employees - including gains	138.79
Total compensation paid to Prescribed Officers - excluding gains on the exercise of share options (R'000)	-
Average compensation per Executive Director and Prescribed Officers - excluding gains (R'000)	30,426
Ratio: Average Executive Director's and Prescribed Officer's compensation relative to average employee compensation - excluding gains	138.79
Total rand value gains on the exercise of share options - Prescribed Officers (R'000)	-
Average compensation per Executive Director and Prescribed Officer - including gains (R'000)	30,426
Number of Board Members (as at 28 February 2026)	8
Number of Board Members who are Non-Executive	6
Percentage of Board Members who are Non-Executive	75%
Number of Board Members who are deemed "Independent"	4
Percentage of Board Members who are deemed "Independent"	50%
Number of Board Members who are deemed "HDSA"	1
Percentage of Board Members who are deemed "HDSA"	12.5%
Number of Board Members who are female	1
Percentage of Board Members who are female	12.5%
Average length of Executive Director service (in years)	17
Average length of Non-Executive Director service (in years)	13
Average length of Director (full Board) service (in years)	14
Average age of Directors (in years)	66
Overall Board and Committee Meeting attendance	96%
Auditor Remuneration: % of non-audit fees	0.48%
Length of current Auditor's service	7 years
Independence of Board Chair	Yes
Number of Prescribed Officers	0

EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR TO 28 FEBRUARY 2026 (Gross before deductions)

R'000	Years service	Basic salary	STI	LTI	Share options	Total remuneration
<i>Paid by a subsidiary of the Company</i>						
Dr W. van Aardt*	24	28,690	2,296	20,030	-	51,016
Mr G. Labuschagne**	10	5,247	443	4,146	-	9,836
<b>Total</b>		<b>33,937</b>	<b>2,739</b>	<b>24,176</b>	<b>-</b>	<b>60,852</b>

\*Dr van Aardt is based in Chicago full-time and paid in the United States of America. His total remuneration for the 2026 financial year in local currency was USD 2,916,474 of which USD 1,640,114 was basic salary, USD 131,276 was STIs and USD 1,145,084 was LTIs subject to retention arrangements.

\*\*Mr Labuschagne is based in Ottawa full-time and paid in Canada. His total remuneration for the 2026 financial year in local currency was CAD 780,353 of which CAD 416,289 was basic salary, CAD 35,141 was STIs and CAD 328,923 was LTIs subject to retention arrangements.

NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR TO 28 FEBRUARY 2026 (Gross before deductions)						Total Remuneration
R'000	Years service	Long service fees	Consulting fees	Director's fees	Committee fees	
Ms Wilken-Jonker	23	-	1 837	327	606	2 770
Dr Motlatla	20	-	-	392	1 183	1 575
Adv Melville	14	-	-	327	670	997
Mr Naudé	8	-	-	327	617	944
Mr Pentz	6	41	-	327	705	1 073
Mr Riskowitz	4	-	-	327	373	700
		<b>41</b>	<b>1 837</b>	<b>2 027</b>	<b>4 154</b>	<b>8 059</b>

### ELEMENTS OF REMUNERATION

Finbond makes use of variations of the following remuneration elements for different levels of employment:

- Country- and currency-specific competitive base salary for full-time employees in South Africa, the United States of America, Canada and Malta;
- Variable remuneration in the form of STI's and LTI's for employees as and when required;
- Payments on termination of employment, including accrued leave, accrued salary and settlement packages;
- Commissions for branch agents;
- Allowance for travel, accommodation and communication; and
- Fees for Non-Executive Directors.

In line with King V, Finbond will take various measures should at least 25% of shareholders vote against the Remuneration Policy or Remuneration Implementation Report, such as engaging with external professionals on a contract basis to ascertain the reasons for the dissenting votes. Management will then take the necessary steps to address legitimate and reasonable objections and concerns. Seeing as the relevant votes were passed at the 2025 AGM, no further engagement with shareholders was necessary.

#### Background Statement:

The Remuneration Committee considers various factors that influence remuneration, including competitor behaviour, comparative studies, country of operation, inflation rates and local and international remuneration standards.

Key areas of focus are competitive remuneration and appropriate increases in line with industry standards.

Future areas of focus include continued competitive remuneration practices, rewarding of A+ effort and further alignment with international standards.

#### Main Provisions of the Remuneration Policy:

Remuneration elements include base salaries, variable remuneration, payments on termination of employment, commissions, allowances and fees.

These are designed in accordance with Finbond's nature of business and the financial services industry.

Some executive employment agreements are subject to payments upon early termination of fixed term employment contracts, that include compensation payments and early vesting of share appreciation rights awards and share appreciation rights payments at a predetermined value. Executive remuneration is linked to strategic objectives, which are measured in accordance with the Board approved Five-Year Strategic Plan of Action.

There are no defined minimum or maximum performance outcomes. The ratio between executive remuneration and overall employee remuneration has been considered to be reasonable, considering Finbond's local and international competitors.

Remuneration benchmarks from various sources are used, including local and international studies and articles on remuneration trends. The fees of the Non-Executive Directors are also set in accordance with industry standards. The full Remuneration Policy, as included in the Finbond Group Limited Annual Report, can be found on the Company's website at [www.finbondgroup.com](http://www.finbondgroup.com).

#### Implementation Report:

Share scheme awards are awarded by the Remuneration Committee to deserving senior management members in line with the Finbond Group Limited Share Appreciation Awards Scheme.

Full details of executive remuneration can be found in the notes to the annual Financial Statements. The Remuneration Committee is satisfied that Finbond complies in all material aspects with its Remuneration Policy.

Payments on termination of employment amounted to R1,082,192 in South Africa, made up of accrued leave.

The Remuneration Policy and Remuneration Implementation Report are tabled annually for shareholder approval to ensure continued relevance.

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*"Leadership is the art of getting someone else to do something you want done because he wants to do it."*  
- Dwight D. Eisenhower -

## COMPANY SECRETARY'S CERTIFICATE

TO THE MEMBERS OF FINBOND GROUP LIMITED

In my capacity as Company Secretary, I hereby certify that for the year ended 28 February 2026, the Company has filed all such returns and notices as are required by the Companies Act No. 71 of 2008 and that all such returns and notices appear to be true, correct and up-to-date.



Ben Bredenkamp  
Company Secretary  
20 May 2026

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee (“the Committee”) has pleasure in submitting its report for the year ended 28 February 2026, as required by section 94 of the **Companies Act No. 71 of 2008** (hereafter referred to as “the Companies Act”).

The Committee is a statutory committee appointed by the Board of Directors, in terms of **section 94(2) of the Companies Act**, and whose duties were delegated to it by the Board during the financial year under review.

The Committee takes note of the following key audit matters identified by the external auditors and discussed at the Audit Committee meeting held on 15 May 2026:

- Impairment of consumer, mortgage and specialised finance loans; and
- Impairment of investments in joint ventures.

The Committee takes note also of areas of significant audit risk and elevated audit risk identified by the external auditors and discussed at the Audit Committee meeting held on 15 May 2026.

The Committee acknowledges its responsibilities assigned by the Board as well as its mandated tasks, which are outlined in the Audit Committee Charter which has been set up in accordance with the King V guidelines on best practice corporate governance. The Audit Committee Charter contains the terms of reference that govern the mandate and functional responsibilities of the Committee, which are reviewed periodically in order to ensure alignment with the latest corporate governance guidelines and principles. The Committee’s roles and responsibilities include the statutory duties as required by the Companies Act, which include:

### FINANCIAL STATEMENTS

- Review the appropriateness of accounting policies;
- Review the appropriateness of assumptions made by management in preparing the Financial Statements;
- Review the significant accounting and reporting issues, and understand their impact on the Financial Statements;
- Review the Annual Financial Statements and consider whether they are:
  - (1) complete and accurate,
  - (2) consistent with IFRS Accounting Standards (and all relevant prescribed accounting and taxation methods),
  - (3) consistent with the Companies Act (and all relevant regulations), and
  - (4) other information known to Committee members;
- Obtain assurance from Management with respect to the accuracy of the Financial Statements;

- Review with Management and the external auditors the results of external audit, including any significant issues identified; and
- Review the Integrated Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information.

### RISK MANAGEMENT

- Review the Risk Management Framework for identifying, assessing, monitoring and managing significant risks;
- Review the report of significant changes to Finbond’s Risk Barometer;
- Liaise with Management to ensure that there is a common understanding of the key risks to Finbond;
- Review whether risk management is carried out in a manner that benefits Finbond;
- Assess and contribute to the audit planning processes relating to the risks of Finbond;
- Review and recommend disclosures on matters of risk in the Annual Financial Statements and the Integrated Annual Report;
- Provide regular feedback to the Board of Directors on the adequacy and effectiveness of risk management in Finbond, including recommendations for improvement; and
- Satisfy itself that it has appropriately addressed the following areas:
  - financial reporting risks, including the risk of fraud;
  - internal financial controls; and
  - technology and information risks as they relate to financial reporting.

### INTERNAL CONTROL

- Review the adequacy of the internal control system, including technology and information security and control;
- Understand the scope of internal and external auditors’ review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management’s responses;
- Review whether relevant policies and procedures are in place and up-to-date, and whether they are complied with; and
- Review whether the financial internal controls are operating efficiently, effectively and economically.

### INTERNAL AUDIT\*

- Review and provide feedback on FMB’s Internal Audit Plan;
- Review significant findings and recommendations by FMB Internal Audit and FMB Management responses thereto;
- Review implementation of Internal Audit recommendations by FMB Management; and
- Liaise with FMB’s Audit Committee as needed.

\* Please note that the Internal Audit function only applies to Finbond Mutual Bank, a South African subsidiary. The Group’s Audit Committee receives quarterly updates from Finbond Mutual Bank’s Internal Audit function.

#### EXTERNAL AUDIT

- Review the External Auditors’ proposed audit scope, approach and audit fees for the year;
- Review the findings and recommendations of the External Auditor and Management’s responses thereto;
- Review implementation of External Auditors’ recommendations by Management;
- Review the performance of External Auditors;
- Ensure that there is proper co-ordination of audit efforts between Internal and External Auditors; and
- Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately.

#### COMPLIANCE

- Review whether Management has considered legal and compliance risks as part of the Institution’s risk assessments;
- Review the effectiveness of the system for monitoring compliance with laws and regulations;
- Review the findings of any examinations by regulatory agencies, and any auditor observations;
- Review the process for communicating the Code of Conduct to Finbond’s personnel, and for monitoring compliance therewith; and
- Obtain regular updates from management on compliance matters.

#### REPORTING RESPONSIBILITIES

- Regularly report to the Board of Directors about Committee activities, issues, and related recommendations;
- Report annually to the Board of Directors, describing the Committee’s composition, responsibilities and how they were discharged, and any other information required, including the approval of non-audit services;
- Submit a summary of its activities for inclusion in the Integrated Annual Report; and
- Review any other reports the Institution issues that relate to the Committee’s responsibilities.

#### OTHER RESPONSIBILITIES

- Perform other activities related to its Charter as requested by the Board of Directors;
- Safeguard all the information supplied to it within the ambit of the law;
- Investigate matters within its powers as identified in its Charter; and
- Confirm annually that all responsibilities outlined in its Charter have been carried out.

#### MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

The Committee consists of the Non-Executive Directors listed in the table hereunder and meets a minimum of four times per annum.

During the period since 1 March 2025 to date, the following meetings were held:

AUDIT COMMITTEE MEETINGS - Meetings attended			
DIRECTOR	27 Mar 2025	16 May 2025	2 Oct 2025
Mr Pentz	o	o	o
Mr Naudé	o	o	o
Adv Melville	o	o	o
Mr Labuschagne (by invitation)	o	o	o

AUDIT COMMITTEE MEETINGS - Meetings attended			
DIRECTOR	4 Dec 2025	10 Mar 2026	15 May 2026
Mr Pentz	o	o	o
Mr Naudé	o	o	o
Adv Melville	o	o	o
Mr Labuschagne (by invitation)	o	-	o

Committee members are re-appointed at the Annual General Meeting in terms of the Companies Act.

All members were required to act independently, as described in the Companies Act, the King V Code of Corporate Governance and the JSE Listings Requirements.

The External Auditors in their capacity as assurance providers to the Group also attended and reported to the majority of meetings of the Committee. The Chief Financial Officer, Chief Compliance Officer (South Africa) and Chief Business Officer (North America) are permanent invitees and are named on page 51 of the Integrated Annual Report for 2026.

#### EXTERNAL AUDIT

The Committee is satisfied with the independence and quality of the external auditors, after considering their conduct during the recent audit, their interaction with management and the Committee, their planning and delivery of deadlines. This is the seventh year that BDO is the external auditor for Finbond Group Limited. Significant matters that were considered in relation to the Financial Statements include the items listed on the previous page.

In considering the independence of the external auditors the Audit Committee is satisfied that:

- the auditors do not receive any direct or indirect remuneration or other benefit from the company, except as auditors or for rendering other services to the company, to the extent permitted in terms of the Companies Act;

- (b) the auditors' independence has not been prejudiced as a result of any previous appointment as auditor or having regard to the extent of any consultancy, advisory or other work undertaken by the auditors for the Company; and
- (c) it has considered compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act, in relation to the Company and any other company within the Finbond Group.

The Committee recommends the reappointment of BDO as external auditors, due to the reasons stated above and will ensure the relevant resolution is tabled at the AGM.

#### INTERNAL AUDIT\*

The Committee is satisfied with the effectiveness of the FMB Head of Internal Audit and the arrangements for internal audit.

#### ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Committee has discharged the functions outlined in its charter and ascribed to it in terms of the Companies Act as follows:

- Reviewed the year-end Financial Statements, culminating in a recommendation to the Board for approval;
- Taken the necessary steps to ensure that the Financial Statements are prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act;
- Considered and, where appropriate, made recommendations on internal financial controls;
- Ensured that a process is in place to be informed of any reportable irregularities (as per the Auditing Professions Act, 2005) identified and reported by the External Auditor;
- Received and dealt appropriately with any concerns or complaints, whether from within or outside the Group, or on its own initiative, relating to the accounting practices and internal audit of the Group, the content of the Financial Statements, the internal financial controls of the Group or any related matters. During the financial year under review, no such matters, concerns or complaints were raised;
- Reviewed the external audit reports of the Group's Annual Financial Statements;
- Nominated and verified the independence of the External Auditors, BDO, as the auditors for the year under review, noting that Ms Chan-ré Pietersen (registered as such with IRBA and in accordance with the Auditing Professions Act, 2005) was appointed as designated auditor for the financial year;
- Determined and approved the audit fees and the terms of engagement of the external auditors;
- Determined, subject to the provisions of the Companies Act, the nature and extent of allowable non-audit services to the Group

- and approved the contract terms thereof;
- Pre-approved any proposed agreement with the external auditors for proposed non-audit services to the Group;
- Reviewed and provided feedback (where relevant) on FMB's Internal Audit Plan, significant findings, recommendations and FMB Management responses thereto;
- Ensured that risk management procedures are adequate and applicable;
- Where relevant, made recommendations to the Board concerning the Group's accounting policies, financial control, records and reporting;
- Evaluated the effectiveness of internal controls;
- Oversaw the integrated reporting process;
- Satisfied itself as to the appropriateness of management's assumptions regarding going concern; and
- Satisfied itself as to the adequacy of the information technology controls.

The Committee has considered the Group's information pertaining to its non-financial performance as disclosed in the Integrated Annual Report and has assessed its consistency with operational and other information known to Committee members, and for consistency with the annual Financial Statements.

The Committee is satisfied that the sustainability information presented is reliable and consistent with the Financial Results. The Committee is satisfied that appropriate financial reporting procedures exist and are working, considering all entities included in the consolidated group IFRS Accounting Standards Financial Statements.

The external auditors have provided the Committee with the information required by JSE Listings Requirements 5.7(h)(iii)(aa) – (dd) and will continue to do so on an annual basis.

#### EXPERTISE AND EXPERIENCE OF FINANCIAL OFFICER AND FUNCTION

As required by the JSE Listings Requirement 5.7(h)(i), as well as the recommended practice as per King V, the Committee has satisfied itself with the Chief Financial Officer's competence, expertise and experience. In addition, the Committee also considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and the experience of the senior members thereof.



Mr Danie Pentz  
Audit Committee Chair  
20 May 2026

\* Please note that the Internal Audit function only applies to Finbond Mutual Bank, a South African subsidiary. The Group's Audit Committee receives quarterly updates from Finbond Mutual Bank's Internal Audit function.

## DIRECTORS' REPORT

The Directors present their report, which forms part of the annual Financial Statements of the Group, for the year ended 28 February 2026.

The consolidated and separate Financial Statements of Finbond Group Limited, comprising the statements of financial position at 28 February 2026, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the Notes to the Financial Statements include a summary of significant accounting policies and other explanatory Notes in accordance with IFRS Accounting Standards and in the manner required by the Companies Act of South Africa.

### 1. INCORPORATION

The Company was incorporated in the Republic of South Africa on 20 July 2001 and obtained its certificate to commence business on the same day.

### 2. REVIEW OF ACTIVITIES AND OPERATIONS

#### *Name of Business*

Finbond Group Limited is a leading global financial services institution that specialises in the design and delivery of unique value and solution-based savings, credit and value adding service solutions tailored around depositor and borrower requirements rather than institutional policies and practices.

Finbond Group Limited conducts its business through four divisions focused on:

1. Lending Products;
2. Investment Products;
3. Transactional Banking Products; and
4. Property Investment Products.

#### *Review of operations and financial results*

The Financial Statements on pages 95 to 189 set out fully the financial positions, results of operations and cash flows of the Group and the Company for the financial year ended 28 February 2026.

Refer to Note 41 for segmental information.

The Group Basic earnings per share for the reporting period amounts to 14.6 cents (2025: 7.0 cents per share). The Group Headline earnings per share for the reporting period amounts to 5.2 cents (2025: 1.9 cents loss per share). Refer to Note 39 for earnings per share information.

The Group net earnings attributable to ordinary shares for the reporting period amounts to R69 363 622 (2025: R31 798 527).

### 3. GOING CONCERN

The Financial Statements have been prepared on the going concern basis. This basis presumes that management neither intends to cease trading nor has reason to believe that the foreseeable future of the Company or Group is in doubt.

Please see Note 43 for the factors that were considered in management's assessments.

### 4. EVENTS AFTER REPORTING DATE

#### *Commitments and contingencies*

There are no commitments and contingencies that require reporting.

#### *Events occurring after the reporting period*

Other than the final dividend declared, there were no events that require reporting. Refer to Note 42 for more information.

### 5. DIRECTORS' INTERESTS AND SHAREHOLDING IN THE GROUP

5.1 The Company's Directors listed in the following table held the following number of shares in Finbond Group Limited at year-end and at the date of this report:

<u>Director</u>	<u>Direct Beneficial</u>	<u>Indirect Beneficial</u>	<u>Percentage Held</u>
Dr Willem van Aardt		179,956,275	34.9%
Mr Danie Pentz	767,798	-	0.1%
Mr Sean Riskowitz	25,640,950	154,049,502	34.8%
Adv Neville Melville	392,759	-	0.1%

At the end of the previous year, Mr Riskowitz had a direct beneficial shareholding of 23,030,592 shares and an indirect beneficial shareholding of 149,776,102 shares, Mr Pentz had a direct shareholding of 651,626 shares and Adv Melville had a direct shareholding of 333,333 shares. There were no changes to the other amounts from 28 February 2025 to 28 February 2026.

5.2 Directors' remuneration for services as Directors in respect of the financial year ended 28 February 2026 is outlined in Note 36.

### 6. SHARE CAPITAL

There were no changes in the authorised share capital or the issued share capital of the Company during the period under review.

The major shareholders are set out in Note 35.

## 7. BORROWINGS AND DEPOSITS

In terms of the Memorandum of Incorporation of the Company, the Directors may exercise all the powers of the Company to borrow money, as they consider appropriate. Refer to Notes 19 and 20 for further details.

## 8. DIVIDENDS

The Directors declared a cash dividend of 5.50242 cents per share for the interim period ended 31 August 2025 and a final dividend of 4.06829 cents per share for the year ended 28 February 2026.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Each of the Directors, whose names are stated below, hereby confirm that:

- The Financial Statements set out on pages 95 to 189, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the Financial Statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual Financial Statements, we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving Directors.



Dr Willem van Aardt  
Chief Executive Officer



Mr Greg Labuschagne  
Chief Financial Officer

The Directors of the Company during the year, and to the date of issue of the report are as follows:

Dr Malesela Motlatla	Chair/Independent Non-Executive
Dr Willem van Aardt	Executive/Chief Executive Officer
Mr Greg Labuschagne	Executive/Chief Financial Officer
Ms Ina Wilken-Jonker	Non-Executive
Adv Neville Melville	Independent Non-Executive
Mr Piet Naudé	Independent Non-Executive
Mr Danie Pentz	Independent Non-Executive
Mr Sean Riskowitz	Non-Executive

## 10. SECRETARY

Mr Ben Bredenkamp (BCom Accounting, LLB, MBA) is the Group and Company Secretary. The Board of Directors has considered and is satisfied with the competence, qualifications and experience of the Group and Company Secretary.

## 11. INVESTMENTS IN SUBSIDIARIES

Refer to Note 8 for a complete list of subsidiaries.

## 12. SPECIAL RESOLUTIONS

During the year ended 28 February 2026, the following special resolutions were made:

- It was resolved that the remuneration policy and implementation report as set out in the previous Annual Report be approved and the remuneration of the Non-Executive Directors, to be paid by Finbond Group Limited, be fixed from 1 November 2025.
- It was resolved that, subject to compliance with the requirements of the JSE, the Directors of the Company were authorised, at their discretion, to procure for the Company or subsidiaries of the Company ordinary shares issued by the Company on the JSE.
- It was resolved that the Board may provide direct or indirect financial assistance subject to the conditions specified in the Notice to Shareholders.

## 13. COMPLIANCE

The Directors are satisfied that Finbond is in compliance with the relevant provisions of the Companies Act and is operating in conformity with its MOI.

## 14. MATERIAL RISKS

Please refer to the Risk Management Framework set out on pages 39 to 47, as well as to Note 37 of the annual Financial Statements set out on pages 95 to 189 for a description of all material risks which are specific to the Group and its industry.

15. APPROVAL OF CONSOLIDATED AND SEPARATE  
ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual Financial Statements of Finbond Group Limited, set out on pages 95 to 189, were approved by the Board of Directors on 20 May 2026 and signed by



Dr Malesela Motlatla  
Chair



Dr Willem van Aardt  
Chief Executive Officer



Mr Greg Labuschagne  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT



**Independent Auditor's Report**  
To the Shareholders of  
**Finbond Group Limited**

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**Report on the audit of the consolidated and separate financial statements**

**Opinion**

We have audited the consolidated and separate financial statements of Finbond Group Limited (the Group and Company) set out on Pages 95 – 189, which comprise the consolidated and separate statements of financial position as at 28 February 2026; and the consolidated and separate statements of comprehensive income; the consolidated and separate statements of changes in equity; and the consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Finbond Group Limited as at 28 February 2026, and 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 requirements of the Companies Act of South Africa.

**Basis for opinion**

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

*Final materiality*

The amount we set as final materiality represents a quantitative threshold used to evaluate the effects of misstatements to the consolidated and separate financial statements as a whole, based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the consolidated and separate financial statements.

	Consolidated financial statements	Separate financial statements
Final materiality	R60,087,900	R44,865,067
How we determined it	1.5% of total operating assets	1.6% of total operating assets
Rationale for the materiality benchmark applied	We have identified total operating assets as the most appropriate benchmark. The reason for this is that the Group's performance is directly linked to its ability to generate lending related assets.	We have identified total operating assets as the most appropriate benchmark. It is the measurement against which the financial position of the holding Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities.

*Group audit scope*

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

We considered the Group's organisational, legal, geographical, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. For purposes of our Group audit scope, we considered a component to be a single reporting unit within the Group being consolidated.

In establishing the Group audit scope, based on our Group risk assessment, we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 8 components in scope for the Group audit.

We determined the type of work that was needed to be performed by us, as the auditors of the Group, or component auditors from other firms operating under our group instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

**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.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of Secured and Unsecured Loans and Advances (consolidated financial statements)</b></p>	
<p>Finbond Group Limited has portfolios of financial instruments that fall within the scope of the IFRS 9: <i>Financial Instruments</i> expected credit loss (ECL) impairment model.</p>	<p>We have performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>- Assessed the design and implementation of relevant controls associated with the loans and advances' process through originations, approvals, disbursements, cash collections and the ongoing credit monitoring;</li> <li>- We tested the design and implementation of relevant controls relating to the ECL model's validation and governance, including the aging and staging criteria, as well as data transfer into the credit models;</li> <li>- We collaborated with our internal credit modelling expertise to assess the integrity and authenticity of the data into the credit impairment model. This involved extracting the required data from underlying systems and conducting a review of the loan and advances aging;</li> <li>- We performed a reconciliation between audited loan and IFRS 9 data extracted from the loan management systems and the data used by our credit modelling expertise for ECL calculations;</li> <li>- We selected a sample of collateral values for the secured loan portfolio and agreed the sample to the most recent desktop valuation performed by management's valuation expert. We did not note any inconsistencies in this regard;</li> <li>- We evaluated the competence, capabilities and objectivity of management's expert and also evaluated the appropriateness of the work performed by management's expert. We identified no aspects in this regard which required further consideration;</li> <li>- We performed analytical procedures on the IFRS 9 impairment and the components of the ECL allowance, to assess the trends and reasonableness of the components over the period and to assess if there have been any outliers to investigate. As part of these procedures, we performed a retrospective review of the credit risk impairments raised in the prior year financial statements against actual bad debts written off during the year to assess management's effectiveness of the estimation process. We did not note any aspects in this regard requiring further consideration;</li> <li>- With the involvement of our internal credit modelling expertise, we assessed the methodologies and key assumptions applied in the year end ECL allowance against the requirements of IFRS 9 to ensure compliance, including: <ul style="list-style-type: none"> <li>• validating the IFRS 9 staging assignment;</li> <li>• re-performing management's calculation of ECL per IFRS 9 stage bucket;</li> <li>• assessing management's ECL methodology and stage 3 interest suspension for compliance with IFRS 9 principles and best practice;</li> <li>• comparing the coverage ratios to the previous reporting period;</li> <li>• calculating the probability of default through a hazard rate PD (i.e., Challenger) model;</li> </ul> </li> </ul>
<p>Significant judgement is required in estimating the ECL relating to these secured and unsecured financial assets mentioned above and include assessing:</p>	
<ul style="list-style-type: none"> <li>• probability of default (PD); loss given default (LGD) and exposure and loss at default (EAD);</li> <li>• credit risk profile changes and macro-economic scenario assumptions, including forward-looking information (FLI); and</li> <li>• expected realisable value of the collateral securing the exposure, for secured loans and advances.</li> </ul>	
<p>The Group is required to recognise an allowance for either 12-month or lifetime ECLs depending on whether there has been a significant increase in credit risk (SICR) since initial recognition.</p>	
<p>The relevant disclosures relating to the impairment and risk management of loans and advances to customers have been provided in Notes 5 and 37 respectively of the consolidated financial statements.</p>	
<p>Due to the significance of this balance, high degree of estimation uncertainty and management judgement, and significant auditor attention, the impairment of secured and unsecured loans and advances has been considered a matter of most significance to the current year audit of the consolidated financial statements.</p>	

- re-performing the LGD development factor calculation provided by management;
- calculating the LGD pre-write off period using a Challenger model, and the PD modelling data set;
- calculating the EAD, using the PD modelling data set; and
- reviewing management’s assessment of the IFRS write-off period for reasonability against historic collections, recovery curves and run off rates.

We did not note any aspects in this regard requiring further consideration.

- We assessed the adequacy and sufficiency of the disclosure in the financial statements in terms of IFRS 9: *Financial Instruments*, IFRS 7: *Financial Instruments: Disclosures* and IFRS 15: *Revenue from Contracts with Customers*.

### Impairment of investments in joint ventures (consolidated financial statements)

Investments in joint ventures are required to be assessed annually in accordance with IAS 28: *Investments in Associates and Joint Ventures* for objective evidence of indicators of impairment with respect to the recoverability of the Group’s interest in joint ventures.

Management’s assessment of impairment of the investments in joint ventures requires the application of significant judgement and estimates such as:

- forecasted cash flows;
- discount rates applied; and
- the assumptions underlying the forecasted growth, terminal growth, inflation, and interest rates.

Due to the significance of this balance, and high degree of estimation uncertainty and management judgement, the impairment assessment of investments in joint ventures has been identified as a matter of most significance to our current year audit of the consolidated financial statements.

The relevant disclosures relating to the value in use impairment calculations and related impairment of investments in joint ventures have been provided in Note 9 to the consolidated financial statements.

The following procedures, amongst others, were performed:

- We considered indicators of impairment for the investments held, by comparing the carrying value of the investments to the net asset values of the Companies as at 28 February 2026;
- We assessed the recoverable values for those investments with an impairment indicator to confirm compliance with IAS 28: *Investments in Associates and Joint Ventures*;
- We challenged the forecasts included in the model by comparing them to historical results to assess their achievability. We also evaluated the reasonableness of management’s adjustments to growth assumptions used in estimating forecasted cash flows, based on information available at the reporting date. Based on the outcome of our assessment, we accepted the forecasts applied by management.
- With the involvement of our corporate finance expertise, we assessed management’s expert’s assumptions on growth, inflation and interest rates, along with the discount rates applied, by comparing them to known market and industry trends and performing independent challenger valuations. We found that the various rates applied fell within reasonable ranges of our expectation;
- We evaluated the competence, capabilities and objectivity of management’s expert and also evaluated the appropriateness of the work performed by management’s expert. We did not note any aspects in this regard requiring further consideration;
- We focused on the adequacy of the disclosure in the financial statements in terms of IAS 28: *Investments in Associates and Joint Ventures* and IFRS 12: *Disclosure of Interests in Other Entities*.

#### *Other information*

The Directors are responsible for the other information. The other information comprises the information included in the document titled: “Finbond Group Limited Annual Report 2026”, which includes the Company Secretary’s Certificate, Report of the Audit Committee and the Directors’ Report as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditor’s responsibilities for the audit of the consolidated and separate financial statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group 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 the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and /or 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 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.

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.

**Report on other legal and regulatory requirements**

**Audit Tenure**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Finbond Group Limited for 7 years.

**BDO South Africa Incorporated**

Registered Auditors

*BDO South Africa Inc*

**Per Chan-ré Pietersen**

Partner

Registered Auditor

22 May 2026

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

## STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2026

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
<b>ASSETS</b>					
Cash and cash equivalents	3	520 306	661 787	62 629	92 405
Other financial assets at fair value through profit or loss	4	69 145	22 253	-	-
Other financial assets at amortised cost	4	212 430	329 470	304	282
Loans and advances	5	736 677	675 680	-	-
Trade and other receivables	6	249 045	203 904	93 592	79 333
Loans to group companies	7	149	48 782	1 705 522	1 846 052
Investments in subsidiaries	8	-	-	1 488 144	1 440 550
Investments in joint ventures	9	993 084	937 380	-	-
Investments in associates	10	664 956	742 455	-	-
Property, plant and equipment	11	149 226	162 041	106	15 109
Right of use assets	12	203 729	177 608	-	-
Investment property	13	107 216	110 636	-	-
Deferred taxation	21	180 001	120 278	158 357	106 059
Goodwill	14	305 201	318 630	-	-
Intangible assets	15	18 848	16 880	-	-
<b>Total assets</b>		<b>4 410 013</b>	<b>4 527 784</b>	<b>3 508 654</b>	<b>3 579 790</b>
<b>LIABILITIES</b>					
Transactional deposits	16	55 978	47 583	-	-
Trade and other payables	17	100 557	102 929	14 511	42 740
Loans from group companies	7	-	-	13 920	13 957
Lease liabilities	18	225 504	194 701	-	-
Fixed and notice deposits	19	530 511	590 282	-	-
Commercial paper	20	3 014 087	2 861 248	3 014 087	2 861 248
<b>Total liabilities</b>		<b>3 926 637</b>	<b>3 796 743</b>	<b>3 042 518</b>	<b>2 917 945</b>
<b>EQUITY</b>					
<i>Capital and reserves</i>					
Share capital	22	867 084	877 978	981 881	981 881
Reserves	23	107 201	386 895	19 293	17 469
Retained loss		(490 595)	(533 959)	(535 038)	(337 505)
<b>SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO ORDINARY SHAREHOLDERS</b>					
Non-controlling interest	34	(314)	127	-	-
<b>Total equity</b>		<b>483 376</b>	<b>731 041</b>	<b>466 136</b>	<b>661 845</b>
<b>Total equity and liabilities</b>		<b>4 410 013</b>	<b>4 527 784</b>	<b>3 508 654</b>	<b>3 579 790</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2026

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Interest income	25	816 415	833 257	259 188	250 011
Interest expense	26	(401 866)	(368 106)	(325 677)	(293 957)
Net interest income/(expense)		<b>414 549</b>	<b>465 151</b>	<b>(66 489)</b>	<b>(43 946)</b>
Fee income	27	212 333	210 068	-	-
Management fee income	28	-	-	13 704	13 126
Other operating income	29	450 820	413 076	413 506	386 097
Income from joint ventures	9	93 636	60 314	-	-
Income from associates	10	192 305	182 347	-	-
Fair value adjustments		33 631	(6 796)	-	-
Foreign exchange loss		(55)	(5)	(253 347)	(84 262)
Net impairment charge	30	(272 685)	(263 885)	40 534	59
Reversal of impairment of investment in subsidiaries	8	-	-	47 594	-
Impairment of goodwill	14	-	(3 625)	-	-
Operating expenses	31	(1 028 204)	(994 755)	(416 958)	(395 260)
Profit/(loss) before taxation		<b>96 330</b>	<b>61 890</b>	<b>(221 456)</b>	<b>(124 186)</b>
Taxation	32	(27 308)	(32 638)	52 299	20 935
Profit/(loss) after taxation		<b>69 022</b>	<b>29 252</b>	<b>(169 157)</b>	<b>(103 251)</b>
Other comprehensive income to be reclassified to profit or loss					
Foreign currency translation difference for foreign operations		(281 617)	(100 595)	-	-
Total comprehensive loss for the year		<b>(212 595)</b>	<b>(71 343)</b>	<b>(169 157)</b>	<b>(103 251)</b>
Income/(loss) attributable to:					
Owners of the company		69 364	31 799	(169 157)	(103 251)
Non-controlling interest	34	(342)	(2 547)	-	-
		<b>69 022</b>	<b>29 252</b>	<b>(169 157)</b>	<b>(103 251)</b>
Total comprehensive loss attributable to:					
Owners of the company		(212 154)	(72 070)	(169 157)	(103 251)
Non-controlling interest		(441)	727	-	-
		<b>(212 595)</b>	<b>(71 343)</b>	<b>(169 157)</b>	<b>(103 251)</b>
Earnings per share					
Basic earnings per share (cents)	39	14.6	7.0		
Diluted earnings per share (cents)	39	14.6	7.0		

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2026

R'000	Note	Share capital	Reserves	Retained income	Total attributable to equity holders	Non-controlling interest	Total equity
<b>GROUP</b>							
Balance as at 1 March 2024		865 421	489 192	(522 055)	832 558	(600)	831 958
Total comprehensive (loss)/income for the year		-	(103 869)	31 799	(72 070)	727	(71 343)
Profit/(loss) for the year		-	-	31 799	31 799	(2 547)	29 252
Other comprehensive (loss)/income for the year		-	(103 869)	-	(103 869)	3 274	(100 595)
Shares repurchased		(15 120)	-	-	(15 120)	-	(15 120)
Treasury shares sold		15 120	-	-	15 120	-	15 120
Equity settled share-based payment charge		-	1 572	-	1 572	-	1 572
Dividends		12 557	-	(43 703)	(31 146)	-	(31 146)
Balance at 1 March 2025		877 978	386 895	(533 959)	730 914	127	731 041
Total comprehensive (loss)/income for the year		-	(281 518)	69 364	(212 154)	(441)	(212 595)
Profit/(loss) for the year		-	-	69 364	69 364	(342)	69 022
Other comprehensive loss for the year		-	(281 518)	-	(281 518)	(99)	(281 617)
Treasury shares purchased		(10 894)	-	-	(10 894)	-	(10 894)
Equity settled share-based payment charge		-	1 824	-	1 824	-	1 824
Dividends	40	-	-	(26 000)	(26 000)	-	(26 000)
Balance at 28 February 2026		867 084	107 201	(490 595)	483 690	(314)	483 376

Note 22 23

## COMPANY

Balance at 1 March 2024		997 001	15 897	(190 551)	822 347	-	822 347
Total comprehensive loss for the year		-	-	(103 251)	(103 251)	-	(103 251)
Shares repurchased		(15 120)	-	-	(15 120)	-	(15 120)
Equity settled share-based payment charge		-	1 572	-	1 572	-	1 572
Dividends		-	-	(43 703)	(43 703)	-	(43 703)
Balance at 1 March 2025		981 881	17 469	(337 505)	661 845	-	661 845
Total comprehensive loss for the year		-	-	(169 157)	(169 157)	-	(169 157)
Equity settled share-based payment charge		-	1 824	-	1 824	-	1 824
Dividends	40	-	-	(28 376)	(28 376)	-	(28 376)
Balance at 28 February 2026		981 881	19 293	(535 038)	466 136	-	466 136

Note 22 23

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2026

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
<b>Cash flows from operating activities</b>					
Cash utilised in operations	33	(208 830)	(175 182)	(110 430)	(268 371)
Taxation (paid)/received		(32 530)	(47 389)	164	-
<b>Net cash from operating activities</b>		<b>(241 360)</b>	<b>(222 571)</b>	<b>(110 266)</b>	<b>(268 371)</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	11	(44 113)	(43 872)	(688)	(15 075)
Proceeds from sale of property, plant and equipment	11	19 294	3 194	15 647	-
Acquisition of intangible assets	15	(3 359)	(2 596)	-	-
Acquisition of Investment property	13	(1 880)	-	-	-
Proceeds from sale of Investment property	13	3 100	-	-	-
Acquisition of financial assets		(46 646)	-	(22)	(22)
Proceeds from sale of financial assets		117 040	41 622	-	-
Acquisition of subsidiaries net of cash acquired		-	(25 750)	-	-
Distributions received from associates	10	167 138	156 179	-	-
Investments in joint ventures	9	(80 988)	(37 385)	-	-
Distributions received from joint ventures	9	65 359	95 956	-	-
<b>Net cash from investing activities</b>		<b>194 945</b>	<b>187 348</b>	<b>14 937</b>	<b>(15 097)</b>
<b>Cash flows from financing activities</b>					
Buy-back of shares	22	(10 894)	-	-	-
Proceeds from commercial paper	33	600 506	1 447 304	600 506	1 447 304
Repayments of commercial paper	33	(475 431)	(1 090 293)	(475 431)	(1 090 293)
Lease liability capital repayment	33	(107 040)	(98 368)	-	-
Dividends paid		(57 146)	-	(59 522)	-
<b>Net cash from financing activities</b>		<b>(50 005)</b>	<b>258 643</b>	<b>65 553</b>	<b>357 011</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>					
Cash at the beginning of the year	3	661 787	455 719	92 405	18 862
Effect of movements in exchange rates		(45 061)	(17 352)	-	-
<b>Total cash at end of the year</b>	<b>3</b>	<b>520 306</b>	<b>661 787</b>	<b>62 629</b>	<b>92 405</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. MATERIAL ACCOUNTING POLICIES

Finbond Group Limited (“the Company”) is a listed entity on the Johannesburg Stock Exchange (“JSE”). The Company is domiciled in South Africa.

The consolidated Financial Statements are comprised of the Company, its subsidiaries, joint ventures and associates located in South Africa, Malta, the USA and Canada, together referred to as “the Group”.

The consolidated and separate Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the Listing Requirements of the JSE, the Companies Act No. 71 of 2008 and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

Unless otherwise stated, the accounting policies are consistent with those adopted in the prior year and have been applied consistently within the Group.

The Group’s consolidated and separate Financial Statements have been prepared on the historical cost basis, except for the following items carried at fair value:

- Investment properties
- Financial assets at fair value through profit or loss.

The consolidated and separate Financial Statements are presented in South African Rand (ZAR), which is the functional currency of the Company.

All amounts have been rounded to the nearest thousand, except where indicated differently.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements, are disclosed in policy 1.5.

#### 1.1 Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Group and all investees which are controlled by the Group.

The Group’s interest in subsidiaries is disclosed in Note 8 and includes all entities for which Finbond has power over, is exposed to variable returns and has the ability to use its power to affect those returns.

The results of subsidiaries are included in the consolidated Financial Statements from the date when control commences to the date on which control ceases.

All intragroup transactions, balances and unrealised gains or losses are eliminated in full in preparing the consolidated Financial Statements.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group’s interest therein and presented within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured as the aggregate of the fair values of assets given, liabilities incurred and equity instruments issued. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except if it relates to the issue of debt or equity instruments.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred. Changes to the contingent consideration due to subsequent reporting date remeasurement are not affected against goodwill but instead are recognised in profit or loss.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a gain on a bargain purchase.

In the Company’s (Finbond Group Limited company/entity) separate Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of the exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company. At each reporting date it is determined whether there is objective evidence that the investment in the subsidiaries is impaired. If this is the case, the difference between the recoverable amount of the subsidiary and its carrying value is recognised in the statement of comprehensive income.

### 1.2 Investments in joint ventures

The Group's interest in joint ventures is disclosed in Note 9 and includes all entities over whose activities it has joint control, established by contractual agreement and requiring unanimous consent for significant decisions.

The Group's 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.

The Group's accounting policy for joint ventures is applied consistently to all joint ventures in which it has an interest.

Refer to Note 1.5 for details relating to impairment testing.

### 1.3 Investments in associates

The Group's interest in associates is disclosed in Note 10 and 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.

The Group's interest in associates is 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.

The Group's accounting policy for associates is applied consistently to all associates in which it has an interest.

Refer to Note 1.5 for details relating to impairment testing.

### 1.4 Foreign currency translation

#### *Functional and presentational currency*

For each entity in the Group, the Company determines its functional currency as the currency of the primary economic environment in which the entity operates, and items included in the Financial Statements of each entity are measured using that functional currency.

The Company uses the step-by-step method of consolidation whereby the Financial Statements of a foreign operation are first translated into the functional currency of any intermediate parent and then translated into the functional currency of the ultimate parent.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis.

The statement of cash flows is prepared using the average exchange rate for the year.

#### *Group companies*

On consolidation, the assets and liabilities in foreign operations are translated at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at average exchange rates for the reporting period. All resulting exchange differences are recognised in other comprehensive income within the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 1.5 Significant judgements, estimates and sources of uncertainty

In preparing the consolidated and separate Financial Statements, Management is required to make estimates and assumptions that affect the amounts represented in the Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

Actual results in the future could differ from these estimates, which may be material to the Financial Statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods.

Significant judgements include:

#### *Impairment testing*

##### 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 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. The information about the ECLs on the Group's loans and other advances is disclosed in Notes 5, 6 and 7.

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 current uncertain global economic environment (driven by factors such as evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East). For further information on factors considered by Management in the current environment, refer to Note 43. 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), 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. For further details about the Group's goodwill, intangible assets, and investments in joint ventures and associates, refer to Notes 1.8, 9, 10, 14 and 15.

*Fair value adjustments of investment property*

Although property is considered a low-risk asset over the long term, investors are reminded that significant short- and medium-term risk factors are inherent in the asset class. Investments in property are relatively illiquid and usually more difficult to realise than listed equities or bonds, which restricts the Group's ability to realise value in cash in the short term.

The property valuations in this period have been prepared in a period of market uncertainty. The current turmoil in the world's financial markets has resulted in commercial and residential properties selling in much reduced quantities with virtually little or no market activity in some areas. The lack of market activity and the resulting lack of market evidence means that it is generally not possible to value with as high a degree of certainty as would be the case in a more stable market with a higher, active level of market evidence.

The best evidence of fair value is current prices in an active market for similar property investments, which emphasises that fair value reflects the best available use of an asset class (in this case investment property). In obtaining evidence to support fair value, the Group has gone to great lengths to obtain and consider information from a variety of sources. For further details about the Group's investment properties refer to Notes 1.6 and 13.

*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. For further details please refer to Note 21.

*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) Although our US entities have recovered from elevated consumer savings levels arising from US government COVID related stimulus, further time will be required to fully recover from the impact of Illinois regulatory changes implemented in 2021,
- (2) The current global economic environment remains highly uncertain, driven by factors including evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East, and
- (3) Potential changes to commercial paper regulations in South Africa may impact the Group’s financing.

It should be noted, as always, that a high degree of judgement is required when estimating the financial effects for the year ahead and beyond. The factors noted above confirm that uncertainties remain, and that the timing and magnitude of our recovery and growth initiatives are inherently uncertain.

Management has therefore performed robust capital, liquidity and cash flow stress testing across multiple scenarios and levels of stress. This 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. Please refer to Note 43 for further details.

**1.6 Investment property**

Investment property comprises land and non-owner-occupied buildings held to earn rentals and for capital appreciation.

Investment property is initially recognised at cost, including transaction costs. Investment property is subsequently measured at fair value. Fair value is supported by valuations performed by independent external expert valuers holding a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Independent external

valuations are performed at a minimum of every three years, unless management’s annual fair value assessment indicates material changes to the property market and/or underlying assumptions and inputs into the current valuation models.

Detailed disclosure can be found in Note 13.

**1.7 Property, plant and equipment**

Property, plant and equipment is initially measured at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

<u>Item</u>	<u>Average useful life</u>
Property (owner occupied)	39 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment (including leased)	6 years
IT equipment	3 years
Computer software acquired	2 years
Leasehold improvements	6 years

Property held under property, plant and equipment consists of owner occupied land and buildings. Land has an infinite useful life and is not depreciated.

Each component part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

**1.8 Goodwill and intangible assets**

*Goodwill*

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business, less accumulated impairment losses, if any.

Goodwill is not amortised but is tested for impairment annually, by an independent valuator, or more frequently if events or changes in circumstances indicate that it might be impaired. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units that are expected to benefit from the synergies of the combination. Refer to Note 14 for further details.

### *Intangible assets*

The Group's intangible assets include trademarks & brand names acquired in business combinations, and the value of internally developed computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

Computer software developed - 3 – 15 years

Trademarks and brand names have indefinite lives and are tested for impairment annually. Refer to Note 15 for further details.

## **1.9 Inter-company Group loans**

Group loans with no fixed maturities are viewed as part of the Company's investment in subsidiaries or joint ventures and are carried at cost, net of impairments.

Intercompany loans are assessed for ECLs on an individual basis. Scenarios based on the financial performance of underlying cash generating units, leverage and elements of the economy are continuously analysed.

## **1.10 Financial instruments**

### *1.10.1 Financial instruments – initial recognition*

Financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Group becomes a party to the contractual provisions of the instrument.

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

- Amortised cost; or
- Fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

### *1.10.2 Financial assets and liabilities*

#### Loans and advances and other financial assets at amortised cost

The Group measures Loans and advances and other financial assets at amortised cost as the objective is to hold the financial assets and to collect contractual cash flows.

The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Gains and losses on these financial assets are recognised in "Fair value adjustments" in profit or loss.

#### 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 Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- 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); and
- The expected frequency, value and timing of sales 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 financial instruments to identify whether they meet the SPPI test, as described before.

Commercial paper, fixed and notice deposits, and other financial liabilities

After initial measurement, commercial paper, fixed and notice deposits, and other financial liabilities are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue, and costs that are an integral part of the effective interest rate (EIR).

*1.10.3 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.

When assessing whether or not to derecognise a loan to a customer, the Group considers both the quantification 10% test as well as additional qualification assessments including, inter alia, the following factors:

- Delinquency status;
- Payment behaviour;
- Client Behaviour Status; and
- 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, the modification 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.

Derecognition other than for substantial modificationFinancial 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 financial asset has been transferred and the transfer qualifies for derecognition; or
- When the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. Please refer to Note 1.10.5. for further details relating to the Group's write-off policy.

Before evaluating whether, and to what extent, derecognition is appropriate the Group determines whether the derecognition is applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Derecognition is applied to a part of a financial asset (or a part of a group of similar financial assets) i.e., partial derecognition, if the part being considered for derecognition meets one of the following three conditions (in all other cases derecognition

is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety)):

- The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets);
- The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets); or
- The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

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.

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 can exercise that ability unilaterally and without 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.

*1.10.4 Impairment of financial assets*

The Group records the allowance for expected credit losses (ECL) for all loans and other financial assets not held at FVTPL. A 12-month ECL is recognised when there has not been a significant increase in credit risk (SICR). The Group continuously assesses financial assets to determine whether there has been a SICR since initial recognition. This is further explained in Note 37.

ECL Recognition

Stage 1: A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR. An ECL continues to be determined on this basis until there is a SICR.

Stage 2: A lifetime ECL is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk. Any exposure that is more than 30 days past due is automatically considered to have experienced a SICR.

Stage 3: A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The financial asset is considered credit-impaired when the loan is in default or the borrower has significant financial difficulty. The definition of default varies per product type and geographical region, however, if the financial instrument becomes 90 days past due then the financial instrument is in default in all cases.

Refer to Note 37 for further details and considerations applied.

#### The calculation of ECLs

The mechanics of the ECL calculations are outlined below, with the key elements defined as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the event of a default. It is calculated based on the expected recoverable cash flows, discounted at the relevant interest rate, and includes expected proceeds from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The PD, LGD and EAD are further explained in Note 37.

#### Forward-looking methodology

To align with the principles of IFRS 9 Financial Instruments, the Group holds a provision against potential future losses resulting from changes in the economic environment. The latest Bureau of Economic Research (BER) macroeconomic outlook for South Africa and the International Monetary Fund (IMF) macroeconomic outlook for North America are used to estimate the forward-looking impact on the ECL for loans and advances.

Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL. The probability of each scenario is estimated by management and is tailored to the different customer segments. These scenarios are then linked to PDs to derive a forward-looking ECL. Refer to Note 37 for more details.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Management overlays and changes to the forward-looking methodology are subject to group governance committee oversight.

#### *1.10.5 Write-offs*

Loans and advances are only written off when there is no reasonable expectation of recovery. Loans previously written off are not written back. No expected recovery receivable is raised after write-off. The Group's period to write-off is therefore significantly longer under IFRS 9 than before its implementation.

The expectation of no further recovery, and therefore write-off, is determined from statistical evidence in the form of cash flow run-off triangles, based on actual historic loan level information. The point of full write-off is the point in time after reaching operational collections status that the cumulative recovery curve, as derived from the run-off triangles, flattens out. For short-term consumer instalment loans, the write-off period averages between 2 and 5 years in North America (dependent on the credit risk characteristics of the product and region) and averages 2 years in South Africa (dependent on the credit risk characteristics of the product). For the North American single payment products, the full write-off period ranges between 3 months and 12 months. For the secured South African mortgage loan and business lending products, a close relationship is maintained with these clients that are analysed on an individual basis. Scenarios based on their payment behaviour, personal circumstances, various legal avenues, and elements of the economy are continuously analysed, along with the property security. These loans will only be written off if all legal avenues have been exhausted and discussions in committee meetings have concluded that there are no scenarios where future cash flows are possible.

#### *1.10.6 Fair value hierarchy determination*

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (as for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

#### 1.10.7 The effective interest rate method (EIR)

The Group applies the effective interest rate method to calculate the amortised cost of a financial asset or a financial liability and to allocate interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset.

#### Recognition of interest income

Interest income is recorded using the EIR method for all financial instruments measured at amortised cost.

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, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

The adjustment is subsequently amortised through interest and similar income in the income statement. For further details about the Group's recognition of interest income refer to Note 1.16.

## 1.11 Taxation

### *Income tax*

Income taxation 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 equity, in which case it is recognised in equity or other comprehensive income.

### *Current taxation*

Current taxation comprises tax payable or receivable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment of tax payable for previous years.

### *Deferred tax*

Deferred taxation is recognised using the balance sheet method in respect of temporary differences between the amount of an asset or liability used for tax purposes and its balance sheet carrying amount. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date.

The initial recognition of goodwill in a business combination is not provided for as a temporary difference.

Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends and has the ability to settle its current tax assets and liabilities on a net basis.

## 1.12 Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer (CEO) and all the Executive Committee members.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items vary on the primary and geographical basis and are accordingly reported as 'Other' on the primary basis and 'Corporate' on the geographical basis. Please refer to Note 41 for further details.

On a primary basis, the Group is organised into four major operating divisions, namely deposit and debt finance products, lending, property investment and transactional banking. These divisions are the basis on which the Group reports its primary segment information for internal purposes. Please refer to Note 41 for further details. The Group operates in two principal geographical areas, namely South Africa and North America. Geographical segment information is provided within each relevant note and further supplemented in Note 41.

### 1.13 Share capital and equity

Ordinary shares are classified as equity.

If the Group reacquires its own equity instruments (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments is deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividends on ordinary shares are recognised in equity in the period in which they have been approved by the Group's Directors. Dividends for the year that are declared after the statement of financial position date are dealt with in the Directors' Report.

### 1.14 Share-based payments

Services received in the share-based payment transactions are recognised as expenses when the services are received. A corresponding increase in equity is recognised when the services were received in the equity-settled share-based payment arrangement.

As equity-settled share-based payment transactions, the services received and the corresponding increase in equity are measured indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market-related (i.e. service conditions and non-market-related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market-related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments is not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

As the share-based payments granted do not vest until the counterparty completes a specified period of service, Finbond accounts for the share-based payment expense over the vesting period.

The share-based payment arrangements provide Finbond with the choice of settling the transaction in cash, or by issuing equity instruments. If this cash option is exercised by Finbond, the components of that transaction will be recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred. No such cash settled option has been exercised or liability incurred. For further details about the Group's share-based payment arrangements refer to Note 24.

### 1.15 Employee benefits

The costs of short-term incentives (STI)/employee benefits (those payable within 12 months after the actual service is rendered, such as paid vacation leave and 13<sup>th</sup> cheques) are recognised in the period in which the service is rendered.

The expected cost of compensated absences is recognised as an expense and associated liability as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

The costs of long-term incentives (LTI)/employee benefits (those payable over a longer period linked to employee retention, such as LTI retention bonuses) are recognised over the agreed retention period over which the service will be rendered. Any portions of LTI bonuses paid are repayable by the employee, on a pro rata basis, should the employee leave the employ of Finbond prior to the end of the formally agreed retention period.

### 1.16 Revenue

Interest on loans and advances (part of interest income, Note 25) is calculated by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets (this would therefore apply to 'Stage 1' & 'Stage 2' assets). When a financial asset becomes credit-impaired (as set out in Note 1.10.4) 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, in terms of IFRS 9.

This is achieved in practice by 'suspending' the difference between interest accrued on the gross carrying amount and net amortised cost on Stage 3 loans to either the Expected Credit Loss (ECL) allowance or directly to Gross Loans and Advances in the statement of financial position. The Group's policy is to suspend this 'Stage 3 Interest in Suspense' ('IIS') directly to Gross Loans and Advances as it is not considered recoverable. Subsequent recoveries of IIS, if any, are released through the movement in the ECL allowance in the statement of comprehensive income. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on the gross carrying amount.

At a Company level, interest income from Group companies (part of interest income, Note 25) is earned in terms of the Group's transfer pricing policy. Refer to Note 7 for further details regarding terms and balances in respect of inter-company Group loans.

Initiation fees (part of interest income, Note 25), being the portion of the loan origination fees that relates to the creation of the financial asset, are deferred and recognised, by applying the EIR method, consistent with the original loan.

Service fees (including card related transaction fees which are part of fee income, Note 27) included in the price of the product are recognised as revenue when such services are performed. Loan repayments are linked to customer pay dates over the loan term to optimise collectability.

VAS commission (part of other operating income, Note 29) is earned in respect of customers referred to third party value added service (VAS) providers. Contractually, VAS commission is earned in respect of two highly interdependent/interrelated performance obligations;

1. contracting/sale i.e. upon obtaining the borrower's signature and referral to third party providers, and
2. acting as the collecting party to collect the subscription fee on behalf of third party providers.

These two performance obligations are highly interrelated as collections in the Micro Credit industry are extremely specialised and very dependent and as a result it would be very difficult for a third party collections entity to collect successfully in our environment. VAS commission is accordingly recognised proportionate to when these interdependent performance obligations are completed. Payments are linked to customer pay dates over the loan term to optimise collectability.

Subscription based commission (part of other operating income, Note 29) is an agreed-upon referral commission whereby Finbond distribute third-party value-add subscription-based products to South African customers via its subsidiary branch network. Finbond's primary

role is distributing the product subscription and is only entitled to earn a commission if/when the subscription is received.

At Company level, service fees (part of management fee income, Note 28) are earned in terms of the Group's transfer pricing policy for the provision of support and administrative services to Group companies. Service fees are recognised and invoiced monthly via inter-company accounts, in line with when the services are provided. Refer to Note 35 for further details.

At Company level, royalty revenue (part of management fee income, Note 28) is earned on the rental of the Company's intellectual property, consisting of trademarks, copyright and know-how. Royalty revenue is earned from those Group entities making use of the Company's intellectual property on a percentage of total revenue earned basis. Royalty revenue is invoiced monthly.

Dividends received are recognised, in profit or loss, when the right to receive payment has been established.

### 1.17 Interest expense

Interest expense is recognised for all instruments measured at amortised cost, in profit or loss, using the effective interest method.

For further details refer to Note 26.

### 1.18 Leases

#### *Measurement and recognition of leases*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

A lease liability is initially measured at the present value of the remaining lease payments on the commencement date discounted using the Group's incremental borrowing rate.

Incremental borrowing rate/discount rate of 11.25% is used to determine the interest expense/finance cost in the income statement based on the net present value of lease payments on the commencement date.

In calculating the incremental borrowing rate management has considered the following:

- Reference rate: reference rates are commonly relevant 5 year government bonds. These are rates that represent a risk free rate.

- Financing spread adjustment: credit spreads from overdraft facilities with an appropriate term aligned to lease term or otherwise estimated.
- Lease specific adjustment: adjustment in respect of security provided against the lease and the group used an indicative rate for secured and unsecured borrowing of an appropriate duration in line with the weighted-average lease term.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in substance fixed); and
- variable payments based on an index or rate.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases with a term of 12 months or shorter and leases of low-value assets (R100,000 or less) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### *Operating leases*

All other leases are treated as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset and is accounted for in accordance with IFRS 16. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a systematic basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1 Standards and interpretations effective and adopted in the current year

Standard	Details of amendment	Effective from
<b>Amendments to IAS 21:</b> The Effects of Changes in Foreign Exchange Rates	The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. Amendment to IAS 21: <i>The Effects of Changes in Foreign Exchange Rates</i> .	1 January 2025

### 2.2 Standards and interpretations not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the financial year starting 1 March 2026. The Group and Company do not plan to adopt these standards early, they will be adopted in the period that they become mandatory unless otherwise indicated.

Standard	Details of amendment	Effective from
<b>IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure</b> Amendment – Classification and Measurement of Financial Instruments	<p>The Amendments modify the following requirements in IFRS 9 and IFRS 7:</p> <p><u>Derecognition of financial liabilities</u></p> <ul style="list-style-type: none"> <li>Derecognition of financial liabilities settled through electronic transfers.</li> </ul> <p><u>Classification of financial assets</u></p> <ul style="list-style-type: none"> <li>Elements of interest in a basic lending arrangement (the solely payments of principal and interest assessment – ‘SPPI test’).</li> <li>Contractual terms that change the timing or amount of contractual cash flows.</li> <li>Financial assets with non-recourse features.</li> </ul> <p><u>Disclosures</u></p> <ul style="list-style-type: none"> <li>Investments in equity instruments designated at fair value through other comprehensive income.</li> <li>Contractual terms that could change the timing or amount of contractual cash flows.</li> </ul> <p><b>Impact:</b> Based on the Group’s assessment performed to date, the amendments are not expected to have a material impact on the Group’s consolidated financial statements.</p>	1 January 2026
<b>IFRS 18</b> Presentation and Disclosure in Financial Statements	<p>The standard promotes a more structured income statement and introduces a newly defined “operating profit” subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on an entity’s business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. In addition, the standard defines “management-defined performance measures” (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes.</p> <p><b>Impact:</b> The Group is currently assessing the impact on its consolidated financial statements. While the standard is not expected to affect the recognition or measurement of amounts reported, it is expected to result in changes to the presentation and disclosure of information.</p>	1 January 2027

### 3. CASH AND CASH EQUIVALENTS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Cash and cash equivalents consist of:</b>				
Cash on hand <sup>1</sup>	11 864	12 131	-	-
Bank balances <sup>2</sup>	366 976	543 259	62 629	92 405
Central bank balances <sup>3</sup>	141 466	106 397	-	-
<b>Current assets</b>	<b>520 306</b>	<b>661 787</b>	<b>62 629</b>	<b>92 405</b>

Cash and cash equivalents are stated at cost, which approximates fair value due to the short-term nature of these instruments.

<sup>1</sup>Cash on hand is non-interest bearing.

<sup>2</sup>The effective rate of interest earned on bank balances varies between 0% and 5.1% (2025: 0% and 6.0%).

<sup>3</sup>The effective rate of interest earned on Central bank balances is 5.8% (2025: 6.8%). Mandatory reserve deposits must be maintained by Finbond Mutual Bank (a SA subsidiary) at the average required by the SARB over a one-month period and is non-interest bearing. These deposits may be used to manage significant intra- and inter-day cash outflows but are not taken into consideration for cash planning purposes. These mandatory deposits are not available for day-to-day operations. Mandatory reserve deposits held at year-end included in the Central bank balances amounted to R19.5 million (2025: R18.5 million).

4. OTHER FINANCIAL ASSETS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>At fair value through profit or loss</b>				
UBS Fiduciary Deposits <sup>1</sup>	17 933	18 435	-	-
Other Money Market and Income Funds <sup>2</sup>	51 212	3 818	-	-
	<b>69 145</b>	<b>22 253</b>	-	-
<b>At amortised cost</b>				
Treasury bills <sup>3</sup>	209 145	278 646	-	-
Short-term deposits <sup>4</sup>	304	48 036	304	282
Deposit Insurance Reserve <sup>5</sup>	2 981	2 788	-	-
	<b>212 430</b>	<b>329 470</b>	<b>304</b>	<b>282</b>
<b>Current assets</b>	<b>281 575</b>	<b>351 723</b>	<b>304</b>	<b>282</b>

The Group has not reclassified any financial assets from amortised cost to fair value or vice versa during the current or prior year and there have not been any transfers of investments between fair value hierarchy classes.

Fair value of the current assets at amortised cost approximates carrying value due to the short-term nature and effect of discounting being immaterial.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset mentioned above, and these assets are assessed for impairment.

<sup>1</sup>This investment is a UBS fiduciary call deposit, with an average yield of 2.7% (2025: 3.9%).

<sup>2</sup>These investments are carried at market value, with yields between 0.0% and 10.0% (2025: 0.0% and 12.0%).

<sup>3</sup>The treasury bills are purchased from the South African Reserve Bank (SARB), carry an average interest rate of 8.1% (2025: 8.6%) and mature between one and twelve months. Treasury bills are held to maturity and assessed for impairment. An ECL provision of R1.9 million (2025: R1.9 million) was raised against the sovereign exposure in treasury bills. The risk of default within the near future is extremely low, and accordingly these assets remain in Stage 1.

<sup>4</sup>Short-term deposits consist of 12-month fixed deposits, with average effective interest rates of between 8.0% and 8.7% (2025: 8.0% and 8.7%).

<sup>5</sup>Deposit Insurance Reserve account carries an average interest rate of 6.8% (2025: 7.5%). The deposit reserve account consists of mandatory reserves held with the Corporation for Deposit Insurance (CODI). The reserve account is irrevocably and unconditionally guaranteed by the South African Reserve Bank (SARB).

## 5. LOANS AND ADVANCES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Consumer loans and advances	541 324	521 436	-	-
Business, mortgage and specialised finance loans	195 353	154 244	-	-
	<b>736 677</b>	<b>675 680</b>	-	-

R'000	SOUTH AFRICA		NORTH AMERICA		GROUP	
	2026	2025	2026	2025	2026	2025
Consumer loans and advances	391 520	370 607	149 804	150 829	541 324	521 436
Business lending	124 054	74 669	-	-	124 054	74 669
Mortgage loans	48 473	56 765	-	-	48 473	56 765
Specialised finance loans	22 826	22 810	-	-	22 826	22 810
<b>Net loans and advances</b>	<b>586 873</b>	<b>524 851</b>	<b>149 804</b>	<b>150 829</b>	<b>736 677</b>	<b>675 680</b>

### Consumer loans and advances

R'000	SOUTH AFRICA		NORTH AMERICA		GROUP	
	2026	2025	2026	2025	2026	2025
<b>Maturity analysis of loans and advances</b>						
Demand to one month	873 801	851 459	190 626	170 101	1 064 427	1 021 560
Two to six months	181 032	156 187	-	26 323	181 032	182 510
Seven months to one year	11 619	5 987	-	-	11 619	5 987
More than one year	3 105	1 803	-	-	3 105	1 803
Gross loans and advances	1 069 557	1 015 436	190 626	196 424	1 260 183	1 211 860
Deferred future income	(108 070)	(99 483)	(2 516)	(4 031)	(110 586)	(103 514)
Loans and advances before impairment	961 487	915 953	188 110	192 393	1 149 597	1 108 346
Expected credit loss allowance	(569 967)	(545 346)	(38 306)	(41 564)	(608 273)	(586 910)
<b>Net loans and advances</b>	<b>391 520</b>	<b>370 607</b>	<b>149 804</b>	<b>150 829</b>	<b>541 324</b>	<b>521 436</b>
Current assets	390 383	369 949	149 804	150 829	540 187	520 778
Non-current assets	1 137	658	-	-	1 137	658
	<b>391 520</b>	<b>370 607</b>	<b>149 804</b>	<b>150 829</b>	<b>541 324</b>	<b>521 436</b>

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The net carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. As disclosed in Note 1.5 the potential impact on forward-looking macroeconomic variables used in our expected credit loss models was assessed and Management concluded that the Group held sufficient impairment provisions.

**Analysis of net loans and advances by region - 28 February 2026**

R'000	Stage 1	Stage 2	Stage 3	Total
Gross loans and advances <sup>1</sup>	442 465	132 871	574 261	1 149 597
- South Africa	317 318	104 847	539 322	961 487
- North America	125 147	28 024	34 939	188 110
Expected credit loss allowance	(21 074)	(58 497)	(528 702)	(608 273)
- South Africa	(15 709)	(53 630)	(500 628)	(569 967)
- North America	(5 365)	(4 867)	(28 074)	(38 306)
Net loans and advances	421 391	74 374	45 559	541 324
- South Africa	301 609	51 217	38 694	391 520
- North America	119 782	23 157	6 865	149 804
ECL coverage (%)	5%	44%	92%	53%

**Analysis of net loans and advances by region - 28 February 2025**

R'000	Stage 1	Stage 2	Stage 3	Total
Gross loans and advances <sup>1</sup>	409 832	145 279	553 235	1 108 346
- South Africa	279 758	115 495	520 700	915 953
- North America	130 074	29 784	32 535	192 393
Expected credit loss allowance	(20 771)	(60 195)	(505 944)	(586 910)
- South Africa	(13 980)	(51 387)	(479 979)	(545 346)
- North America	(6 791)	(8 808)	(25 965)	(41 564)
Net loans and advances	389 061	85 084	47 291	521 436
- South Africa	265 778	64 108	40 721	370 607
- North America	123 283	20 976	6 570	150 829
ECL coverage (%)	5%	41%	91%	53%

<sup>1</sup>Stage 3 interest of R105.0 million (2025: R102.4 million) has been suspended against gross loans and advances. Refer to Note 1.16 for further details.

**Analysis of loans and advances**

R'000	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 March 2025	409 832	145 279	553 235	1 108 346
New loans originated	3 747 662	-	-	3 747 662
Transfers from Stage 1 to Stage 2	(489 693)	489 693	-	-
Transfers from Stage 2 to Stage 3	-	(304 212)	304 212	-
Transfers from Stage 2 to Stage 1	55 787	(55 787)	-	-
Transfers from Stage 3 to Stage 2	-	624	(624)	-
(Decrease)/increase in balance with no change in stage	(3 281 123)	(142 726)	(1 067)	(3 424 916)
Write-offs	-	-	(281 495)	(281 495)
<b>Balance at 28 February 2026</b>	<b>442 465</b>	<b>132 871</b>	<b>574 261</b>	<b>1 149 597</b>

Balance as at 1 March 2024	419 044	133 861	508 641	1 061 546
New loans originated	3 824 664	-	-	3 824 664
Transfers from Stage 1 to Stage 2	(493 339)	493 339	-	-
Transfers from Stage 2 to Stage 3	-	(318 294)	318 294	-
Transfers from Stage 2 to Stage 1	54 966	(54 966)	-	-
Transfers from Stage 3 to Stage 2	-	769	(769)	-
(Decrease)/increase in balance with no change in stage	(3 395 503)	(109 430)	(14 729)	(3 519 662)
Write-offs	-	-	(258 202)	(258 202)
<b>Balance at 28 February 2025</b>	<b>409 832</b>	<b>145 279</b>	<b>553 235</b>	<b>1 108 346</b>

**Analysis of ECL allowance**

Balance as at 1 March 2025	20 771	60 195	505 944	586 910
New loans originated	173 096	-	-	173 096
Transfers from Stage 1 to Stage 2	(26 148)	205 703	-	179 555
Transfers from Stage 2 to Stage 3	-	(124 167)	238 441	114 274
Transfers from Stage 2 to Stage 1	2 855	(23 901)	-	(21 046)
Transfers from Stage 3 to Stage 2	-	300	(517)	(217)
(Decrease)/increase in allowance with no change in stage	(149 500)	(59 633)	49 556	(159 577)
Write-offs	-	-	(264 722)	(264 722)
<b>Balance at 28 February 2026</b>	<b>21 074</b>	<b>58 497</b>	<b>528 702</b>	<b>608 273</b>

Balance as at 1 March 2024	22 259	59 517	461 312	543 088
New loans originated	185 956	-	-	185 956
Transfers from Stage 1 to Stage 2	(28 974)	215 331	-	186 357
Transfers from Stage 2 to Stage 3	-	(135 606)	247 152	111 546
Transfers from Stage 2 to Stage 1	3 685	(28 419)	-	(24 734)
Transfers from Stage 3 to Stage 2	-	373	(651)	(278)
(Decrease)/increase in allowance with no change in stage	(162 155)	(51 001)	37 952	(175 204)
Write-offs	-	-	(239 821)	(239 821)
<b>Balance at 28 February 2025</b>	<b>20 771</b>	<b>60 195</b>	<b>505 944</b>	<b>586 910</b>

Transfers to Stage 2 and Stage 3 are representative of a movement from a 12-month ECL to a lifetime ECL.

Transfers from Stage 2 to Stage 1 are representative of a movement from a lifetime ECL to a 12-month ECL.

Write-offs of the allowances are related to loans and advances that were written-off during the period. Write-offs occur when loans are in Stage 3.

The impact on the measurement of the ECL is from changes in PDs, EADs and LGDs at the beginning and end of the period.

Loans and advances that transferred from Stage 1 to Stage 2 consist of the summation of the monthly balances that moved from Stage 1 in the prior month to Stage 2 the following month.

Loans and advances that transferred from Stage 2 to Stage 3 consist of the summation of the monthly balances that moved from Stage 2 in the prior month to Stage 3 the following month.

Loans and advances that transferred from Stage 2 to Stage 1 consist of the summation of the monthly balances that moved from Stage 2 in the prior month to Stage 1 the following month.

Loans and advances that transferred from Stage 3 to Stage 2 consist of the summation of the monthly balances that moved from Stage 3 in the prior month to Stage 2 the following month.

Deferred future income consists of interest and fees, deferred and earned over the period of the loan using the effective interest method.

A statistical model is used to calculate the allowance for Expected Credit Losses (ECL). Refer to Note 37 for an explanation of the following as applied in the ECL model:

- Probability of default (PD);
- Exposure at default (EAD);
- Loss given default (LGD); and
- Definition of a significant increase in credit risk (SICR).

To align with the principles of IFRS 9 Financial Instruments, the Group has derived relationships with the ECL model parameters and forward-looking information (FLI) from the Bureau of Economic Research (BER) and the International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD) and Statistica. Government consumption expenditure, final household consumption expenditure, inflation and unemployment represent the FLI for consumer loans and advances. Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

The creation and release of allowance for expected credit losses (ECL) have been included in the impairment line in profit or loss. Amounts charged to the allowance account are written off when there is no reasonable expectation of recovering additional cash in terms of the Group's write-off policy.

Refer to Note 37 for a further description of the Group's impairment assessment.

Carrying amount approximates fair value as consumer loan products are short-term in nature and the effect of discounting is immaterial.

[Business, mortgage and specialised finance loans](#)

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Maturity analysis of loans and advances</b>				
Demand to one year	48 947	43 589	-	-
One to five years	146 609	113 228	-	-
More than five years	47 695	44 082	-	-
<b>Gross loans and advances</b>	<b>243 251</b>	<b>200 899</b>	-	-
Loans and advances before impairment	243 251	200 899	-	-
Business lending	128 318	76 865	-	-
Mortgage loans	60 690	73 390	-	-
Specialised finance loans	54 243	50 644	-	-
Expected credit loss allowance	(47 898)	(46 655)	-	-
Business lending	(4 264)	(2 196)	-	-
Mortgage loans	(12 217)	(16 625)	-	-
Specialised finance loans	(31 417)	(27 834)	-	-
<b>Net loans and advances</b>	<b>195 353</b>	<b>154 244</b>	-	-
Current assets	40 960	32 905	-	-
Non-current assets	154 393	121 339	-	-
	<b>195 353</b>	<b>154 244</b>	-	-

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The net carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

**2026**

R'000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount <sup>1</sup>	159 562	1 593	82 096	243 251
Expected credit loss allowance	(4 724)	(235)	(42 939)	(47 898)
	<b>154 838</b>	<b>1 358</b>	<b>39 157</b>	<b>195 353</b>
ECL coverage %	3%	15%	52%	20%

**2025**

R'000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount <sup>1</sup>	108 633	5 767	86 499	200 899
Expected credit loss allowance	(2 615)	(663)	(43 377)	(46 655)
	<b>106 018</b>	<b>5 104</b>	<b>43 122</b>	<b>154 244</b>
ECL coverage %	2%	11%	50%	23%

**Analysis of loans and advances**

Balance as at 1 March 2025	108 633	5 767	86 499	200 899
New loans originated	68 700	-	-	68 700
Transfers from Stage 1 to Stage 2	(731)	731	-	-
Transfers from Stage 2 to Stage 3	-	(1 609)	1 609	-
Transfers from Stage 2 to Stage 1	4 225	(4 225)	-	-
Transfers from Stage 3 to Stage 2	-	1 290	(1 290)	-
(Decrease)/increase in balance with no change in stage	(21 265)	(362)	(479)	(22 106)
Write-offs	-	-	(4 242)	(4 242)
<b>Balance at 28 February 2026</b>	<b>159 562</b>	<b>1 592</b>	<b>82 097</b>	<b>243 251</b>
Balance as at 1 March 2024	43 338	11 468	100 219	155 025
New loans originated	71 372	-	-	71 372
Transfers from Stage 1 to Stage 2	(1 972)	1 972	-	-
Transfers from Stage 2 to Stage 3	-	(7 517)	7 517	-
Transfers from Stage 2 to Stage 1	5 899	(5 899)	-	-
Transfers from Stage 3 to Stage 2	-	6 276	(6 276)	-
(Decrease)/increase in balance with no change in stage	(10 004)	(533)	(1 118)	(11 655)
Write-offs	-	-	(13 843)	(13 843)
<b>Balance at 28 February 2025</b>	<b>108 633</b>	<b>5 767</b>	<b>86 499</b>	<b>200 899</b>

<sup>1</sup>Stage 3 interest accrued of R12.7 million (2025: R12.0 million) has been suspended against gross loans and advances. Refer to Note 1.16 for further details.

### Analysis of ECL allowance

R'000	Stage 1	Stage 2	Stage 3	Total
Balance as at March 2025	2 615	663	43 377	46 655
New loans originated	2 632	-	-	2 632
Transfers from Stage 1 to Stage 2	(10)	108	-	98
Transfers from Stage 2 to Stage 3	-	(185)	673	488
Transfers from Stage 2 to Stage 1	62	(485)	-	(423)
Transfers from Stage 3 to Stage 2	-	190	(559)	(369)
(Decrease)/increase in balance with no change in stage	(576)	(56)	2 628	1 996
Write-offs	-	-	(3 179)	(3 179)
<b>Balance at 28 February 2026</b>	<b>4 723</b>	<b>235</b>	<b>42 940</b>	<b>47 898</b>
Balance as at March 2024	1 513	1 760	51 153	54 426
New loans originated	2 043	-	-	2 043
Transfers from Stage 1 to Stage 2	(54)	226	-	172
Transfers from Stage 2 to Stage 3	-	(1 157)	3 259	2 102
Transfers from Stage 2 to Stage 1	78	(908)	-	(830)
Transfers from Stage 3 to Stage 2	-	721	(2 943)	(2 222)
(Decrease)/increase in balance with no change in stage	(965)	21	3 628	2 684
Write-offs	-	-	(11 720)	(11 720)
<b>Balance at 28 February 2025</b>	<b>2 615</b>	<b>663</b>	<b>43 377</b>	<b>46 655</b>

All business, mortgage and specialised loans are held by Finbond Mutual Bank, a South African subsidiary.

Mortgaged property is held as collateral at a combined loan-to-value ratio (CLTV) of 83.4% (2025: 69.5%) on the carrying value for secured mortgage finance. Fair value of collateral and other credit enhancements is determined by referencing the realisable value of security held. The fair value of collateral held approximates R140 million (2025: R162 million).

The Group determines the fair value of residential properties using independent market data obtained from automated valuation models ("AVMs"), including valuations prepared by third-party property data providers. These valuation methodologies primarily apply a market comparable approach, incorporating recent sales transactions of similar properties, location, property characteristics, market trends and other observable market inputs. The valuations are adjusted, where considered necessary, for factors specific to the individual property, including condition, size, location and marketability. The fair value hierarchy is Level 2 (2025: Level 2).

The fair value of collateral held for business and specialised finance approximates R193 million (fair value hierarchy Level 3) (2025: R92 million, Level 3) and R40 million (fair value hierarchy Level 2) (2025: R40 million, Level 2) respectively.

The fair value of the business, mortgage and specialised finance portfolio does not materially differ from its carrying value.

Transfers from Stage 1 to Stage 2 are representative of a movement from a 12-month ECL to a lifetime ECL.

The impact on the measurement of the ECL is from changes in PDs, EADs and LGDs at the beginning and end of the period.

Loans that transferred from Stage 1 to Stage 2 consist of the loans that were in Stage 1 at the beginning of the period and the same loans were in Stage 2 at the end of the period.

Loans that transferred from Stage 2 to Stage 3 consist of the loans that were in Stage 2 at the beginning of the period and the same loans were in Stage 3 at the end of the period.

Loans that transferred from Stage 2 back to Stage 1 consist of the loans that were in Stage 2 at the beginning of the period and the same loans were in Stage 1 at the end of the period. These loans moved from a lifetime ECL to a 12-month ECL.

Loans that transferred from Stage 3 back to Stage 2 consist of the loans that were in Stage 3 at the beginning of the period and the same loans were in Stage 2 at the end of the period.

The allowance for loans that remained in Stage 3 was increased during the period.

The Group utilises an expected loss model (ECL). The creation and release of provisions for impaired loans and advances are included in the impairment line in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash in terms of Group write-off policy.

The Group has implemented robust internal procedures and reporting mechanisms to identify and manage potentially non-performing clients at a very early stage. The Group makes use of "impairment indicators" to identify possible deterioration in credit quality, which indicates that a provision is required against such secured loans. These indicators are based on an individual's delinquency status as well as general changes in the economic environment which will have an effect on the client's willingness and ability to pay (as measured by Credit Scores and affordability assessments) or effect on the value of the assets serving as collateral against such secured loans (as measured by frequent property valuations).

These assessments are used in the determination of a default. Refer to Note 37 for the definition of a default as well as explanations of the probability of default (PD), Exposure at default (EAD), loss given default (LGD), definition of a significant increase in credit risk (SICR) as applied in the ECL method.

To align with the principles of IFRS 9 Financial Instruments, the Group has derived relationships with the ECL model parameters and forward-looking information (FLI) from the Bureau of Economic Research (BER) and the International Monetary Fund (IMF). Government consumption expenditure, inflation and unemployment represents the FLI for microfinance loans and advances. Three economic scenarios (a negative, a positive and a most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

## 6. TRADE AND OTHER RECEIVABLES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Financial assets - at amortised cost</b>				
Commission receivable <sup>1</sup>	85 890	73 813	85 890	73 813
Sundry receivables	21 634	21 034	769	673
Current tax receivable	4 997	2 024	-	164
Rental deposits	19 124	17 090	-	-
<b>Non-financial assets</b>				
VAT receivable	4 674	-	239	-
Prepayments <sup>2</sup>	112 726	89 943	6 694	4 683
	<b>249 045</b>	<b>203 904</b>	<b>93 592</b>	<b>79 333</b>
Current assets	158 962	132 218	88 803	75 745
Non-Current assets	90 083	71 686	4 789	3 588
	<b>249 045</b>	<b>203 904</b>	<b>93 592</b>	<b>79 333</b>

Fair value of the current assets approximates carrying value due to the short-term nature and effect of discounting being immaterial.

Fair value of the non-current assets amounts to R84.5 million (2025: R66.7 million) (Company R4.3 million (2025: R3.0 million)).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above, and these receivables are assessed for impairment. The ECL were immaterial for the reporting period.

<sup>1</sup>Commission receivable relates to amounts due from customers for referrals to third-party value-added service providers. An ECL provision of R1.1 million (2025: R2.4 million) was raised during the current year. The balance of the ECL provision amounts to R25.2 million (2025: R24.1 million).

<sup>2</sup>Prepayments include various operational prepayments across the Group, including; prepaid insurance, period based prepaid legal fees, as well as certain retention based (LTI) prepaid employment benefits (as further disclosed in Note 1.15).

7. LOANS TO/(FROM) GROUP COMPANIES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Subsidiaries</b>				
Finbond Group International Limited <sup>1</sup>	-	-	1 358 172	1 591 517
Supreme Finance (Pty) Ltd <sup>1</sup>	-	-	121 191	114 506
Finbond Group South Africa (Pty) Ltd <sup>1</sup>	-	-	113 064	34 928
Independent Bond Originators (Pty) Ltd	-	-	(13 920)	(13 957)
Finbond Private Equity (Pty) Ltd	-	-	113 095	105 101
	-	-	<b>1 691 602</b>	<b>1 832 095</b>
<b>Joint ventures</b>				
Americash Group <sup>2</sup>	(14 651)	31 662	-	-
Cashbak LLC <sup>3</sup>	14 800	17 120	-	-
	149	48 782	-	-
	<b>149</b>	<b>48 782</b>	<b>1 691 602</b>	<b>1 832 095</b>
Current assets	14 800	31 662	1 705 522	1 846 052
Non-current assets	-	17 120	-	-
Current liabilities	(14 651)	-	(13 920)	(13 957)
	<b>149</b>	<b>48 782</b>	<b>1 691 602</b>	<b>1 832 095</b>

<sup>1</sup>The loans to Finbond Group International Limited, Finbond Group South Africa Proprietary Limited and Supreme Finance Proprietary Limited are unsecured, repayable on demand and bear interest at 13.0% (2025: 13.0%) per annum.

<sup>2</sup>The Americash Group loan comprised two components; Finbond Group International Limited's loan to the Americash joint venture of R46.2 million (2025: R48.6 million) was unsecured and bore interest at 10.5% (2025: 10.5%) per annum, but was converted to equity on 1 April 2025 (see Note 9 for details). Additionally, the joint venture held an existing loan to one of the Group's subsidiaries of R14.7 million (2025: R16.9 million) which is unsecured, bears no interest and is repayable on demand.

<sup>3</sup>The loan to Cashbak LLC is unsecured and bears interest at 8.0% (2025: 8.0%) per annum. The loan is repayable in February 2027.

All other loans are unsecured, bear no interest and are repayable on demand.

**GROUP**

<b>Analysis of net loans to/(from) group companies - 28 February 2026</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
R'000				
Gross loans and advances	-	1 289	-	1 289
- South Africa	-	-	-	-
- International	-	1 289	-	1 289
Expected credit loss allowance	-	(1 140)	-	(1 140)
- South Africa	-	-	-	-
- International	-	(1 140)	-	(1 140)
Net loans and advances	-	149	-	149
- South Africa	-	-	-	-
- International	-	149	-	149
ECL coverage (%)		88%		88%

**Analysis of net loans to/(from) group companies - 28 February 2025**

R'000				
Gross loans and advances	-	56 861	-	56 861
- South Africa	-	-	-	-
- International	-	56 861	-	56 861
Expected credit loss allowance	-	(8 079)	-	(8 079)
- South Africa	-	-	-	-
- International	-	(8 079)	-	(8 079)
Net loans and advances	-	48 782	-	48 782
- South Africa	-	-	-	-
- International	-	48 782	-	48 782
ECL coverage (%)		14%		14%

**Movement in the allowance for impairment:**

R'000				
Balance at 1 March 2024	-	(10 909)	-	(10 909)
Movement for the year	-	2 317	-	2 317
Foreign exchange movements	-	513	-	513
Balance at 28 February 2025	-	(8 079)	-	(8 079)
Conversion to equity	-	6 419	-	6 419
Movement for the year	-	5	-	5
Foreign exchange movements	-	515	-	515
<b>Balance at 28 February 2026</b>	-	<b>(1 140)</b>	-	<b>(1 140)</b>

COMPANY

Analysis of net loans to/(from) group companies - 28 February 2026	Stage 1	Stage 2	Stage 3	Total
R'000				
Gross loans and advances	344 985	1 623 509	-	1 968 494
- South Africa	344 985	-	-	344 985
- International	-	1 623 509	-	1 623 509
Expected credit loss allowance	(11 555)	(265 337)	-	(276 892)
- South Africa	(11 555)	-	-	(11 555)
- International	-	(265 337)	-	(265 337)
Net loans and advances	333 430	1 358 172	-	1 691 602
- South Africa	333 430	-	-	333 430
- International	-	1 358 172	-	1 358 172
ECL coverage (%)	3%	16%	-	14%

Analysis of net loans to/(from) group companies - 28 February 2025

R'000				
Gross loans and advances	249 421	1 901 228	-	2 150 649
- South Africa	249 421	-	-	249 421
- International	-	1 901 228	-	1 901 228
Expected credit loss allowance	(8 843)	(309 711)	-	(318 554)
- South Africa	(8 843)	-	-	(8 843)
- International	-	(309 711)	-	(309 711)
Net loans and advances	240 578	1 591 517	-	1 832 095
- South Africa	240 578	-	-	240 578
- International	-	1 591 517	-	1 591 517
ECL coverage (%)	4%	16%	-	15%

Movement in the allowance for impairment:

R'000				
Balance at 1 March 2024	(8 284)	(312 621)	-	(320 905)
Movement for the year	(559)	2 910	-	2 351
Balance at 28 February 2025	(8 843)	(309 711)	-	(318 554)
Movement for the year	(2 712)	44 374	-	41 662
<b>Balance at 28 February 2026</b>	<b>(11 555)</b>	<b>(265 337)</b>	<b>-</b>	<b>(276 892)</b>

A statistical model is used to calculate the allowance for Expected Credit Losses (ECL). Refer to Note 37 for an explanation of the following as applied in the ECL model:

- Probability of default (PD);
- Exposure at default (EAD);
- Loss given default (LGD); and
- Definition of a significant increase in credit risk (SICR).

The creation and release of allowance for expected credit losses (ECL) have been included in the impairment line in profit or loss. Amounts charged to the allowance account are written off when there is no reasonable expectation of recovering additional cash in terms of the Group's write-off policy.

The assessments that have been performed on intercompany loan accounts have shown that intercompany loans within SA continue to display low credit risk with no signs of a SICR, and accordingly remain recognised in Stage 1.

The international portfolio has shown improvement following the unwind of elevated US consumer savings levels that resulted from COVID 19 stimulus measures. However, a full recovery is expected to take longer due to the impact of Illinois regulatory changes implemented in 2021. In response to these regulatory changes, the SAIL product was launched and continues to develop. While management remains confident that these challenges are temporary and that the international portfolio is expected to return to its historic levels of profitability, the increased risk that the portfolio may not recover fully remains. Accordingly, the risk that intercompany loans may not be fully recoverable persists, and the continued classification of these exposures as Stage 2 remains appropriate.

The 45% Basel LGD for unsecured corporate exposures is used for SA. The 90.3% (2025: 90.1%) used for international is derived from taking the net liquid assets of Finbond Group International, then reducing those net liquid assets by the further losses forecasted per the very stressed scenario of the Group's 5-year forecast. A recovery rate is then determined as the percentage of net remaining liquid tangible assets divided by the loan balance. The LGD is calculated as 1 minus the calculated recovery rate.

Stage 1 and Stage 2 PDs have been sourced from the S&P annual global corporate default and rating transition study, which is publicly available information. This study looks at the credit risk quality and default rates of various companies with different ratings. The Stage 1 PD of 7.2% (2025: 7.1%) is the average corporate default rate over a 12-month observation period. The Stage 2 PD of 18.1% (2025: 18.1%) is the average corporate default rate over a 15-year period, which is a proxy for the lifetime default rate. This proxy is considered reasonable as any period beyond 15 years would introduce greater judgement and uncertainty.

Refer also to Note 37 for a further description of the Group's impairment assessment considerations.

Fair value approximates carrying value.

8. INVESTMENT IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

R'000 COMPANY	Domiciled	% holding 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
Finbond Group South Africa (Pty) Ltd	South Africa	100.00%	100.00%	429 185	381 591
Finbond Mutual Bank	South Africa	100.00%	100.00%		
Supreme Finance (Pty) Ltd	South Africa	100.00%	100.00%		
Finbond Private Equity (Pty) Ltd	South Africa	100.00%	100.00%	-	-
Finbond Micro Finance 2 (Pty) Ltd - Dormant	South Africa	100.00%	100.00%	-	-
Independent Bond Originators (Pty) Ltd - Dormant	South Africa	100.00%	100.00%	13 959	13 959
Finbond Group International Limited	Malta	100.00%	100.00%	1 045 000	1 045 000
Usolve Financial (2473614 Ontario Inc.)	Canada	100.00%	100.00%		
Finbond Services Ltd	Malta	100.00%	100.00%		
Finbond Group North America, LLC	USA	100.00%	100.00%		
Finbond Group Canada Inc.	Canada	100.00%	100.00%		
American Cash Advance (TV Profile, LLC)	USA	100.00%	100.00%		
America's Financial Choice, LLC - deregistered	USA	-	100.00%		
Nice Loans, LLC	USA	75.00%	75.00%		
Cash in a Flash Inc.	USA	100.00%	100.00%		
Local Cash Advance - deregistered	USA	-	100.00%		
Flexicash (CCDF, LLC)	USA	100.00%	100.00%		
Non-current assets				<b>1 488 144</b>	<b>1 440 550</b>

R'000 Reconciliation of investments in subsidiaries COMPANY 2026	Opening Balance	Additional Capital	Reversal of Impairment	Total
Finbond Group South Africa (Pty) Ltd	381 591	-	47 594	429 185
Independent Bond Originators (Pty) Ltd	13 959	-	-	13 959
Finbond Group International Limited	1 045 000	-	-	1 045 000
	<b>1 440 550</b>	<b>-</b>	<b>47 594</b>	<b>1 488 144</b>

R'000 Reconciliation of investments in subsidiaries COMPANY 2025	Opening Balance	Additional Capital	Reversal of Impairment	Total
Finbond Group South Africa (Pty) Ltd	381 591	-	-	381 591
Independent Bond Originators (Pty) Ltd	13 959	-	-	13 959
Finbond Group International Limited	1 045 000	-	-	1 045 000
	<b>1 440 550</b>	<b>-</b>	<b>-</b>	<b>1 440 550</b>

The dormant subsidiaries do not form a significant part of the Group's operations, and most are in the process of being deregistered.

Supreme Finance (Pty) Ltd, Finbond Mutual Bank, American Cash Advance, Usolve Financial and Nice Loans LLC are the main subsidiaries in the Group, and are considered to be a material part of the Group's operating activities.

Management considers indicators of impairment for investments held by the Group annually, by comparing the carrying value of investments to the net asset values of underlying subsidiaries:

The impairment assessment in South Africa however indicated that the recoverable amount of Finbond Mutual Bank exceeded its carrying amount as at 28 February 2026, driven by improved profitability and stabilised performance. In accordance with IAS 36, the subsequent reversal of impairment was limited to the subsidiary's net asset value. The reversal does not increase the carrying amount above the amount that would have been determined had no impairment been recognised in prior periods.

Although impairment indicators were noted as at 28 February 2026 at some of the North American operating subsidiaries, where the carrying value of the investment held exceeded the underlying net asset value, the Group's annual impairment assessment concluded that no impairment to these investments was necessary, as the recoverable amount exceeded the carrying value (2025: Rnil).

Refer to Note 14 for management's annual impairment assessment of recoverable values, including key assumptions, such as forecasted future cash flows and discount rates applied. Management's annual impairment assessment was reviewed by an external, independent valuer.

Details of non-wholly owned subsidiaries that have a material non-controlling interest are disclosed in Note 34.

## 9. INVESTMENT IN JOINT VENTURES

The Group has included the following joint venture entities (“JV”) in the consolidated financial statements using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for the Group’s share of the JV’s actual post acquisition profit or loss (and other comprehensive income), with cash distributions received reducing the carrying amount of the investment.

Name: Benefits Bouquet (Pty) Ltd  
 Country of incorporation: Republic of South Africa (“SA”)  
 Principal place of business: SA  
 Proportion of ownership interest: 50% (2025: Zero) membership interest by Finbond Group South Africa (Pty) Ltd<sup>6</sup>  
 Principal activity: Provider of a range of Value Added Services (VAS) and benefits products to SA consumers

Name: Americash Group  
 Country of incorporation: United States of America (“US”)  
 Principal place of business: US  
 Proportion of ownership interest: 80% (2025: 69.7%) membership interest by Finbond Group North America, LLC<sup>7</sup>  
 Principal activity: Short-term consumer instalment lender specialising in unique value- and solution-based products in various states in the US

Name: Cashbak LLC  
 Country of incorporation: US  
 Principal place of business: US  
 Proportion of ownership interest: 56.2% (2025: 56.2%) membership interest by Finbond Group North America, LLC  
 Principal activity: Short-term consumer lender, as well as other related services, predominantly in California, US

The Group has determined that it holds joint control, established by contractual agreements which require unanimous consent for significant decisions, despite Finbond’s majority shareholding in some investments above.

Summarised financial information as shown in the joint ventures’ financial statements, fully converted to IFRS Accounting Standards by the Group.

2026 - R'000	Benefits Bouquet	Americash Group	Cashbak LLC
Current assets <sup>1</sup>	384	603 578	100 068
Non-current assets	-	159 566	14 871
Current liabilities <sup>2</sup>	(1 120)	(7 770)	(17 833)
Non-current liabilities <sup>3</sup>	-	(266 453)	(3 654)
<b>Net assets (100%)</b>	<b>(736)</b>	<b>488 921</b>	<b>93 452</b>
<b>Group share of net assets</b>	<b>(368)</b>	<b>391 138</b>	<b>52 455</b>
Revenue (100%) <sup>4</sup>	37 779	389 476	163 732
Profit from continuing operations <sup>5</sup>	22 860	45 605	2 037
Other comprehensive income	-	-	-
Total comprehensive income (100%)	22 860	45 605	2 037
<b>Reconciliation of carrying amount:</b>			
Opening balance	-	826 635	110 745
Capital investment <sup>6</sup>	78 801	2 187	-
Loan conversion <sup>7</sup>	-	46 058	-
Total comprehensive income attributable to the Group	11 430	35 509	1 146
Gain on bargain purchase <sup>7</sup>	-	45 551	-
Dividends received	(11 000)	(49 441)	(4 919)
Foreign exchange movements	-	(118 905)	(14 646)
	79 231	787 594	92 326
Derivative financial asset <sup>6</sup>	<b>33 933</b>	-	-
<b>Carrying amount of interest in joint venture at year-end</b>	<b>113 164</b>	<b>787 594</b>	<b>92 326</b>
<b>Total</b>			<b>993 084</b>

<sup>1</sup>Current assets include:

Cash and cash equivalents	383	63 077	62 130
Consumer loans and advances	-	518 409	36 060
Loans to group companies	-	14 651	-

<sup>2</sup>Current liabilities includes:

Loans to group companies	-	-	15 941
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<sup>3</sup>Non-current liabilities include:

Lease liabilities	-	46 474	3 654
Other loans	-	219 979	-

<sup>4</sup>Revenue includes:

Interest income	978	373 855	160 053
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<sup>5</sup>Profit from continuing operations includes:

Depreciation and amortisation	-	39 638	4 181
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<sup>6</sup>With effect from 1 September 2025, the Group entered into a sale of shares agreement in terms of which Finbond will ultimately acquire 74% of the issued share capital of Benefits Bouquet (Pty) Ltd ("BB") for a total purchase consideration of R1 16,335,279. The transaction is intended to diversify the Group's South African ("SA") revenue streams and enhance the profitability of its SA operations.

<i>Effective date</i>	<i>Share of issued share capital</i>	<i>Purchase consideration R'000</i>
1 September 2025	50%	78 605
1 September 2026	24%	37 730

Until 1 September 2026, the Group has no voting or dividend rights in respect of the second tranche of shares.

The second share sale transaction contained in the sale agreement creates contractual rights and obligations between Finbond and the seller to exchange cash and shares at a fixed agreed amount on a future date. Accordingly, the outcome of the second share sale will be favourable to Finbond if the fair value of the shares exceeds the agreed purchase consideration on 1 September 2026, and unfavourable if the fair value of the shares is lower than the agreed amount at that date. These contractual rights and obligations constitute a derivative financial instrument, which resulted in the recognition of a derivative financial asset of R33.9 million. The derivative is measured at fair value through profit or loss in accordance with IFRS 9.

The fair value measurement forms part of the Group's annual valuation process and is determined using market participant assumptions, including assessment of risk, growth prospects and prevailing market conditions. The valuation further reflects BB's improved performance, strengthened fundamentals, and reduced perceived risk following its integration into a reputable financial group. Further details of the Group's valuation methodology, including the involvement of an external, independent valuer, are set out at the end of this note.

<sup>7</sup>For licencing, tax and legal liability reasons, as well as the fact that operations extend across several US states, the Americash Group ("Americash") is structured as several operating entities held directly by Finbond Group North America LLC ("FGNA"). These entities, although held individually by FGNA, are collectively referred to as Americash. These entities all have the same operating agreements in place, the same shareholders/members, the same shareholding percentages, and the same Board for each entity in the Group. Operating entities within the Americash Group have a single management team, do not generate cash inflows or cash outflows independently and are not capable of operating independently.

In March and April 2025, FGNA and minority shareholders of Americash entered into two transactions which ultimately increased FGNA's proportion of ownership interest from 69.7% to 80%, and achieved 80% ownership in all operating entities in the Americash Group.

In March 2025, FGNA bought out remaining minority shareholders in Americash's Illinois business ("SAIL") for USD 125,000, thereby increasing ownership interest in this operating entity from 25% to 51.45%. As part of improving SAIL's capital position further, FGNA signed an agreement in April 2025 to convert the Americash Group loan (see Note 7) into equity capital, further increasing ownership from 51.45% to 80%. These transactions gave rise to the 'bargain purchase' profit as reported. Contractual agreements, which require unanimous consent from FGNA and its Americash co-JV shareholder for significant decisions, however, remain unchanged.

2025 - R'000	Americash Group	Cashbak LLC
Current assets <sup>1</sup>	835 826	116 186
Non-current assets	199 484	23 064
Current liabilities <sup>2</sup>	(46 176)	(20 129)
Non-current liabilities <sup>3</sup>	(462 430)	(3 979)
<b>Net assets (100%)</b>	<b>526 704</b>	<b>115 142</b>
<b>Group share of net assets</b>	<b>367 124</b>	<b>64 629</b>
Revenue (100%) <sup>4</sup>	484 747	178 161
Profit from continuing operations <sup>5</sup>	(28 320)	19 542
Other comprehensive income	-	-
Total comprehensive income (100%)	(28 320)	19 542
<b>Reconciliation of carrying amount:</b>		
Opening balance	870 061	109 814
Capital investment	37 385	-
Total comprehensive income attributable to the Group	505	10 971
Gain on bargain purchase <sup>7</sup>	48 838	-
Reversal of impairment of investment	-	12 106
Dividends received	(90 826)	(5 130)
Foreign exchange movements	(39 328)	(17 016)
<b>Carrying amount of interest in joint venture at year-end</b>	<b>826 635</b>	<b>110 745</b>
<b>Total</b>		<b>937 380</b>
<sup>1</sup> Current assets include:		
Cash and cash equivalents	171 479	69 457
Consumer loans and advances	658 980	44 696
<sup>2</sup> Current liabilities includes:		
Loans to group companies	38 427	18 434
<sup>3</sup> Non-current liabilities include:		
Lease liabilities	56 880	3 979
Other loans	405 550	-
<sup>4</sup> Revenue includes:		
Interest income	470 369	174 457
<sup>5</sup> Profit from continuing operations includes:		
Depreciation and amortisation	52 642	6 251

<sup>7</sup>In September 2024, FGNA and the other shareholders of Americash entered into several transactions which ultimately changed FGNA's proportion of ownership interest from 58.0% to 69.7%.

The interests of minority shareholders in two Americash operating entities (Americash Holding and CreditBox.com, hereinafter collectively referred to as "ACL") were acquired by FGNA for USD 1,645,308, increasing FGNA's ownership interest in these entities by 23.3%. ACL declared a distribution to remaining shareholders, which FGNA's co-JV shareholder used (USD 171,307) to subscribe for shares in ACL (at the same terms of the minority buy-out transaction), thereby decreasing FGNA's ownership interest in ACL by 3.0%. FGNA's co-JV shareholder subsequently subscribed for further shares in ACL for USD 560,500 (at the same terms of the minority buy-out transaction), decreasing FGNA's ACL ownership interest by 8.5%. Further, FGNA and its co-JV shareholder exchanged ownership interests in ACL and SAIL (Americash's Illinois business) at net asset value, which had no effect on FGNA's ownership interest. Contractual agreements, which require unanimous consent from FGNA and its co-JV shareholder for significant decisions, however remain unchanged. These transactions gave rise to the gain on bargain purchase as reported in the prior year.

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Finbond Group International extends loans to joint ventures. Refer to Note 7 for further details.

The Group determines annually whether there is any objective evidence that its investment in the joint venture is impaired and, if impairment is indicated, the amount is calculated with reference to IAS 36: Impairment of Assets.

The Group determines the recoverable amount, being the higher of the fair value less cost to sell and the value in use of the joint venture. The recoverable amount is then compared to the carrying amount and an impairment loss is raised if required.

The value in use is determined by discounting estimated future cash flows using the discounted cash flow methodology/income method. The method used was reviewed by an external, independent valuer.

The difference between the Group's share of net assets and the carrying amount is essentially attributable to goodwill, however goodwill is included in the carrying amount of a joint venture.

Because any goodwill that forms part of the carrying amount of the investment in the joint venture is not separately recognised, it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount with its carrying amount. An impairment loss recognised is therefore not allocated to any specific asset (including goodwill) that forms part of the carrying amount of the investment. Accordingly, any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

As two joint ventures operate in North America, the USD/ZAR exchange rate is a critical variable in determining the ZAR denominated value of future cashflows. Fluctuations in the exchange rate outlook may significantly impact the carrying amount.

We utilize a multiple scenario forecasting approach to evaluate the resilience of our business against various potential outcomes. This approach involves applying different levels of stress to a variety of forecasting variables, such as profit margins, impairment rates, exchange rates, and growth rates, across a wide range of scenarios. These scenarios span from highly favourable to significantly stressed conditions, enabling us to gauge the robustness of our operations and financial performance under diverse circumstances.

By applying a probability-weighted average forecast across the aforementioned scenarios, we consider the likelihood of each scenario occurring. A discounted cashflow valuation is applied to this probability weighted average five year forecast. In the discounted cashflow valuation, key valuation parameters including dividend pay-out ratio, perpetual growth rate and discount rate are applied.

It is important to note that, under certain stressed five year forecast scenarios where multiple key forecasting variables (including fluctuations in exchange rate) experience simultaneous strain, additional impairment may result. An impairment may also result where the key valuation parameters such as dividend payout ratios, discount rates and perpetuity growth rates are stressed.

A joint venture's future revenue growth rate is an essential factor in estimating the future cash flows generated. To determine the revenue growth rate, the Group follows a bottom-up and top-down approach, engaging with operating heads and incorporating economic trends, strategic aims, and risks in the business plans. Operational performance is forecast based on product and delivery channel strategies as per the business plans and evolves as new information becomes available, affecting the recoverable amounts accordingly.

The Group continually monitors these key variables and updates its assumptions and estimates based on market and economic conditions, as well as management's expectations. Any significant changes in these variables may materially impact the carrying amount of the joint venture and may result in impairment losses.

The calculation uses cash flow projections from business plans for the forthcoming 5 years, which are then extrapolated for further years (perpetuity). Extrapolation is achieved using a long-term growth rate, based on projected economic indicators including the expected long-term inflation rate and GDP growth rate in the joint venture's jurisdiction. The Group therefore follows a conservative perpetuity growth rate approach.

	2026	2025
Perpetuity growth rate:		
South Africa	6.34%	-
North America	3.95%	4.2%
Exchange rate - ZAR : USD	17.000 – 19.667	19.000 – 22.253
The risk-adjustment discount rate is based on the cost of equity (Ke) and was calculated using the Capital Asset Pricing Model (CAPM):		
Cost of equity (Ke)	11% – 18%	14% – 17%
For purposes of the calculation of the CAPM discount rate, the following assumptions were used:		
Risk-free rate	3.95% – 8.12%	3.9%
Equity Market risk premium	4.69% – 6.00%	4.56%
Beta	0.50 – 0.53	1.36
Small stock premium	1.5% - 5.0%	1.0% - 5.0%
Unsystematic risk premium	1.5% - 3.0%	1.5% - 3.0%

Discount rates benefited from lower comparator company beta coefficients, reflecting reduced volatility in the global banking and financial sectors relative to other major sectors over the past year. In South Africa, discount rates further benefited from a more than 2% reduction in the risk-free rate, primarily driven by the SARB's reduction of the target inflation rate from 4.5% to 3% in May 2025 (supported by SA's removal from the greylist, a credit rating upgrade, and a strengthening ZAR).

## 10. INVESTMENT IN ASSOCIATES

The Group has included the following entity in the consolidated financial statements using the equity method:

Name:	C1 Holdings LLC ("C1")
Country of incorporation:	United States of America ("US")
Principal place of business:	US and Panama
Proportion of ownership interest:	16.8% (2025: 16.8%) membership interest by Finbond Group North America, LLC
Principal activity:	A fintech lender operating via three primary brands that include both short-term consumer finance and business lending in various states in the US and Panama.

The Group has determined that it holds significant influence as it has significant representation on the board (1 of 5; or 20%) and is accordingly able to meaningfully participate in the financial and operating policy decisions of the entity.

Summarised financial information of C1 Holdings LLC as shown in the associate's financial statements, fully converted to IFRS Accounting Standards by the Group.

R'000	2026	2025
Current assets <sup>1</sup>	2 132 361	2 406 922
Non-current assets	133 055	177 557
Current liabilities	(165 606)	(270 152)
Non-current liabilities	(34 734)	(65 515)
<b>Net assets (100%)</b>	<b>2 065 076</b>	<b>2 248 812</b>
<b>Group share of net assets</b>	<b>347 856</b>	<b>378 169</b>
Revenue (100%)	2 602 342	2 597 682
Profit from continuing operations	1 139 007	1 089 533
Other comprehensive income	-	-
<b>Total comprehensive income (100%)</b>	<b>1 139 007</b>	<b>1 089 533</b>
<b>Reconciliation of carrying amount:</b>		
Opening balance	742 455	749 932
Total comprehensive income attributable to the Group	192 305	182 347
Dividends received	(167 138)	(156 172)
Foreign exchange movements	(102 666)	(33 652)
<b>Carrying amount of interest in associate at year-end</b>	<b>664 956</b>	<b>742 455</b>

<sup>1</sup>Current assets include:

Cash and cash equivalents	410 308	458 143
Loans and advances	1 684 209	1 928 115

The Group determines annually whether there is any objective evidence that its net investment in associates i.e., the carrying amount, is impaired and, if impairment is indicated, the amount is calculated with reference to IAS 36: *Impairment of Assets*. The difference between the Group share of net assets and the carrying amount of the investments relate to goodwill, which is not tested for impairment separately, instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36.

There were no impairment indicators for C1 Holdings LLC in the current or prior period.

11. PROPERTY, PLANT AND EQUIPMENT

R'000 GROUP	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property <sup>1</sup>	72 356	(1 183)	71 173	97 630	(1 368)	96 262
Furniture and fixtures	38 116	(30 408)	7 708	36 585	(30 924)	5 661
Motor vehicles	19 093	(10 310)	8 783	14 421	(9 952)	4 469
Office equipment	21 639	(16 199)	5 440	21 427	(16 593)	4 834
IT equipment	63 298	(43 423)	19 875	59 206	(35 872)	23 334
Computer software	8 982	(8 982)	-	14 130	(13 215)	915
Leasehold improvements	104 417	(68 170)	36 247	91 209	(64 643)	26 566
<b>Non-current assets</b>	<b>327 901</b>	<b>(178 675)</b>	<b>149 226</b>	<b>334 608</b>	<b>(172 567)</b>	<b>162 041</b>
COMPANY						
Property <sup>1</sup>	-	-	-	15 061	-	15 061
Furniture and fixtures	2	-	2	-	-	-
Office equipment	38	(5)	33	4	-	4
IT equipment	80	(56)	24	84	(49)	35
Leasehold improvements	53	(6)	47	9	-	9
<b>Non-current assets</b>	<b>173</b>	<b>(67)</b>	<b>106</b>	<b>15 158</b>	<b>(49)</b>	<b>15 109</b>

Reconciliation of property, plant and equipment - GROUP 2026 R'000	Opening balance	Additions through business combinations	Additions	Disposals at carrying value	Depreciation charge	Forex adjustment	Closing balance
Property <sup>1</sup>	96 262	-	-	(15 061)	-	(10 028)	71 173
Furniture and fixtures	5 661	-	4 415	(206)	(1 963)	(199)	7 708
Motor vehicles	4 469	-	7 298	(879)	(2 090)	(15)	8 783
Office equipment	4 834	-	2 344	(74)	(1 758)	94	5 440
IT equipment	23 334	-	10 303	(384)	(11 526)	(1 852)	19 875
Computer software	915	-	-	-	(915)	-	-
Leasehold improvements	26 566	-	19 753	(279)	(8 718)	(1 075)	36 247
	<b>162 041</b>	<b>-</b>	<b>44 113</b>	<b>(16 883)</b>	<b>(26 970)</b>	<b>(13 075)</b>	<b>149 226</b>
<b>GROUP 2025</b>							
Property <sup>1</sup>	84 791	-	15 061	-	-	(3 590)	96 262
Furniture and fixtures	5 507	83	3 039	(146)	(2 428)	(394)	5 661
Motor vehicles	2 402	-	2 934	-	(1 018)	151	4 469
Office equipment	3 951	50	2 229	(70)	(1 533)	207	4 834
IT equipment	23 961	146	8 468	(72)	(9 333)	164	23 334
Computer software	2 013	-	-	-	(1 098)	-	915
Leasehold improvements	27 211	-	12 141	(2 138)	(9 751)	(897)	26 566
	<b>149 836</b>	<b>279</b>	<b>43 872</b>	<b>(2 426)</b>	<b>(25 161)</b>	<b>(4 359)</b>	<b>162 041</b>
<b>COMPANY 2026</b>							
Property <sup>1</sup>	15 061	-	-	(15 061)	-	-	-
Furniture and fixtures	-	-	2	-	-	-	2
Motor vehicles	-	-	587	(577)	(10)	-	-
Office equipment	4	-	33	-	(4)	-	33
IT equipment	35	-	22	(9)	(24)	-	24
Leasehold improvements	9	-	44	-	(6)	-	47
	<b>15 109</b>	<b>-</b>	<b>688</b>	<b>(15 647)</b>	<b>(44)</b>	<b>-</b>	<b>106</b>
<b>COMPANY 2025</b>							
Property <sup>1</sup>	-	-	15 061	-	-	-	15 061
Office equipment	-	-	4	-	-	-	4
IT equipment	66	-	-	-	(31)	-	35
Leasehold improvements	-	-	9	-	-	-	9
	<b>66</b>	<b>-</b>	<b>15 074</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>15 109</b>

<sup>1</sup>Property held under property, plant and equipment consists of owner-occupied land and buildings. Land has an infinite useful life and is not depreciated. Depreciation on buildings is based on cost less residual value. Residual values of buildings have been assessed to be equal to or more than carrying amounts, which leads to no depreciation charge. The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Residual values are assessed annually.

12. RIGHT OF USE ASSETS

R'000 GROUP	2026			2025		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
Premises	391 276	(187 547)	203 729	355 148	(177 540)	177 608
	<b>391 276</b>	<b>(187 547)</b>	<b>203 729</b>	<b>355 148</b>	<b>(177 540)</b>	<b>177 608</b>

Reconciliation of Right of use assets:	GROUP		COMPANY	
	2026	2025	2026	2025
Opening balance	177 608	151 545	-	-
Additions through business combinations	-	387	-	-
Additions	133 752	127 777	-	-
Remeasurements	6 169	1 307	-	-
Terminations and modifications	3 827	(1 045)	-	-
Depreciation charge	(112 182)	(99 404)	-	-
Foreign exchange movements	(5 445)	(2 959)	-	-
	<b>203 729</b>	<b>177 608</b>	<b>-</b>	<b>-</b>

Refer to Note 18 Lease liabilities.

13. INVESTMENT PROPERTY

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Investment property	107 216	110 636	-	-
<b>Reconciliation of investment property:</b>				
Opening balance	110 636	117 721	-	-
Acquisitions	1 880	-	-	-
Disposals	(3 100)	-	-	-
Fair value remeasurements	(2 200)	(7 085)	-	-
Non-current assets	<b>107 216</b>	<b>110 636</b>	-	-

GROUP 2026	Opening balance	Acquisitions/ (Disposals)	Fair value remeasurement	Closing balance
Portion 10, 11 and remaining extent of Portion 6 of Farm Zwartkoppies 316 JT	56 300	-	-	56 300
Dullstroom Country Estate. Portions 28,36,40 & 66 of the Farm Kareekraal 135 JT and Portions 15,16,17,18,19,20,21,22,24,25,26,27,28,29,30,32,33,34,37,38,39,41,42,44,46,48,49,50,51 & 52 of the Farm Morgenzon 122 JT	18 536	(3 100)	-	15 436
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	16 650	-	-	16 650
Portion 1 and 3 of erf 312 Hatfield, Pretoria	5 600	-	-	5 600
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	8 000	-	(2 200)	5 800
Erf 128 Waterkloof Ridge, Pretoria	3 200	-	-	3 200
Erf 571 Queenswood, Pretoria	2 350	-	-	2 350
Portion 1 of Erf 1106 Waverley, Pretoria	-	1 880	-	1 880
	<b>110 636</b>	<b>(1 220)</b>	<b>(2 200)</b>	<b>107 216</b>

GROUP 2025	Opening balance	Acquisitions/ (Disposals)	Fair value remeasurement	Closing balance
Portion 10, 11 and remaining extent of Portion 6 of Farm Zwartkoppies 316 JT	59 260	-	(2 960)	56 300
Dullstroom Country Estate. Portions 28, 36, 40 & 66 of the Farm Kareekraal 135 JT and Portions 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 37, 38, 39, 41, 42, 44, 45, 46, 48, 49, 50, 51 & 52 of the Farm Morgenzon 122 JT	18 536	-	-	18 536
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	16 650	-	-	16 650
Portion 1 and 3 of erf 312 Hatfield, Pretoria	7 600	-	(2 000)	5 600
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	9 425	-	(1 425)	8 000
Erf 128 Waterkloof Ridge, Pretoria	3 900	-	(700)	3 200
Erf 571 Queenswood, Pretoria	2 350	-	-	2 350
	<b>117 721</b>	<b>-</b>	<b>(7 085)</b>	<b>110 636</b>

Details of property R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Portion 10,11 and remaining extent of portion 6 of Farm Zwartkoppies 316 JT</b>				
Purchase price	16 724	16 724	-	-
Capitalised expenditure	398	398	-	-
Remeasurement of fair value	39 178	39 178	-	-
	<b>56 300</b>	<b>56 300</b>	-	-
<b>Dullstroom Country Estate</b>				
<b>Portions 28, 36, 40 &amp; 66 of the Farm Kareekraal 135 JT and Portions 15 16,17,18,19,20,21,22,24,25,26,27,28,29,30,32,33,34,35,37,38, 39,41,42,44,46,48,49,50,51 &amp; 52 of the Farm Morgenzon 122 JT</b>				
Purchase price (Farm Morgenzon)	13 537	16 637	-	-
Purchase price (Farm Kareekraal)	1 472	1 472	-	-
Capitalised expenditure	19 557	19 557	-	-
Remeasurement of fair value	(19 130)	(19 130)	-	-
	<b>15 436</b>	<b>18 536</b>	-	-
<b>Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria</b>				
Purchase price (Erf 7/315, Erf 8/315)	5 511	5 511	-	-
Purchase price (Erf 1/316)	5 000	5 000	-	-
Capitalised expenditure	801	801	-	-
Remeasurement of fair value	5 338	5 338	-	-
	<b>16 650</b>	<b>16 650</b>	-	-
<b>Portion 1 and 3 of erf 312 Hatfield, Pretoria</b>				
Purchase price	8 336	8 336	-	-
Remeasurement of fair value	(2 736)	(2 736)	-	-
	<b>5 600</b>	<b>5 600</b>	-	-
<b>Portion 1 and remaining extent of erf 64 Hatfield, Pretoria</b>				
Purchase price	13 378	13 378	-	-
Remeasurement of fair value	(7 578)	(5 378)	-	-
	<b>5 800</b>	<b>8 000</b>	-	-
<b>Erf 128, Waterkloof Ridge, Pretoria</b>				
Purchase price	1 637	1 637	-	-
Capitalised expenditure	76	76	-	-
Remeasurement of fair value	1 487	1 487	-	-
	<b>3 200</b>	<b>3 200</b>	-	-
<b>Erf 571, Queenswood, Pretoria</b>				
Purchase price	2 100	2 100	-	-
Capitalised expenditure	97	97	-	-
Remeasurement of fair value	153	153	-	-
	<b>2 350</b>	<b>2 350</b>	-	-

**Erf 1106 Waverly, Pretoria**

Purchase price	1 880	-	-	-
	<b>1 880</b>	-	-	-

**DISPOSAL ACTIVITIES**

Management is actively marketing the investment properties with the intent to dispose of the properties at values equal to or higher than the current book values net of any potential cost relating to such a disposal. Various estate agents have been appointed to market the properties. Market conditions at the moment are not conducive to the quick sale of the properties.

**Portion 10 and 11 and remaining extent of portion 6 of Farm Zwartkoppies 316JT**

The Group has undertaken a strategic initiative approved by its Board in respect of Zwartkoppies Farm, that seeks to unlock value. The focus is on unlocking the true value of the farm through a partnership with an appropriate technical partner for obtaining prospecting rights over the farm and assessing the extent of coal deposit thereon.

The strategy is designed in a phased approach. First phase is to obtain prospecting rights to formally determine coal quantity and quality estimates. The second phase will be driven by the results received from the first.

**Dullstroom Country Estate**

Portion 45 of the Farm Morgenzon 122, Registration Division JT was sold and registered on 28 November 2025 in the Mpumalanga Deeds Office.

**Portion 1 and remaining extent of erf 64 Hatfield, Pretoria**

Portion 1 and remaining extent of erf 64 Hatfield, Pretoria was sold and registered on 13 March 2026 in the Pretoria Deeds Office.

**Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria**

An offer to purchase portions 7 and 8 of erf 315, Hatfield Township, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng, and portion 1 of erf 316, Hatfield Township, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng, was received and accepted during July 2022. The residential zoning was approved in September 2024. Purchaser financing arrangements are still pending.

**Erf 128 Waterkloof Ridge, erf 571 Queenswood, & erf 1106 Waverly, Pretoria**

The Group has not embarked on any sales actions on these properties and does not intend to do so in the near future. These properties have been made available to TPOSA free of charge. The Waterkloof Ridge house provides a haven for children with various medical and other problems, while the Queenswood house is used for financial administration and the distribution of basic supplies.

Finbond is proud to be associated with Tshwane Place of Safety Association (TPOSA), an organisation dedicated to providing orphaned and abandoned babies, as well as babies infected with HIV, with good homes, frail care, and shelter.

## DETAILS OF VALUATION

The fair values are supported by valuations performed by independent external expert valuers holding a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Independent external valuations are performed at a minimum of every three years, unless management's annual fair value assessment indicates material changes to the property market and/or underlying assumptions and inputs into current valuation models.

An independent external valuation of the Zwartkoppies property and Portion 7 & 8 of erf 315 and portion 1 of erf 316, Hatfield, Pretoria properties were performed for the financial year ending February 2026. Independent external valuations of Investment Properties were performed during the financial year ending February 2025 for all other properties.

### Portion 10 and 11 and remaining extent of portion 6 of Farm Zwartkoppies 316JT

The valuation of this highly specialised property is derived from management's assessment of the probability of the various uses of the property materialising. The options available for potential extraction of value forming attributes of this property has been assessed by management as including:

- Sell the land as it is;
- Partner with a strategic partner to mine the land and dispose of the land post the mining of coal;
- Sell the land with prospecting rights; or
- Coal not feasible to mine, sell land.

On 26 February 2019 Finbond received a desktop evaluation and review from Ms K. van Deventer of SugarBush Consultancy estimating an occurrence of 1,395,549 tonnes of coal on 10% of the property based on 48 boreholes drilled on the farm Zwartkoppies 316 JT in 1980 by Anglo Vaal (as confirmed by the Council for Geoscience). The output of this report has been used by management's independent expert valuers in their valuation assessments as reflected further on.

On 27 February 2019 Finbond received an independent Laboratory Test Report by Mr Kobus Janse van Rensburg (Manager: Geology) of SGS South Africa Minerals Services Trichardt Laboratory, indicating coal with an RD of 1.49.

Please note that neither the SugarBush Consultancy review, nor the SGS South Africa Minerals Services Trichardt Laboratory reports have been reported on in terms of SAMVAL or SAMREC codes due to lack of recent and prescribed detailed geological surveys and coal quality analysis.

In 2016, a coal prospecting right on Zwartkoppies farm, was irregularly granted by the Department of Mineral Resources and Energy to Legare Mining Service (Pty) Ltd. After the settlement reached between Finbond and Legare, Finbond strategic partner applied for prospecting rights in June 2024. The Department of Mineral Resources and Energy subsequently issued a closure certificate on the 4<sup>th</sup> of August 2025 on the prospecting rights granted to Legare Mining Services (Pty) Ltd.

A prospecting right application was lodged with the Department of Mineral Resources and Energy in June 2024 by Finbond's strategic partner. The application was accepted by the Department of Mineral Resources and Energy (DMRE) in February 2025. Further processes, including but not limited to basic assessment for the environmental authorisation still continue with the Department of Mineral Resources and Energy before a conclusion is reached on whether the rights are granted or not.

A final basic assessment report and environmental management programme report was submitted to DMRE on the 25<sup>th</sup> of June 2025. Subsequent to the submission of the report, DMRE required a financial provision as part of the process to issue an environmental authorisation regarding the prospecting right application. The financial provision in the form of a demand guarantee issued by a commercial bank was submitted to DMRE on the 27<sup>th</sup> of January 2026.

Once the prospecting rights are obtained, Finbond would then be able to conduct the prescribed detailed geographical surveys and coal quality analysis and feasibility studies in terms of SAMVAL or SAMREC codes to allow Management to place value on the mineable land. Although this process invariably also takes time to complete, it is critical to unlocking the value and marketability of this property.

Managements' assumptions included in determining the fair value of the property are based on the inputs as assessed and reported by management's two external valuers as obtained during the 2026 year external valuations performed for the property. A risk adjustment has been applied by management to factor in current uncertainty relating to the successful securing of the prospecting rights and/or strategic mining partner, as per the potential options available in extracting value from the property, as discussed above.

**Mineable land:**

Mineable land value was based on the comparable rental as a percentage of mineral turnover method. The comparable rental as a percentage of turnover method is premised on the fact that the property owner will be compensated for loss and damages in the event of mining, irrespective of who holds the prospecting and ultimate mining right. This is not a valuation of the mineral, it is a valuation of the compensation payable to a property owner for the damage and destruction of this property. The present value of such compensation (mostly in the form of royalties) forms the basis of the determination of the value of the property. Mining would be completed in four years, eight months.

In addition to the valuations as obtained from management's independent experts, management have estimated the mineable land at a fair value of R56.3 million. This is based on current information available and applying prudent valuation assumptions.

<b>Principal assumptions used in the valuation of the mineable land:</b>	<b>2026</b>	2025
Coal price – per ton	R1 200	R1 200
Coal volume – tonnes	1,300,000	1,300,000
Expected period of cash flows	over 4 years, after 4 years delay	over 4 years, after 4 years delay
Compensation (royalty) – % of turnover	10%	10%
Discount rate used in discounting the cash flows	18%	18%

**Changes in above assumptions will have the following impact on the fair value:**

10% change in coal price	R4.1 million	R3.9 million
One-year change in expected period of cash flows	R5.6 million	R5.3 million
10% change in estimated coal reserves	R2.8 million	R2.6 million
1% change in compensation (royalty) – % of turnover	R5.9 million	R5.1 million
1% change in discount rate used in discounting the cash flows	R3.7 million	R3.5 million

In determining the fair value for the current year, management have taken into account the range of possible options available to extract value from the investment. Management have determined a probability weighted estimate by assigning a probability of likely outcome to each of the 5 scenarios noted above in this note, and applying these probabilities to value estimates determined under each scenario. The weighted average scenario valuation approximates the value that management have determined for the mineable land fair value in total as at the financial year end.

Management have factored the value of the mineable land into its probability assessment and regard a fair value of R56.3 million to be appropriate. No fair value adjustment has been recognised in the statement of comprehensive income.

<b>Valuation amount range:</b>	<b>R15 million – R70 million</b>	(2025: R20 million – R100 million)
<b>Fair value</b>	<b>R56.3 million</b>	(2025: R56.3 million)

### Dullstroom Country Estate

Valuations were performed using comparable sales method as the method of valuation. The comparable sales method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property. The discounted cash flow method (DCF) was further applied by ADV Valuations to allow for the impact of time on monetary value. The DCF analysis focuses on the operating cash flows expected from a property and the anticipated proceeds of a hypothetical sale (terminal value) at the end of an assumed holding period. Taking time value of money into account, these amounts are then discounted to a present value. The discounted present values of the income stream and the hypothetical sale are added to obtain a market value indication.

Independent external valuations of the investment property were performed by Mr Visser (Professional Valuer) of ADV Valuations and Mr Gouveia (Professional Associate Valuer) of ValueTec Property Valuations for the financial year ending February 2025. Based on the valuation dated 31 December 2024, the value of the property is R18.8 million and R21.3 million respectively (including the desposed property).

	2026	2025
<b>Total valuation amount: A.D. Visser (Professional Valuer) of ADV Valuations (formerly known as Amalgamated Property Solutions)</b>	<b>R18.8 million</b>	<b>R18.8 million</b>
Principal assumptions used in the valuation of the property:		
Discounted Cash Flow Method (DCF)		
Discount rate used in discounting the cash flows	16.0%	16.0%
Expected period of completion and cash flows	3 years	3 years
Gross income	R25.9 million	R25.9 million
Costs (VAT, agent's commission, holding costs, marketing expenses, road upgrade costs)	R8.0 million	R8.0 million
<b>Changes in above assumptions will have the following impact on the fair value:</b>		
1% change in discount rate	R0.2 million	R0.2 million
One-year delay in the period of cash flows	(R2.0 million)	(R2.0 million)
10% change in costs	R0.6 million	R0.6 million
10% change in gross income	R2.0 million	R2.0 million
<b>Total valuation amount: Mr Gouveia (Professional Associate Valuer) of ValueTec Valuations</b>	<b>R21.3 million</b>	R21.3 million

Valuations were performed using the comparable sales method as the method of valuation. This method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property.

<b>Valuation amount range after disposal:</b>	<b>R15.7 million – R18.2 million</b>	(2025: R18.8 million – R21.3 million)
<b>Fair value</b>	<b>R15.4 million</b>	(2025: R18.5 million)

**Pretoria properties**

Valuations were performed using the comparable sales method as the method of valuation. This method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property.

Independent external valuations of Investment Properties were performed by Mr Visser (Professional Valuer) of ADV Valuations and Mr Gouveia (Professional Associate Valuer) of ValueTec Valuations dated 31 December 2024.

	<b>Mr Visser</b>	<b>Mr Gouveia</b>	<b>Fair value</b>
<b>2026</b>			
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	R19.0 million	R20.0 million	R16.6 million
Portion 1 and 3 of erf 312 Hatfield, Pretoria	R5.0 million	R6.8 million	R5.6 million
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	R7.0 million	R8.6 million	R5.8 million
Erf 128 Waterkloof Ridge, Pretoria	R3.8 million	R2.6 million	R3.2 million
Erf 571 Queenswood, Pretoria	R2.5 million	R2.5 million	R2.4 million
<b>2025</b>			
Portion 1 and 3 of erf 312 Hatfield, Pretoria	R5.0 million	R6.8 million	R5.6 million
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	R7.0 million	R8.6 million	R8.0 million
Erf 128 Waterkloof Ridge, Pretoria	R3.8 million	R2.6 million	R3.2 million
Erf 571 Queenswood, Pretoria	R2.5 million	R2.5 million	R2.4 million

For valuations higher than carrying value, management applied a prudent approach and decided not to adjust the values.

#### 14. GOODWILL

GROUP R'000	2026			2025		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	756 415	(451 214)	305 201	832 947	(514 317)	318 630
South Africa	267 180	(47 822)	219 358	267 180	(47 822)	219 358
North America	489 235	(403 392)	85 843	565 767	(466 495)	99 272
	<b>756 415</b>	<b>(451 214)</b>	<b>305 201</b>	<b>832 947</b>	<b>(514 317)</b>	<b>318 630</b>

Reconciliation of Goodwill: R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Opening balance	318 630	305 345	-	-
Additions through business combinations	-	21 809	-	-
Impairment	-	(3 625)	-	-
Forex adjustment	(13 429)	(4 899)	-	-
Non-current assets	<b>305 201</b>	<b>318 630</b>	-	-

Goodwill represents the excess of the purchase price over the assets, liabilities and contingent liabilities identified, acquired in a business combination. Goodwill is, from date of acquisition, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination.

	Opening balance	Additions	Impairment	Forex adjustment	Closing balance
<b>CONSOLIDATED 2026</b>					
American Cash Advance	94 514	-	-	(12 786)	81 728
Nice Loans	4 758	-	-	(643)	4 115
Supreme Finance	121 393	-	-	-	121 393
Finbond Mutual Bank	97 965	-	-	-	97 965
	<b>318 630</b>	-	-	<b>(13 429)</b>	<b>305 201</b>

#### CONSOLIDATED 2025

American Cash Advance	98 984	-	-	(4 470)	94 514
Nice Loans	8 812	-	(3 625)	(429)	4 758
Supreme Finance	99 584	21 809	-	-	121 393
Finbond Mutual Bank	97 965	-	-	-	97 965
	<b>305 345</b>	<b>21 809</b>	<b>(3 625)</b>	<b>(4 899)</b>	<b>318 630</b>

Goodwill is allocated to individual cash-generating units, with impairment testing being performed annually, by comparing the net carrying amount of the cash-generating units to the estimated recoverable amount. The value in use is determined by discounting estimated future cash flows of each cash-generating unit using the discounted cash flow methodology/income method. The method used was reviewed by an external, independent valuer.

Management regards the useful lives of cash-generating units to be indefinite, and a nil (2025: R3.6 million) impairment resulted from annual impairment testing. The reduction in the accumulated impairment for the North American CGUs is due to a strengthening of the Rand against the US Dollar.

The Group determines the recoverable amount, being the higher of the fair value less cost to sell and the value in use, of individual cash-generating units by discounting the expected future cash flows of each of the identified cash-generating units. The recoverable amount is then compared to the carrying amount of the respective cash-generating unit and an impairment loss is raised if required.

As the Group owns CGUs that operate in North America, the USD/ZAR exchange rate is a critical variable in determining the ZAR denominated value of future cash flows. Fluctuations in the exchange rate outlook may significantly impact the carrying amount of goodwill.

The Group utilises a multiple scenario forecasting approach to evaluate the resilience of our business against various potential outcomes. This approach involves applying different levels of stress to a variety of forecasting variables, such as profit margins, impairment rates, exchange rates, and growth rates, across a wide range of scenarios. These scenarios span from highly favourable to significantly stressed conditions, enabling us to gauge the robustness of our operations and financial performance under diverse circumstances.

By applying a probability-weighted average forecast across the aforementioned scenarios, we consider the likelihood of each scenario occurring. A discounted cash flow valuation is applied to this probability weighted average five year forecast. In the discounted cashflow valuation, key valuation parameters including dividend pay-out ratio, perpetual growth rate and discount rate are applied.

It is important to note that, under certain stressed five year forecast scenarios where multiple key forecasting variables (including fluctuations in exchange rate) experience simultaneous strain, additional impairment to goodwill may result. An impairment may also result where the key valuation parameters such as dividend payout ratios, discount rates and perpetuity growth rates are stressed.

A CGU's future revenue growth rate is an essential factor in estimating the future cash flows generated by the CGUs. To determine the revenue growth rate, the Group follows a bottom-up and top-down approach, engaging with operating heads and incorporating economic trends, strategic aims, and risks in the business plans. Operational performance is forecast based on product and delivery channel strategies as per the business plans and evolves as new information becomes available, affecting the recoverable amounts accordingly.

The Group continually monitors these key variables and updates its assumptions and estimates based on market and economic conditions, as well as management's expectations. Any significant changes in these variables may materially impact the carrying amount of goodwill and may result in impairment losses.

The calculation uses cash flow projections from business plans for the forthcoming 5 years, which are then extrapolated for further years (perpetuity). Extrapolation is achieved using a long-term growth rate, based on projected economic indicators including the expected long-term inflation rate and GDP growth rate in the CGU's jurisdiction. The Group therefore follows a conservative perpetuity growth rate approach.

Perpetuity growth rate	2026	2025
South Africa	6.34%	5.99%
North America	3.95%	4.2%

Exchange rate		
ZAR : USD	17.000 – 19.667	19.000 – 22.253

The risk-adjustment discount rate is based on the cost of equity (Ke) and was calculated using the Capital Asset Pricing Model (CAPM):

Cost of equity (Ke)		
American Cash Advance	12.30%	16.11%
Nice Loans	18.30%	22.11%
Supreme Finance	16.27%	21.32%
Finbond Mutual Bank	15.77%	21.32%

For purposes of the calculation of the CAPM discount rate, the following assumptions were used:

Risk-free rate	3.95% – 8.12%	3.9% – 10.5%
Equity market risk premium	4.69% – 6.0%	4.56% – 6.0%
Beta	0.50 – 0.53	0.97 – 1.36
Small stock premium	3.5% – 8.0%	4.0% – 8.0%
Unsystematic risk premium	1.0% – 4.0%	1.0% – 4.0%

Discount rates benefited from lower comparator company beta coefficients, reflecting reduced volatility in the global banking and financial sectors relative to other major sectors over the past year. In South Africa, discount rates further benefited from a more than 2% reduction in the risk-free rate, primarily driven by the SARB's reduction of the target inflation rate from 4.5% to 3% in May 2025 (supported by SA's removal from the greylist, a credit rating upgrade, and a strengthening ZAR).

15. INTANGIBLE ASSETS

R'000 GROUP	2026			2025		
	Cost	Accumulated amortisation/ impairment	Carrying value	Cost	Accumulated amortisation/ impairment	Carrying value
Trademarks and brand names	4 811	(693)	4 118	10 933	(6 171)	4 762
Computer software developed	15 736	(1 006)	14 730	12 537	(419)	12 118
Non-current assets	<b>20 547</b>	<b>(1 699)</b>	<b>18 848</b>	<b>23 470</b>	<b>(6 590)</b>	<b>16 880</b>

Reconciliation of intangible assets

2026	Opening balance	Additions at cost	Disposals at carrying value	Amortisation/ impairment	Foreign exchange movement	Total
Trademarks and brand names	4 762	-	-	(269)	(375)	4 118
Computer software developed	12 118	3 347	(9)	(384)	(342)	14 730
	<b>16 880</b>	<b>3 347</b>	<b>(9)</b>	<b>(653)</b>	<b>(717)</b>	<b>18 848</b>
2025						
Trademarks and brand names	12 283	-	-	(6 896)	(625)	4 762
Computer software developed	9 817	2 596	-	(261)	(34)	12 118
	<b>22 100</b>	<b>2 596</b>	<b>-</b>	<b>(7 157)</b>	<b>(659)</b>	<b>16 880</b>

Acquired trademarks and brand names are allocated to individual cash generating units. Impairment testing is performed annually by comparing the net carrying value of the cash-generating units to the estimated 'value in use'. The value in use is determined by discounting estimated future cash flows of each cash-generating unit using the discounted cash flow methodology/income method. Management regards the useful lives of all cash-generating units to be indefinite, due to the following factors that were considered:

- the expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team;
- product life cycles and public information on estimates of useful lives of similar assets used in a similar way;
- technical, technological, commercial or other types of obsolescence;
- the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the assets;
- expected actions by competitors or potential competitors;
- the maintenance expenditure level required to obtain expected future economic benefits and the entity's ability and intention to reach such a level;
- period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and
- whether the useful life of the asset is dependent on the useful life of other assets of the entity.

## 16. TRANSACTIONAL DEPOSITS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Transactional deposits	55 978	47 583	-	-
Current liabilities	<b>55 978</b>	<b>47 583</b>	-	-

Transactional deposits consist of customer funds in savings products, immediately available to customers for use, at Finbond Mutual Bank (a SA subsidiary).

Fair value approximates carrying amount due to the short-term nature of these liabilities.

## 17. TRADE AND OTHER PAYABLES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Trade payables <sup>1</sup>	39 895	11 118	4 030	2 114
VAT payable	-	3 304	-	319
Accrued leave pay	10 396	9 240	379	411
Other accruals <sup>2</sup>	32 148	35 002	8 563	8 179
Dividends payable	-	31 146	-	31 146
Sundry payables	18 118	13 119	1 539	571
Current liabilities	<b>100 557</b>	<b>102 929</b>	<b>14 511</b>	<b>42 740</b>

<sup>1</sup>Trade payables consist of amounts due to suppliers and service providers for goods and services received in the normal course of operations.

<sup>2</sup>Other accrued expenses relate to expenses recognised in the period but not yet invoiced or settled at the reporting date. The balance primarily comprises statutory external audit fees, as well as legal and collection costs.

Fair value approximates carrying amount due to the short-term nature of these liabilities.

18. LEASE LIABILITIES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Opening balance	194 701	167 659	-	-
Additions through business combinations	-	425	-	-
Additions	133 752	127 777	-	-
Remeasurements	6 189	1 302	-	-
Terminations and modifications	3 636	(926)	-	-
Interest expense	22 764	18 113	-	-
Lease payments	(129 804)	(116 481)	-	-
Foreign exchange movements	(5 734)	(3 168)	-	-
	<b>225 504</b>	194 701	-	-
Current	103 920	84 124	-	-
Non-current	121 584	110 577	-	-
	<b>225 504</b>	<b>194 701</b>	-	-

The Group has leases for branch premises. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset (refer to Note 12) and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. No leases include an option to purchase.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options
<b>2026</b>				
Premises	551	3 months – 9 years	2 years	64
<b>2025</b>				
Premises	449	3 months – 9 years	2 years	58

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at the reporting date were as follows:

	Within 1 year	2 – 5 years	After 5 years	Total
<b>GROUP - 2026</b>				
Lease payments	120 233	126 125	6 144	252 502
Finance charges	(16 313)	(10 246)	(439)	(26 998)
	<b>103 920</b>	<b>115 879</b>	<b>5 705</b>	<b>225 504</b>
<b>GROUP - 2025</b>				
Lease payments	98 668	116 620	5 588	220 876
Finance charges	(14 544)	(11 117)	(514)	(26 175)
	<b>84 124</b>	<b>105 503</b>	<b>5 074</b>	<b>194 701</b>

*Lease payments not recognised as a liability*

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line or other systematic basis where appropriate. The expense relating to payments not included in the measurement of the lease liability, and included in operating expenses, is as follows:

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Short-term leases	<b>28 978</b>	<b>26 521</b>	-	-

19. FIXED AND NOTICE DEPOSITS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
At amortised cost				
Fixed-term deposits	335 103	330 529	-	-
Permanent interest-bearing shares	137 221	202 615	-	-
Fixed-period paid-up shares	58 083	56 850	-	-
Notice deposits	104	288	-	-
	<b>530 511</b>	<b>590 282</b>	-	-
Current liabilities	181 266	239 823	-	-
Non-current liabilities	349 245	350 459	-	-
	<b>530 511</b>	<b>590 282</b>	-	-

Deposit products in Finbond Mutual Bank ("FMB", a SA subsidiary) are classified as follows:

Effective interest rate at the reporting date:

Fixed-term deposits	8.8% (2025: 8.8%)
Permanent interest-bearing shares	10.0% (2025: 10.1%)
Fixed-period paid-up shares	8.8% (2025: 8.9%)
Notice deposits	5.5% (2025: 5.3%)

Fixed-term and Notice deposit products earn interest at the contracted fixed rate up to the expiry of the relevant product maturity. FMB offers maturity terms of 30-days on Notice deposits and Fixed-term maturities range from six to 72-months.

Fixed-period shares have an investment period of 66 months with guaranteed fixed dividend rates.

Permanent interest-bearing shares earn interest at a fixed contracted rate. This investment is non-redeemable but is transferable after expiry of a 72-month period.

All classes of shares have one vote per share at FMB shareholders' meetings.

Fair value of the fixed and notice deposits approximates the carrying amount.

Fair value hierarchy: Level 2 (2025: Level 2).

## 20. COMMERCIAL PAPER

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Fixed-term notes at amortised cost	<b>3 014 087</b>	<b>2 861 248</b>	<b>3 014 087</b>	<b>2 861 248</b>
Current liabilities	257 070	239 835	257 070	239 835
Non-current liabilities	2 757 017	2 621 413	2 757 017	2 621 413
	<b>3 014 087</b>	<b>2 861 248</b>	<b>3 014 087</b>	<b>2 861 248</b>

South African fixed-term interest-bearing notes, with capital and interest guaranteed by Finbond Group Limited ("FGL"), issued to the general public with a 60-month term. The lender can elect to either capitalise interest or receive a monthly cash payment at a fixed interest rate of between 8.4% and 12.5% (2025: 9% and 12.5%) per annum. No defaults of principal or interest occurred during the financial year.

The average remaining term is 35.3 months (2025: 40.0 months). The outstanding balance includes capitalised interest of R113.5 million (2025: R85.7 million).

Refer to Note 43 for further detail on the proposed draft amendments to the Commercial Paper Regulations issued by the South African Reserve Bank in July 2023, together with FGL's response and related funding diversification mitigation strategy.

Fair value of commercial paper approximates the carrying amount.

Fair value hierarchy: Level 2 (2025: Level 2).

21. DEFERRED TAXATION

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Deferred tax asset/(liability)</b>				
Property, plant and equipment	(8 911)	(10 938)	-	-
Investment property	(3 572)	(4 085)	-	-
Prepayments on deferred charges	(11 231)	(5 973)	909	924
Other financial assets	(4 152)	(3 125)	-	-
Impairment of investments in subsidiaries	-	-	15 388	25 668
Investment in partnerships	(47 617)	(56 447)	-	-
Amortisation of tax goodwill of foreign investment	(68 444)	(73 377)	-	-
Tax losses available for set-off against future taxable income	231 538	162 117	91 535	22 632
Deferred tax balances from other temporary differences	92 390	112 106	50 525	56 835
Expected credit losses	8 999	(1 945)	50 423	56 835
Unearned future income	10 506	9 946	-	-
Accrued deferred expenses	65 640	99 577	102	-
Right of use assets	(50 679)	(41 766)	-	-
Lease liabilities	57 924	46 294	-	-
	<b>180 001</b>	<b>120 278</b>	<b>158 357</b>	<b>106 059</b>
Deferred tax liability	-	-	-	-
Deferred tax asset	180 001	120 278	158 357	106 059
Total net deferred tax asset	<b>180 001</b>	<b>120 278</b>	<b>158 357</b>	<b>106 059</b>
<b>Reconciliation of deferred tax asset/(liability):</b>				
At the beginning of year	120 278	99 798	106 059	83 332
Taxable/(deductible) temporary difference movement on foreign partnership investments	8 830	(22 274)	-	-
Increase/(decrease) due to goodwill amortisation of foreign investment	4 933	(8 666)	-	-
Increase in current tax loss available for set-off against future taxable income	69 421	13 572	68 903	22 632
(Decrease)/increase in accrued deferred expenses	(33 937)	43 767	102	-
Taxable temporary difference movement on unearned future income	560	483	-	-
Taxable/(deductible) temporary difference movement on provisions	10 944	(4 724)	(6 412)	(345)
Taxable temporary difference movement on wear and tear	2 027	252	-	-
(Deductible)/taxable temporary difference movement on prepayments and deferred charges	(5 258)	(4 031)	(15)	440
Taxable temporary difference movement on investment property at fair value	513	1 530	-	-
Deductible temporary difference movement on right of use assets	(8 913)	(6 579)	-	-
Taxable temporary difference movement on lease liabilities	11 630	6 714	-	-
(Deductible)/taxable temporary difference movement on other financial assets	(1 027)	436	-	-
Deductible temporary difference movement on impairment of investments in subsidiaries	-	-	(10 280)	-
	<b>180 001</b>	<b>120 278</b>	<b>158 357</b>	<b>106 059</b>

### Foreign partnership investments

For its investment in four pass-through entities, Finbond Group North America (“FGNA”) recognises its share of income and losses on an annual basis. FGNA also tracks the timing differences between book and tax values for these companies. The timing differences are tracked on an aggregate basis as one timing difference for “investment in partnerships”. This is a cumulative tracking of the timing differences over the life of the investment.

Furthermore, for one of the partnerships (Americash), “amortisation of taxation goodwill of a foreign investment” applies, as FGNA made an election under IRC 754 to step-up their basis in this investment to align the inside and outside basis in the company. This results in “tax” goodwill amortisation taken over 180 months in accordance with IRC 197. This timing difference is tracked separately from the other timing differences in the partnerships, as this timing difference is technically at the partner level (FGNA), opposed to inside the partnership itself.

### Recognition of deferred tax asset

Deferred tax is calculated on all temporary differences under the balance sheet method, using an effective tax rate of 27% (2025: 27%) for South Africa and a blended rate of 26% (2025: 26.5%) for North America. The deferred tax assets are stated at the rate at which the assets are expected to be realised and recovered.

The Group recognises a deferred tax asset 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 considers all available information in making this assessment.

At a Company level, Finbond Group Limited (FGL) carries such a deferred tax asset amounting to R91.5 million (2025: R22.6 million). It should be noted that in assessing future taxable profit against which unused tax losses can be utilised at Company level – at purely an investment income/operational profit level i.e. ignoring potential capital appreciation based on the Group’s Board approved strategic plan – the assessment is highly sensitive to movements in the South African Rand to US Dollar foreign exchange rate.

At Consolidated level, deferred tax assets are carried for Finbond Group North America amounting to R132.2 million (2025: R133.5 million), Finbond Group South Africa amounting to R5.2 million (2025: R5.3 million) and King Loan Finance amounting to R2.7 million (2025: R0.7 million).

In assessing the recoverability of the deferred tax asset recognised, the Group and Company considers the detailed and rigorous budget and 5-year strategic plan (prepared on an individual entity level) and as reviewed and approved at various committee levels and ultimately by the Board of Directors. The budget and 5-year strategic plan supports a return to profitability (that will result in taxable profits against which the tax losses can be utilised) with a high level of confidence. Abnormal losses in recent years have been driven by specific factors which have been carefully considered in assessing the probability of return to profits, such as:

- The COVID pandemic hit our industry particularly hard due to unprecedented US COVID consumer stimulus that directly targeted our low income earning (LSM) customers. Consumer stimulus temporarily elevated US consumer savings levels, which suppressed demand for our products. Stimulus has since run out, and consumer savings levels finally returned to pre-pandemic levels during the 2024 calendar year.
- The Group was naturally also affected by lower economic activity and volumes globally, caused by the COVID pandemic from 2020 to 2022.
- Additionally, regulatory change in the US state of Illinois in early 2021 resulted in the need to replace significant Illinois sales volumes and revenue. This was achieved through restructuring initiatives and introducing an entirely new alternate loan product offering. Although sales volumes are progressing, positive impacts on profitability (for this alternate longer-term 12 – 18-month product) continue to take time as the product matures.
- Also see Note 14 (Goodwill) and Note 43 (Going Concern) for more information.

Financial projections indicate that the Group is likely to produce sufficient taxable income in the near future, to utilise the deferred tax assets.

Unrecognised deferred tax assets of losses for the Group carried forward and available for set-off against future taxable income amounted to R101.5 million (2025: R107.7 million).

**Use and sales rate**

The deferred tax rate applied to the fair value adjustment of investment properties/financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property/financial assets is through sale the capital gains tax rate of 21.6% (2025: 21.6%) is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 27% (2025: 27%) is applied. If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

Movement in deferred taxation recognised in the statement of changes in equity amounted to R68.4 million (2025: R22.7 million).

**22. SHARE CAPITAL**

**Authorised**

2,000,000,000 ordinary no par value shares (2025: 2,000,000,000 ordinary no par value shares).

1,530,863,744 (2025: 1,520,006,546) unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

R'000	GROUP		COMPANY	
	2026	2025	2026	2025

**Issued**

**GROUP**

469,136,256 (2025: 479,993,454) ordinary shares **867 084** **877 978**

**COMPANY**

515,720,092 (2025: 515,720,092) ordinary shares **981 881** **981 881**

GROUP	Number of shares	Share Capital R'000	Treasury shares R'000	Total R'000
At 29 February 2024	456,601,384	997 001	(131 580)	865 421
Share buy back (and cancelled)	-	(15 120)	15 120	-
Scrip dividend from treasury shares	23,392,070	-	12 557	12 557
At 28 February 2025	<b>479,993,454</b>	<b>981 881</b>	<b>(103 903)</b>	<b>877 978</b>
Share buy back to treasury shares	(10,857,198)	-	(10 894)	(10 894)
<b>At 28 February 2026</b>	<b>469,136,256</b>	<b>981 881</b>	<b>(114 797)</b>	<b>867 084</b>

**COMPANY**

At 29 February 2024	542,720,092	997 001	-	997 001
Share buy back	(27,000,000)	(15 120)	-	(15 120)
At 28 February 2025	<b>515,720,092</b>	<b>981 881</b>	-	<b>981 881</b>
<b>At 28 February 2026</b>	<b>515,720,092</b>	<b>981 881</b>	-	<b>981 881</b>

Finbond Private Equity holds 9.0% of the total issued number of shares (2025: 6.9%).

The average price for treasury shares purchased during the year was R1.00 (2025: R0.55).

## 23. RESERVES

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Non-distributable reserves</b>				
Equity settled share option reserve <sup>1</sup>	19 293	17 469	19 293	17 469
Foreign currency translation reserve <sup>2</sup>	87 908	369 426	-	-
	<b>107 201</b>	<b>386 895</b>	<b>19 293</b>	<b>17 469</b>

<sup>1</sup>Refer also to Note 24.

<sup>2</sup>Exchange differences arising on translation of the results and net assets of the Group's investments in foreign entities from their functional currencies to the Group's presentation currency are recognised in other comprehensive income. In effect, these amount to unrealised foreign exchange gains.

## 24. SHARE-BASED PAYMENT ARRANGEMENTS

### Finbond Share Appreciation Rights

The Finbond Share Appreciation Rights ("SARs") provides participants a conditional right to receive an award equal to the increase in the share price of a number of notional shares over a specified vesting period (the "Award"). The Scheme is subject to performance vesting conditions as follows:

- 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R300 million;
- A further 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R500 million;
- A further 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R700 million;
- The balance of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R900 million.

Vesting of options is conditional on the employee remaining in the employment of the Company.

The SARs shall be settled by the transfer of ordinary shares in the issued share capital of Finbond ("Share") held by Finbond. The participants have no right to receive cash. Finbond does however have the discretion to settle the Awards in cash. The rules of the Scheme specify that should participants be paid in cash based on the increase in value of the SARs, the cash must be applied towards the subscription or purchase of shares in Finbond. As it is Finbond's stated intention to settle the Awards in equity instruments, the Scheme is classified as equity-settled. The total number of shares that may be utilised for the Scheme is 45,376,894 (2025: 45,376,894).

During the year, the Group modified the outstanding options by reducing the exercise price to R1.01. In accordance with IFRS 2, the Group has continued to recognise the original grant date fair value of the options over the original vesting period and has recognised the incremental fair value arising from the modification over the remaining vesting period.

As a result of the modification, an additional share-based payment expense of R0.4 million was recognised during the year.

Net fair value of options granted (R'000)	2026	2025
Grant 6	15 135	14 310
Grant 7	8 634	8 638
Grant 8	4 036	4 038
Grant 9	733	758
	<b>28 538</b>	<b>27 744</b>

As per Note 23, R19.3 million has already been expensed in terms of the SARs. As per the above another R9.2 million needs to be expensed over the vesting period. Accordingly, the total value of the SARs will ultimately amount to R28.5 million.

**Reconciliation of outstanding share options**

	Number of options	Weighted exercise price
<b>2026</b>		R
Outstanding at the beginning of the year	50 900 000	3.04
Granted during the year	-	-
Forfeited during the year - vesting service condition not met	-	-
Vested and exercised during the year	-	-
Outstanding at the end of the year	50 900 000	1.01
<b>2025</b>		
Outstanding at the beginning of the year	50 900 000	3.04
Granted during the year	-	-
Forfeited during the year - vesting service condition not met	-	-
Vested and exercised during the year	-	-
Outstanding at the end of the year	50 900 000	3.04

**Measurement of fair value - options**

Finbond has used a variant of the binomial model, modelling the particular aspects of the Finbond share options, including exercise behaviour.

The inputs into the binomial option pricing model are as follows:

*Number of options and vesting*

When determining the expected number of options that will ultimately be converted into issued share capital, cognisance of any service or performance conditions needs to be taken into account. For example, a typical condition of any option scheme is that the employee is still employed when the option vests. An initial best estimate of the number of shares expected to vest is made in determining the expected cost, which is subsequently adjusted until the vesting date when the actual number will be known. An annual attrition rate of 12.5% (2025: 12.5%) has been applied to account for the fact that certain individuals will leave prior to the respective NPAT vesting conditions being met and therefore a portion of the SARs issued will be forfeited.

*Option life*

The option life was estimated for each tranche based on the projected timeframe within which the relevant NPAT vesting condition would be met in terms of Management's forecasts. Post FY2031, we projected an annual NPAT growth rate of 4.3% (2025: 4.7%), which is based on the weighted average growth rates applicable to Finbond's South African and North American businesses. Participants are expected to exercise either on vesting or within a two-year period after vesting.

*Risk-free rate*

Typically, the risk-free interest rate is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued (based on the option's remaining expected life). IFRS 2 requires the use of a risk-free interest rate with a remaining term equal to the expected life of the option, and risk-free interest rates are typically determined from a bootstrapped zero-coupon perfect fit swap curve. The zero-coupon swap rate curve as at the grant dates as published on Bloomberg was used to determine the risk-free rate. Risk-free rates for the various grant dates and tranches ranged between 6.6% - 8.7% (2025: 6.0% - 9.3%).

*Expected volatility*

We based our volatility input on the average volatility of Finbond's shares during the 4 year period leading up to the grant dates, which equated to 40.0% for the 2018 issue, 68.3% for the June 2019 issue, 70.7% for the December 2019 issue and 73.4% for the July 2021 issue.

*The dividend yield*

A dividend yield of 2.8% (2025: 0.4%) was assumed, which is based on Finbond's median dividend yield during the past 5 years i.e., the annual dividend was divided by the market price on the date that the dividend was declared.

**Effect on profit or loss**

Under IFRS 2, the value of the options is spread over the vesting period.

A net expense of R1.8 million (2025: R1.6 million) related to equity-settled share based payments transactions was recognised for the current financial year (refer also to Note 31).

## 25. INTEREST INCOME

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Total interest income recognised according to the effective interest method</b>				
Loans and advances	520 212	532 492	-	-
Loan initiation fees	244 415	242 428	-	-
Cash and cash equivalents	25 612	22 944	7 632	5 084
Group Companies	1 867	9 302	251 556	244 927
Other financial assets	24 309	26 091	-	-
	<b>816 415</b>	<b>833 257</b>	<b>259 188</b>	<b>250 011</b>

For further details about the Group's recognition of interest and initiation fees in terms of IFRS 9 please refer to Note 1.16.

Stage 3 interest of R11.7 million (2025: R12.9 million) has been suspended against gross loans and advances.

## 26. INTEREST EXPENSE

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Bank facilities	4	2 361	-	3
Lease liabilities	22 764	18 113	-	-
Interest expense: Transactional deposits	1 028	763	-	-
Interest expense: Notice deposits	6	63	-	-
Interest expense: Fixed-term deposits	28 942	27 465	-	-
Dividend expense: Fixed-period shares	5 367	4 501	-	-
Interest expense: Permanent interest-bearing shares	18 078	20 886	-	-
Interest expense: Commercial paper	325 677	293 954	325 677	293 954
	<b>401 866</b>	<b>368 106</b>	<b>325 677</b>	<b>293 957</b>

## 27. FEE INCOME

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Loan service fees	179 149	176 659	-	-
Home loan service fees	68	81	-	-
Card service and other fees	33 116	33 328	-	-
	<b>212 333</b>	<b>210 068</b>	<b>-</b>	<b>-</b>

For further details about the Group's recognition of revenue in terms of IFRS 15 please refer to Note 1.16.

28. MANAGEMENT FEE INCOME

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Service fees	-	-	7 134	6 726
Royalties	-	-	6 570	6 400
	-	-	<b>13 704</b>	<b>13 126</b>

Refer to Note 35 Related Parties for further details.

For further details about the Group's recognition of revenue in terms of IFRS15 please refer to Note 1.16.

29. OTHER OPERATING INCOME

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Value Added Service (VAS) commission	412 509	386 660	412 509	385 559
Subscription based commission	14 134	13 760	668	-
Rental income	2 042	2 747	329	538
Sundry income <sup>1</sup>	22 135	9 909	-	-
	<b>450 820</b>	<b>413 076</b>	<b>413 506</b>	<b>386 097</b>

For further details about the Group's recognition of revenue in terms of IFRS15 please refer to Note 1.16.

<sup>1</sup>Sundry income includes ancillary revenue for products sold to drive foot traffic at North American stores and consists of Moneygram and Western Union commission, check cashing fees, currency and gold exchange fees, phone card sales and membership fees.

30. NET IMPAIRMENT CHARGE

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Loans and advances <sup>1</sup>				
Movement in expected credit loss allowance	11 885	16 165	-	-
Impairment charge raised during the year	33 581	36 051	-	-
Less release on suspended interest	(21 696)	(19 886)	-	-
Bad debts written off	285 671	270 476	-	-
Bad debts recovered	(26 003)	(22 356)	-	-
	271 553	264 285	-	-
Other <sup>2</sup>				
Other financial assets	9	(375)	-	-
Trade and other receivables	1 128	2 292	1 128	2 292
Loans to group companies	(5)	(2 317)	(41 662)	(2 351)
	272 685	263 885	(40 534)	(59)

For further details on the release of suspended interest, refer to Note 1.16.

<sup>1</sup>Comprises all elements in the movement in allowance/provision for ECL relating to loans and advances in the current year (as disclosed in Note 5). Accordingly, this includes current year ECL raised on existing and new loans and advances, and ECL released on loans and advances settled and/or written off.

<sup>2</sup>Includes current year movements in the allowance/provision for ECL as disclosed in Notes 4, 6 and 7 respectively.

31. OPERATING EXPENSES

Operating profit/(loss) for the year is stated after accounting for the following:

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Auditors' remuneration - audit fees	13 950	13 494	3 830	3 963
Auditors' remuneration - other services	67	160	-	-
Depreciation - Property, plant and equipment	26 970	25 161	44	32
Depreciation - Right of use assets	112 182	99 404	-	-
Amortisation - Intangibles	653	7 157	-	-
Advertising	10 712	11 755	6 090	6 980
Bank charges	69 786	81 092	575	916
Collection charges	46 679	57 146	-	-
Commission paid	14 291	12 002	350 258	325 635
Communication expenses	32 843	32 841	152	135
Consulting and professional fees	13 716	24 171	1 445	3 648
Employee benefit costs	461 875	430 557	11 569	13 309
Property related costs	57 444	52 504	363	363
Transactional banking fees	19 958	24 061	-	-
Travel costs	16 019	14 461	869	641

## 32. TAXATION

Major components of the tax expense

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Current</b>				
<i>Local</i>				
Income tax - current period	26 422	32 054	-	-
(Over)/under provision - prior period	(797)	164	-	164
<i>Foreign</i>				
Income tax - current period	376	13	-	-
	<b>26 001</b>	<b>32 231</b>	<b>-</b>	<b>164</b>
<b>Deferred</b>				
<i>Local</i>				
Originating and reversing temporary differences - current period	(11 666)	(1 161)	(52 299)	(22 727)
Under provision - prior period	-	1 628	-	1 628
<i>Foreign</i>				
Originating and reversing temporary differences - current period	12 973	(60)	-	-
	<b>1 307</b>	<b>407</b>	<b>(52 299)</b>	<b>(21 099)</b>
	<b>27 308</b>	<b>32 638</b>	<b>(52 299)</b>	<b>(20 935)</b>

### Reconciliation of tax (income)/expense

Reconciliation between accounting profit/(loss) and tax (income)/expense:

Accounting profit/(loss)	96 330	61 890	(221 456)	(124 186)
Tax at the applicable tax rate of 27% (2025: 27%)	26 009	16 710	(59 793)	(33 530)

### Tax effect of adjustments on taxable income

Non-deductible expenses	36 076	33 331	7 494	10 803
Impairment of investments in subsidiaries	-	-	(2 570)	-
Impairment of goodwill	-	979	-	-
Employee cost - share-based payment expense	492	425	492	425
Dividends expense: Fixed period shares	1 449	1 215	-	-
Unproductive interest expense of commercial paper	10 798	9 746	9 280	9 746
Capital loss on fair value of investment property	81	383	-	-
Unrecognised tax losses	22 416	19 795	-	-
Disallowed expenses	840	788	292	632
Non-taxable income	(28 208)	(14 828)	-	-
Employment tax incentives	(3 753)	(2 330)	-	-
Gain on bargain purchase (Note 9)	(12 299)	(13 186)	-	-
Equity profit from joint venture already taxed	(3 086)	-	-	-
Fair value adjustment on derivative financial asset	(9 162)	-	-	-
Income attributable to non-controlling interest in foreign partnerships	92	688	-	-
Difference between local and foreign tax rates	(5 772)	(4 367)	-	-
Impact of prior period adjustments on current and deferred tax	(797)	1 792	-	1 792
	<b>27 308</b>	<b>32 638</b>	<b>(52 299)</b>	<b>(20 935)</b>

Effective tax rate	28.3%	52.7%	23.6%	16.9%
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### Foreign taxation

Finbond Group North America ("FGNA") and its US investments (subsidiaries, joint ventures, and associates) operate in multiple state and local jurisdictions. These entities are required to file tax returns on either a consolidated/combined or separate basis, depending on the applicable state nexus and filing requirements. As a result, total state tax expense and the corresponding blended state effective tax rate may fluctuate annually due to changes in operating activities as well as variations in state nexus rules and tax regulations.

In the United States, individual states and local jurisdictions independently determine nexus thresholds, tax bases, and applicable tax rates, and there is no single governing body overseeing all state taxation. Accordingly, both US federal and state income taxes apply to FGNA and its US investments.

For IAS 12 purposes, the Group estimates state apportionment factors based on prior-year tax filings, adjusted for current-year statutory rules and tax rates, in order to determine current tax expense and an appropriate blended federal and state effective tax rate.

The Group's US investments are structured as pass-through entities. These entities are generally not subject to income tax at the entity level; instead, taxable income, losses, and other tax attributes are allocated to the investors. Accordingly, FGNA recognises its share of taxable income or losses from these entities and accounts for the related current tax expense at the FGNA level, irrespective of whether cash distributions are received.

33. NOTE TO THE STATEMENT OF CASH FLOWS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Cash flows from operations</b>				
Profit/(loss) before taxation	96 330	61 890	(221 456)	(124 186)
<b>Adjustments for:</b>				
Depreciation and amortisation	139 805	131 722	44	32
Finance charges	401 866	368 106	325 677	293 957
Interest paid	(378 410)	(425 135)	(297 912)	(343 307)
Loss on sale of assets	(1 104)	(1 007)	-	-
Fair value adjustments on financial assets	(35 831)	(289)	-	-
Fair value adjustments on investment property	2 200	7 085	-	-
Equity profits from associate	(192 305)	(182 347)	-	-
Equity profits from joint ventures	(93 636)	(60 314)	-	-
Share option costs	1 824	1 572	1 824	1 572
Movements in impairment charge and bad debt	298 684	286 240	(40 534)	(59)
Reversal of impairment of investments in subsidiaries	-	-	(47 594)	-
Impairment of goodwill	-	3 625	-	-
Accrued leave pay	3 060	1 858	131	162
<b>Changes in working capital:</b>				
Loans and advances increase	(380 843)	(347 509)	-	-
Trade and other receivables increase	(51 928)	(54 565)	(15 551)	(11 266)
Decrease/(increase) in loans to group companies	69	31 146	182 156	(117 320)
Trade and other payables increase/(decrease)	28 457	(15 166)	2 785	32 044
Fixed and notice deposits (decrease)/increase	(55 463)	7 201	-	-
Transactional deposits increase	8 395	10 705	-	-
	<b>(208 830)</b>	<b>(175 182)</b>	<b>(110 430)</b>	<b>(268 371)</b>

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

**GROUP - 2026**

R'000	Commercial paper	Lease liabilities	Total
Opening balance	2 861 248	194 701	3 055 949
Cash-flows:			
- Repayment	(475 431)	(129 804)	(605 235)
- Proceeds	600 506	-	600 506
Non-cash:			
- Additions	-	133 752	133 752
- Remeasurements	-	6 189	6 189
- Terminations	-	3 636	3 636
- Accrued interest	27 764	22 764	50 528
- Foreign exchange differences	-	(5 734)	(5 734)
	<b>3 014 087</b>	<b>225 504</b>	<b>3 239 591</b>

**GROUP - 2025**

Opening balance	2 553 588	167 659	2 721 247
Cash-flows:			
- Repayment	(1 433 598)	(116 481)	(1 550 079)
- Proceeds	1 447 304	-	1 447 304
Non-cash:			
- Additions through business combinations	-	425	425
- Additions	-	127 777	127 777
- Remeasurements	-	1 302	1 302
- Terminations	-	(926)	(926)
- Accrued interest	293 954	18 113	312 067
- Foreign exchange differences	-	(3 168)	(3 168)
	<b>2 861 248</b>	<b>194 701</b>	<b>3 055 949</b>

**COMPANY - 2026**

Opening balance	2 861 248	-	2 861 248
Cash-flows:			
- Repayment	(475 431)	-	(475 431)
- Proceeds	600 506	-	600 506
Non-cash:			
- Accrued interest	27 764	-	27 764
	<b>3 014 087</b>	<b>-</b>	<b>3 014 087</b>

**COMPANY - 2025**

Opening balance	2 553 588	-	2 553 588
Cash-flows:			
- Repayment	(1 433 598)	-	(1 433 598)
- Proceeds	1 447 304	-	1 447 304
Non-cash:			
- Accrued interest	293 954	-	293 954
	<b>2 861 248</b>	<b>-</b>	<b>2 861 248</b>

### 34. NON-CONTROLLING INTEREST

The following table summarises the information relating to Nice Loans LLC, the Group's subsidiary that has non-controlling interest, before any intragroup eliminations.

R'000	Nice Loans LLC	
	2026	2025
Non-controlling interest percentage	25.00%	25.00%
Cash and cash equivalents	8 259	6 866
Loans and advances	9 038	13 990
Property, plant and equipment	84	687
Right of use assets	4 236	2 413
Other assets	483	1 410
Trade and other payables	(230)	(1 013)
Lease liabilities	(4 334)	(2 631)
Other liabilities	(15 496)	(17 921)
Net assets	<b>2 040</b>	<b>3 801</b>
Net assets attributable to non-controlling interest	<b>510</b>	<b>950</b>
Revenue	14 794	31 214
(Loss) after taxation	(1 369)	(10 188)
Other comprehensive income	11 752	3 494
Total comprehensive income	<b>10 383</b>	<b>(6 694)</b>
(Loss) allocated to non-controlling interest	<b>(342)</b>	<b>(2 547)</b>
Cash flows from operating activities	4 187	2 897
Cash flows from investment activities	219	2 175
Cash flows from financing activities	(1 859)	(5 079)
Net increase/(decrease) in cash and cash equivalents	<b>2 547</b>	<b>(7)</b>

35. RELATED PARTIES

**Relationships**

Subsidiaries	Refer to Note 8.		
Joint ventures	Refer to Note 9.		
Associates	Refer to Note 10.		
Shareholders with significant influence	Kings Reign Investments (Pty) Ltd Protea Asset Management LLC		
Members of key management and Directors	Dr W. van Aardt Mr G.W. Labuschagne Mrs H.J. Wilken-Jonker Dr M.D.C. Motlatla Adv N.J. Melville Mr P. Naudé Mr D. Pentz Mr S. Riskowitz		
Shareholders with a shareholding of more than 5%	Kings Reign Investments	35%	
	Protea Asset Management LLC	30%	
	Finbond Private Equity	9%	
Directors' shareholding	Direct beneficial	Indirect beneficial	Percentage held
Dr W. van Aardt	-	179,956,275	34.9%
Mr D. Pentz	767,798	-	0.1%
Mr S. Riskowitz	25,640,950	154,049,502	34.8%
Adv N. Melville	392,759	-	0.1%
Key personnel compensation	Refer to Note 36.		

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
<b>Loan accounts - Owing by Group Companies</b> (Refer to Note 7)	<b>149</b>	<b>48 782</b>	<b>1 691 602</b>	<b>1 832 095</b>
<b>Related party transactions - paid/(received)</b>				
<b>Royalties</b>				
Finbond Mutual Bank	-	-	(6 570)	(6 400)
<b>Commission</b>				
Finbond Mutual Bank	-	-	204 871	188 955
Supreme Finance (Pty) Ltd	-	-	139 605	136 677
<b>Service fees</b>				
	-	-	(7 135)	(6 726)
Finbond Mutual Bank	-	-	(2 294)	(2 188)
Supreme Finance (Pty) Ltd	-	-	(1 696)	(1 563)
Finbond Group South Africa (Pty) Ltd	-	-	(28)	(60)
Finbond Group International Ltd	-	-	(86)	(75)
Finbond Group North America, LLC	-	-	(2 950)	(2 742)
Finbond Group Canada Ltd	-	-	(81)	(98)
	-	-	30 822	28 373
Finbond Mutual Bank	-	-	2 206	2 117
Finbond Group South Africa (Pty) Ltd	-	-	2 148	1 768
Finbond Group North America, LLC	-	-	21 733	20 385
Finbond Group Canada Ltd	-	-	3 879	3 353
Finbond Services Ltd	-	-	856	750
<b>Interest on intercompany loans</b>				
Supreme Finance (Pty) Ltd	-	-	(14 737)	(11 107)
Finbond Group South Africa (Pty) Ltd	-	-	(6 690)	-
Finbond Group International Ltd	-	-	(230 129)	(233 820)
AmeriCash Group	(468)	(7 840)	-	-
Cashbak LLC	(1 399)	(1 462)	-	-
<b>Transactional banking fees</b>				
Finbond Mutual Bank	-	-	602	524
<b>Commitment fees</b>				
Kings Reign Investments (Pty) Ltd	875	914	-	-
<b>Treasury shares repurchased</b>				
Finbond Private Equity (Pty) Ltd	-	-	10 894	15 120
<b>Related party balances</b>				
<i>Trade receivables</i>				
Finbond Mutual Bank	-	-	10 064	10 396
<i>Trade payables</i>				
Supreme Finance (Pty) Ltd	-	-	(10 832)	(11 070)
Kings Reign Investments (Pty) Ltd	(531)	(615)	-	-

36. DIRECTORS' EMOLUMENTS

R'000	Basic Salary	Short-term incentives	Long-term incentives	Share-based payments	Total
<b>Executive 2026</b>					
<i>Paid by a subsidiary of the Company</i>					
Dr W. van Aardt <sup>1</sup>	28 690	2 296	20 030	-	51 016
Mr G.W. Labuschagne <sup>2</sup>	5 247	443	4 146	-	9 836
	<b>33 937</b>	<b>2 739</b>	<b>24 176</b>	<b>-</b>	<b>60 852</b>

<sup>1</sup>Dr van Aardt is based in Chicago, USA and is paid in US dollars (USD). Total package USD 2,916,474 (2025: USD 2,925,925).

<sup>2</sup>Mr Labuschagne is based in Ottawa, Canada and is paid in Canadian dollars (CAD). Total package CAD 780,353 (2025: CAD 746,696).

Please refer to the Remuneration policy and report on pages 77 to 80 for further details.

Executive 2025

<i>Paid by a subsidiary of the Company</i>					
Dr W. van Aardt	27 443	5 356	20 683	-	53 482
Mr G.W. Labuschagne	5 068	432	4 041	-	9 541
	<b>32 511</b>	<b>5 788</b>	<b>24 724</b>	<b>-</b>	<b>63 023</b>

There are no post-employment, other long-term or termination benefits.

	Directors' fees	Committee fees	Consulting fees	Long Term Service Award	Total
<b>Non-Executive 2026</b>					
Mrs H.J. Wilken-Jonker	327	606	1 837	-	2 770
Dr M.D.C. Motlatla	392	1 183	-	-	1 575
Adv N. Melville	327	670	-	-	997
Mr P.A. Naudé	327	617	-	-	944
Mr D.C. Pentz	327	705	-	41	1 073
Mr S. Riskowitz	327	373	-	-	700
	<b>2 027</b>	<b>4 154</b>	<b>1 837</b>	<b>41</b>	<b>8 059</b>

Non-Executive 2025

Mrs H.J. Wilken-Jonker	307	486	1 885	179	2 857
Dr M.D.C. Motlatla	368	1 140	-	195	1 703
Adv N. Melville	307	653	-	58	1 018
Mr P.A. Naudé	307	603	-	24	934
Mr D.C. Pentz	307	821	-	-	1 128
Mr S. Riskowitz	307	266	-	-	573
	<b>1 903</b>	<b>3 969</b>	<b>1 885</b>	<b>456</b>	<b>8 213</b>

### 37. RISK MANAGEMENT

The Group's risk management strategy is anchored in strong governance and emphasizes both individual accountability and collective oversight, underpinned by detailed reporting. It starts with the Board of Directors and the Risk Committee, where Non-Executive Directors play an active role in providing oversight. The Board defines the Group's risk appetite, sets and regularly reviews risk policies, and ensures the business operates within established parameters.

Executive management, led by the Chief Executive Officer and the Executive Committee, plays a central role in risk management, engaging directly in all significant risk issues. This oversight is complemented by risk management structures embedded across regional and divisional units, supported by robust policies and procedures that promote consistent risk assessment and control.

Each employee shares responsibility for managing risk, reflecting a top-down culture initiated by the Board. A central risk management function supports the Group with continuous risk identification, measurement, monitoring, and reporting, ensuring that risk information is effectively communicated to the Executive Committee and the Board where appropriate decisions on risk mitigation are taken at the executive level to ensure that the Group remains aligned with the risk appetite set by the Board.

#### Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure and to reduce the cost of capital. This approach balances the line between risk and reward.

The Group manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets and market conditions. The Group manages capital in proportion to liabilities and assets based on Board approved risk appetite which considers both the quantum of assets and liabilities relative to capital as well as the unique risk profile of the assets and liabilities held by the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or raise new debt from external sources.

There have been no changes from the previous year regarding what the Group manages as capital, the strategy for capital maintenance or externally imposed capital requirements.

#### Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. A central risk management function supports the Group with continuous risk identification, measurement, monitoring, and reporting, ensuring that risk information is effectively communicated to the Executive Committee and the Board where appropriate decisions on risk mitigation are taken at the executive level to ensure that the Group remains aligned with the risk appetite set by the Board.

The Group views risk management as a measure of ensuring a responsible return on shareholders' equity. Ultimately, the Board remains responsible for risk management.

The Group is managed through a system of internal controls functioning uniformly throughout the entity so that an awareness of risk pervades every aspect of business and is seen as the responsibility of each employee of the Group. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such credit risk and liquidity risk.

#### Liquidity risk

Liquidity risk is the risk that Finbond is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequence of which may be the failure to meet obligations to repay investors and depositors and fulfil commitments to lend.

Liquidity management is a priority of the Group. The Group ensures that it has adequate liquid assets at all times in order to maintain an adequate current ratio. The short-term nature of the loan book versus the long-term sources of debt received from investors greatly reduces the liquidity risk of the Group.

The Group holds surplus liquidity. Liquidity risk is managed using a multifaceted approach, including:

- Daily, weekly and monthly cash balance analyses, microcredit operational weekly cash sweepings and net microcredit operational cash flows;
- Stressed liquidity and cash flow forecast and testing, updated monthly;
- Monitoring non-operating cash flow specific to funding liabilities (both capital and interest) in stressed liquidity and cash flow testing, as well as debt maturity analysis, updated monthly;
- Assets and liabilities matching through the maturity ladder, updated monthly;
- Debt concentration analysis, updated monthly;
- Short-term Group surplus cash monitoring, updated monthly.

Liquidity determines the day-to-day viability of the Group and remains one of the principal considerations of asset and liability management. The authority and responsibility for liability and interest rate risk management rests with the Group's Board of Directors. The Group's Asset and Liability Committee recommends and monitors Finbond's funding and liquidity policy and reviews the structure of the balance sheet and business strategies taking into consideration market conditions and maintains liquidity contingency plans. Liquidity is managed strictly by the Group and involves prudently managing assets and liabilities, both cash flow and concentration, to ensure that cash inflows have an appropriate relationship to approaching cash outflows. The Group will never optimise interest rate risk at the expense of liquidity risk.

#### Liquidity profile of financial assets and liabilities

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
<b>GROUP - 2026</b>				
Cash and cash equivalents	520 306	-	-	520 306
Other financial assets	281 575	-	-	281 575
Loans and advances	581 147	155 530	-	736 677
Trade and other receivables	131 645	-	-	131 645
Loans to group companies	149	-	-	149
Transactional deposits	(55 978)	-	-	(55 978)
Trade and other payables	(100 557)	-	-	(100 557)
Lease liabilities	(103 920)	(115 879)	(5 705)	(225 504)
Fixed and notice deposits	(181 266)	(274 555)	(74 690)	(530 511)
Commercial paper	(257 070)	(2 757 017)	-	(3 014 087)
<b>Total</b>	<b>816 031</b>	<b>(2 991 921)</b>	<b>(80 395)</b>	<b>(2 256 285)</b>
<b>GROUP - 2025</b>				
Cash and cash equivalents	661 787	-	-	661 787
Other financial assets	351 723	-	-	351 723
Loans and advances	553 683	121 997	-	675 680
Trade and other receivables	113 961	-	-	113 961
Loans to group companies	31 662	17 120	-	48 782
Transactional deposits	(47 583)	-	-	(47 583)
Trade and other payables	(99 625)	-	-	(99 625)
Lease liabilities	(84 124)	(105 503)	(5 074)	(194 701)
Fixed and notice deposits	(239 823)	(287 311)	(63 148)	(590 282)
Commercial paper	(239 835)	(2 621 413)	-	(2 861 248)
<b>Total</b>	<b>1 001 826</b>	<b>(2 875 110)</b>	<b>(68 222)</b>	<b>(1 941 506)</b>

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
<b>COMPANY - 2026</b>				
Cash and cash equivalents	62 629	-	-	62 629
Other financial assets	304	-	-	304
Trade and other receivables	86 659	-	-	86 659
Loans to group companies	1 705 522	-	-	1 705 522
Trade and other payables	(14 511)	-	-	(14 511)
Loans from group companies	(13 920)	-	-	(13 920)
Commercial paper	(257 070)	(2 757 017)	-	(3 014 087)
<b>Total</b>	<b>1 569 613</b>	<b>(2 757 017)</b>	<b>-</b>	<b>(1 187 404)</b>

<b>COMPANY - 2025</b>				
Cash and cash equivalents	92 405	-	-	92 405
Other financial assets	282	-	-	282
Trade and other receivables	74 650	-	-	74 650
Loans to group companies	1 846 052	-	-	1 846 052
Trade and other payables	(42 421)	-	-	(42 421)
Loans from group companies	(13 957)	-	-	(13 957)
Commercial paper	(239 835)	(2 621 413)	-	(2 861 248)
<b>Total</b>	<b>1 717 176</b>	<b>(2 621 413)</b>	<b>-</b>	<b>(904 237)</b>

#### Undiscounted maturity analysis of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on the remaining undiscounted contractual obligation period and includes all interest and fees expected to be settled in cash in the future.

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
<b>GROUP - 2026</b>				
Transactional deposits	55 978	-	-	55 978
Trade and other payables	100 557	-	-	100 557
Lease liabilities	120 233	126 125	6 141	252 499
Fixed and notice deposits	214 000	366 446	82 012	662 458
Commercial paper	511 108	3 540 174	-	4 051 282
<b>Total</b>	<b>1 001 876</b>	<b>4 032 745</b>	<b>88 153</b>	<b>5 122 774</b>

<b>GROUP - 2025</b>				
Transactional deposits	47 583	-	-	47 583
Trade and other payables	99 625	-	-	99 625
Lease liabilities	98 668	116 620	5 588	220 876
Fixed and notice deposits	277 383	368 527	68 368	714 278
Commercial paper	535 440	3 304 597	-	3 840 037
<b>Total</b>	<b>1 058 699</b>	<b>3 789 744</b>	<b>73 956</b>	<b>4 922 399</b>

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
<b>COMPANY - 2026</b>				
Trade and other payables	14 511	-	-	14 511
Loans from group companies	13 920	-	-	13 920
Commercial paper	511 108	3 540 174	-	4 051 282
<b>Total</b>	<b>539 539</b>	<b>3 540 174</b>	<b>-</b>	<b>4 079 713</b>
<b>COMPANY - 2025</b>				
Trade and other payables	42 421	--	-	42 421
Loans from group companies	13 957	-	-	13 957
Commercial paper	535 440	3 304 597	-	3 840 037
<b>Total</b>	<b>591 818</b>	<b>3 304 597</b>	<b>-</b>	<b>3 896 415</b>

### Interest rate risk

Interest rate risk is the potential impact on earnings or the value of the Group's holdings in financial instruments and on future cash flows from financial instruments due to changes in the interest rate.

The Group operates in a fixed and discretionary interest rate industry for most products. Discretionary rate items are those where the rates are not necessarily linked to a market interest rate but rather where management can, at their discretion, increase or decrease the rate as deemed appropriate, in line with State/Provincial (USA/Canada) and NCA (SA) requirements.

Call deposits in which surplus unemployed funds are placed, bank balances, as well as sources of funding vary with the prime interest rate and JIBAR. Loans and advances and deposits received from customers have fixed and discretionary interest rates in line with State/Provincial (USA/Canada) and NCA (SA) requirements. The Group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profits or losses.

### Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rate instruments at the reporting date. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

This is mainly attributable to the Group's exposure to interest rates on its variable rate funding and cash and cash equivalents. The exposure of loans and advances to interest rate risk is considered relatively insignificant based on the Group's product mix. Loan products are predominantly subject to fixed yields based on the Group's target product mix, as prescribed by State/Provincial (USA/Canada) and NCA (SA) requirements.

Significant exposure to interest risk is set out below:

**Class of Financial instruments: carrying value**

R'000

2026	GROUP	COMPANY
Cash and cash equivalents	520 306	62 629
Other financial assets	281 575	304
Loans and advances	736 677	-
Transactional deposits	(55 978)	-
Lease liabilities	(225 504)	-
Fixed and notice deposits	(530 511)	-
Commercial paper	(3 014 087)	(3 014 087)
<b>Net exposure</b>	<b>(2 287 522)</b>	<b>(2 951 154)</b>
<hr/>		
2025		
Cash and cash equivalents	661 787	92 405
Other financial assets	351 723	282
Loans and advances	675 680	-
Loans to group companies	48 782	-
Transactional deposits	(47 583)	-
Lease liabilities	(194 701)	-
Fixed and notice deposits	(590 282)	-
Commercial paper	(2 861 248)	(2 861 248)
<b>Net exposure</b>	<b>(1 955 842)</b>	<b>(2 768 561)</b>

**Credit risk**

Credit Risk can be defined as the risk of loss arising from the failure of a client or counterparty to fulfil its financial and/or contractual obligations to the Group. The credit risk which the Group faces arise mainly from consumer loans and advances.

Credit risk consists mainly of gross loans and advances, both secured and consumer, as well as deposits placed with institutions. Loans and advances are stated net of impairment on the statement of financial position. The Group only holds accounts and invests with highly reputable providers with a long and stable credit history, to minimise any firm specific or spill-over risk of loss due to economic conditions.

Loans and advances comprise a widespread demographic and economic customer base. Management evaluates credit risk relating to customers on an on-going basis.

The Group's consumer loan portfolio is composed of many customers with small, short-term loans, dispersed across different geographical regions and states. Sector and geographical concentration risks are frequently monitored with portfolio analysis in South Africa and North America at operating unit level, vintage curves and loan spread per sector reports in South Africa.

The Group structures the levels of credit risk it undertakes, placing limits on the amounts of risk accepted in relation to one borrower, or a group of borrowers based on credit vetting and affordability upfront, as prescribed by the regulators.

Active pay date management complements the above and ensures maximum pro-active efficiencies on borrower repayments and collections.

Daily monitoring of recoverability and collectability at branch, area, region, as well as Group level is practiced. Collection strategies for groups of borrowers by demographic and economic customer base ensure effective and efficient collections efforts. A combination of insourced and outsourced collections strategies is followed.

The Group makes allowance for expected credit losses against its gross loans and advances. Refer to Note 5 for additional disclosure relating to loans and advances.

### **Impairment assessment**

#### **Definition of default and cure**

A financial asset in default is classified as credit-impaired and in Stage 3 for ECL calculations. The definition of default varies per product type and geographical region; however, if the financial instrument becomes 90 days past due then the financial instrument is in default for all cases. The Group does not have a curing policy due to the short-term nature of its consumer debtors book. Consequently, exposures classified in Stage 3 remain in Stage 3 until they are either settled or written off.

#### **ECL measurement process**

To determine the ECL, the Group models the probability of an account entering default, the exposure when an account enters default and the LGD based on historical trends and expected collateral recovery. Clients are grouped together according to similar risk characteristics, and historical default performance is projected into the future on the current non-default portfolio. The group stratifies aspects such as client risk groups, product term, product type and geographic location. 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. Forward-looking economic assumptions are incorporated into the models where relevant and where they influence credit risk. Continual oversight is provided by management and committees to monitor the methods used to calculate the ECL.

The Group calculates the ECL on loans and advances, loans to/from group companies, as well as the other financial assets measured at amortised cost.

#### **Exposure at default (EAD)**

The EAD represents the gross carrying amount of a financial asset at the point of default. The EAD is calculated by considering expected changes in the exposure after the reporting date.

#### **Loss given default (LGD)**

The LGD represents the expected loss in the event of a default. For unsecured consumer loans, the LGD incorporates expected recovery rates over time, with recoveries discounted at the relevant interest rate. For secured exposures, the LGD also factors in expected cash flows from collateral realisation.

#### **Significant increase in credit risk**

The Group continuously monitors all assets subject to changes in credit risk. To determine whether an asset or a portfolio of assets is subject to 12-month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

When estimating ECL on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Any exposure that is more than 30 days past due is automatically considered to have experienced a significant increase in credit risk. In addition, qualitative considerations are applied when determining whether exposures have experienced a significant increase in credit risk. The Group considers reasonable and supportable information based on the Group's historical credit risk assessment and forward-looking information when determining whether there has been a significant increase in credit risk.

The Group's ECL models, prepared in accordance with IFRS 9, continue to function aligned to business and economic fundamentals. Continuous monitoring of the ECL ensures that the Group adequately provides for the risk profile of the various loan books.

#### **Sensitivity analysis of the forward-looking impact on the ECL provision for loans and advances**

The following table shows the main macroeconomic factors used to estimate the forward-looking impact on the ECL for loans and advances. Each scenario, namely a base, negative and positive scenario is presented as at the reporting date.

2026	South African government consumption expenditure	South African final household consumption expenditure	United States inflation rate	United States unemployment rate	Changes in ECL R'000	% change
Base scenario	1.35	0.53	1.81	-		
100% negative scenario	0.10	3.68	6.30	-	2 647	(0.4%)
100% positive scenario	2.47	(3.48)	1.20	-	(2 128)	0.3%

2025	South African government consumption expenditure	South African final household consumption expenditure	United States inflation rate	United States unemployment rate	Changes in ECL R'000	% change
Base scenario	1.29	0.95	1.81	4.13		
100% negative scenario	(0.07)	3.40	6.00	5.90	2 011	(0.3%)
100% positive scenario	2.28	(3.41)	1.30	3.10	(2 694)	0.4%

### Currency risk

Currency risk arises from the Group's exposure to foreign currency movements primarily through its operations in the United States of America and Canada, where revenues, expenses, assets, and liabilities are denominated in US Dollars and Canadian Dollars. As a result, fluctuations in exchange rates between the South African Rand (ZAR) and these foreign currencies may impact the Group's financial position, performance, and cash flows.

The Group's policy is to manage currency risk in a manner consistent with its risk appetite and operational objectives. While the Group does not currently engage in active hedging of foreign currency exposures using financial instruments, it seeks to mitigate currency risk through natural hedging strategies. These include, *inter alia*, matching foreign currency income with foreign currency expenses; maintaining adequate foreign currency cash balances to settle short-term obligations in the same currency; preferring to hold long-term liabilities in currencies that are expected to depreciate based on long-term trends; and continuously monitoring exchange rate movements and their potential impact on financial performance and equity.

Currency risk is monitored at Group level. A 10% strengthening or weakening of the average ZAR exchange rate against other functional currencies for the year, with all other variables held constant, would have resulted in a change in profit attributable to equity holders of the Company of approximately R2.0 million (2025: R1.3 million). Additionally, a 1% change in the year-end spot exchange rate would have had a R6.7 million (2025: R7.4 million) impact on the foreign currency translation reserve in equity.

The Group remains vigilant of currency trends in its operational markets and will assess the appropriateness of more formal hedging strategies should exposures increase materially or market conditions justify enhanced risk mitigation.

### Price risk

The value of other financial assets accounted for at fair value (refer to Note 4) fluctuates with a combination of changes in market indices and interest rate cycles. The portfolios are managed to ensure the risk/return profile, and distribution among different asset classes corresponds to the Group's investment goals and risk tolerance.

Classification of financial assets and financial liabilities

R'000

<b>GROUP - 2026</b>	Amortised cost	FVTPL	Total
Cash and cash equivalents	520 306	-	520 306
Other financial assets	212 430	69 145	281 575
Loans and advances	736 677	-	736 677
Trade and other receivables	131 645	-	131 645
Loans to group companies	149	-	149
Derivative financial asset	-	33 933	33 933
<b>Total financial assets</b>	<b>1 601 207</b>	<b>103 078</b>	<b>1 704 285</b>
Transactional deposits	55 978	-	55 978
Trade and other payables	100 557	-	100 557
Lease liabilities	225 504	-	225 504
Fixed and notice deposits	530 511	-	530 511
Commercial paper	3 014 087	-	3 014 087
<b>Total financial liabilities</b>	<b>3 926 637</b>	<b>-</b>	<b>3 926 637</b>
<b>GROUP - 2025</b>			
Cash and cash equivalents	661 787	-	661 787
Other financial assets	329 470	22 253	351 723
Loans and advances	675 680	-	675 680
Trade and other receivables	113 961	-	113 961
Loans to group companies	48 782	-	48 782
<b>Total financial assets</b>	<b>1 829 680</b>	<b>22 253</b>	<b>1 851 933</b>
Transactional deposits	47 583	-	47 583
Trade and other payables	99 625	-	99 625
Lease liabilities	194 701	-	194 701
Fixed and notice deposits	590 282	-	590 282
Commercial paper	2 861 248	-	2 861 248
<b>Total financial liabilities</b>	<b>3 793 439</b>	<b>-</b>	<b>3 793 439</b>

R'000

**COMPANY - 2026**

	Amortised cost	Total
Cash and cash equivalents	62 629	62 629
Other financial assets	304	304
Other receivables	86 659	86 659
Loans to group companies	1 705 522	1 705 522
<b>Total financial assets</b>	<b>1 855 114</b>	<b>1 855 114</b>

Trade and other payables	14 511	14 511
Loans from group companies	13 920	13 920
Commercial paper	3 014 087	3 014 087
<b>Total financial liabilities</b>	<b>3 042 518</b>	<b>3 042 518</b>

COMPANY - 2025

Cash and cash equivalents	92 405	92 405
Other financial assets	282	282
Other receivables	74 650	74 650
Loans to group companies	1 846 052	1 846 052
<b>Total financial assets</b>	<b>2 013 389</b>	<b>2 013 389</b>

Trade and other payables	42 421	42 421
Loans from group companies	13 957	13 957
Commercial paper	2 861 248	2 861 248
<b>Total financial liabilities</b>	<b>2 917 626</b>	<b>2 917 626</b>

Income, expenses, gains and losses resulting from financial assets and liabilities

R'000

<b>GROUP - 2026</b>	Amortised cost	FVTPL	Total
Interest income	816 415	-	816 415
Interest expense	(401 866)	-	(401 866)
Fee income	212 333	-	212 333
Fair value adjustments	-	35 831	35 831
Impairment losses	(272 685)	-	(272 685)
	<b>354 197</b>	<b>35 831</b>	<b>390 028</b>

GROUP - 2025

Interest income	833 257	-	833 257
Interest expense	(368 106)	-	(368 106)
Fee income	210 068	-	210 068
Fair value adjustments	-	289	289
Impairment losses	(263 885)	-	(263 885)
	<b>411 334</b>	<b>289</b>	<b>411 623</b>

COMPANY - 2026

Interest income	259 188	-	259 188
Interest expense	(325 677)	-	(325 677)
Impairment losses	40 534	-	40 534
	<b>(25 955)</b>	<b>-</b>	<b>(25 955)</b>

COMPANY - 2025

Interest income	250 011	-	250 011
Interest expense	(293 957)	-	(293 957)
Impairment losses	59	-	59
	<b>(43 887)</b>	<b>-</b>	<b>(43 887)</b>

### 38. FAIR VALUE INFORMATION

#### Fair value hierarchy of instruments measured at fair value

The table below analyses assets and liabilities carried at fair value, by level of fair value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the instruments and 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 or indirectly 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.

R'000

#### Levels of fair value measurements

##### Assets and liabilities measured at fair value:

2026	Level 1	Level 2	Level 3	Total
Other financial assets	69 145	-	-	69 145
Derivative financial asset (Note 9)	-	-	33 933	33 933
Investment property	-	-	107 216	107 216
	<b>69 145</b>	<b>-</b>	<b>141 149</b>	<b>210 294</b>
<hr/>				
2025				
Other financial assets	22 253	-	-	22 253
Investment property	-	-	110 636	110 636
	<b>22 253</b>	<b>-</b>	<b>110 636</b>	<b>132 889</b>

#### Valuation techniques used to derive Level 3 fair values

Level 1 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 1, with no elevated risk areas.

Level 3 fair values of investment property have been generally derived using the market value, 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 that were valued. Independent external valuations are performed at least every three years, unless Management's fair value assessment indicates material changes to the property market and/or underlying assumptions, an input into current valuation models. As disclosed in Note 13, independent external valuations of investment properties for properties Dullstroom Country Estate, erf 1 and 3 of erf 312 Hatfield, Portion 1 and remaining extent of erf 64 Hatfield, erf 128 Waterkloof Ridge, erf 571 Queenswood were performed for the financial year ending February 2025. Independent external valuation of the Zwartkoppies and erf 7/315, erf 8/315 and erf 1/316 Hatfield properties were performed for the financial year ending February 2026.

Refer to Note 13 for further information on the fair value methodologies and assumptions for Investment Property.

Level 3 fair value of derivative financial asset has been derived using the Discounted Cash Flow approach which assumes the value of an asset can be determined by discounting the net cash flows an asset is expected to generate during its remaining economic life back to a present value equivalent, using a fair rate of return, given the risks associated with the asset. Refer to Note 9 for further information on the fair value methodology and assumptions.

Reconciliation of assets and liabilities measured at level 3

R'000 GROUP - 2026	Note	Opening balance	Additions/ Disposals	Gains/Loss recognised in profit or loss	Closing balance
<b>Assets</b>					
Derivative financial asset	9	-	-	33 933	33 933
Investment property	13	110 636	(1 220)	(2 200)	107 216
<hr/>					
GROUP - 2025					
<b>Assets</b>					
Investment property	13	117 721	-	(7 085)	110 636

39. EARNINGS PER SHARE

**Basic earnings per share**

Basic earnings per share were based on attributable earnings of R69 363 622 (2025: R31 798 527) and a weighted average number of ordinary shares of 474,996,540 (2025: 456,601,384).

	GROUP	
	2026	2025
<b>Basic earnings per share</b>		
From operations (cents per share)	14.6	7.0

**Diluted earnings per share**

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted-average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

	GROUP	
	2026	2025
<b>Diluted earnings per share</b>		
Weighted-average number of ordinary shares (basic)	474 996 540	456 601 384
Dilutive adjustment	-	-
Weighted-average number of ordinary shares (diluted)	474 996 540	456 601 384
<hr/>		
<b>Diluted earnings per share</b>		
From operations (cents per share)	14.6	7.0

### Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted-average number of ordinary shares outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

### Reconciliation between basic earnings and headline earnings

R'000	2026		2025	
	Gross	Net	Gross	Net
Profit attributable to owners of the Company		69 364		31 799
Adjusted for:				
Profit on disposal of property, plant and equipment	(933)	(681)	(1 118)	(816)
Gain on bargain purchase (Refer to Note 9)	(45 551)	(45 551)	(48 838)	(48 838)
Impairment of goodwill	-	-	3 625	3 625
Fair value loss of investment properties	2 200	1 725	7 085	5 555
Headline earnings/(loss)		<b>24 857</b>		<b>(8 675)</b>

	GROUP	
	2026	2025
<b>Headline earnings/(loss) per share</b>		
From operations (cents per share)	<b>5.2</b>	(1.9)
<b>Diluted headline earnings/(loss) per share</b>		
From operations (cents per share)	<b>5.2</b>	(1.9)

## 40. DIVIDENDS

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Dividends	<b>26 000</b>	31 146	<b>28 376</b>	43 703

The Directors declared a cash dividend of 5.50242 cents per share for the interim period ended 31 August 2025.

A final dividend was declared after year-end but before the release of the Financial Statements. Refer to Note 42 for details.

41. SEGMENT REPORTING

OPERATING SEGMENTS R'000	Deposit and Debt Finance Products	Lending	Property Investment	Transactional Banking	Other <sup>1</sup>	Total
<b>GROUP - 2026</b>						
Interest income	30 201	778 350	-	160	7 704	816 415
Interest expense	(338 170)	(62 831)	-	(865)	-	(401 866)
Net interest income/(expense)	(307 969)	715 519	-	(705)	7 704	414 549
Fee income	-	186 791	-	25 542	-	212 333
Other operating income	-	449 453	1 367	-	-	450 820
Income from joint ventures	-	93 636	-	-	-	93 636
Income from associates	-	192 305	-	-	-	192 305
Fair value adjustments	1 898	33 933	(2 200)	-	-	33 631
Foreign exchange loss	-	-	-	-	(55)	(55)
Net impairment charge	-	(272 685)	-	-	-	(272 685)
Operating expenses*	(5 016)	(970 810)	(6 617)	(28 627)	(17 134)	(1 028 204)
Operating (loss)/profit before taxation	(311 087)	428 142	(7 450)	(3 790)	(9 485)	96 330
Taxation	82 694	(115 598)	2 012	1 023	2 561	(27 308)
<b>Profit/(loss) after taxation</b>	<b>(228 393)</b>	<b>312 544</b>	<b>(5 438)</b>	<b>(2 767)</b>	<b>(6 924)</b>	<b>69 022</b>

\*Operating expenses include, *inter alia*:

Depreciation	-	(138 948)	-	(160)	(44)	(139 152)
Amortisation	-	(653)	-	-	-	(653)
Advertising	-	(4 622)	-	-	(6 090)	(10 712)
Bank charges	(2 452)	(64 865)	-	(2 445)	(24)	(69 786)
Collection charges	-	(46 679)	-	-	-	(46 679)
Commission paid	-	(14 117)	(174)	-	-	(14 291)
Communication expenses	-	(32 513)	(12)	(166)	(152)	(32 843)
Consulting and professional fees	(100)	(12 055)	(116)	-	(1 445)	(13 716)
Employee costs	(1 120)	(457 324)	(544)	(2 887)	-	(461 875)
Property related costs	-	(54 713)	(2 368)	-	(363)	(57 444)
Transactional banking fees	-	-	-	(19 958)	-	(19 958)
Travel costs	-	(16 019)	-	-	-	(16 019)

**Profit/(loss) for the period attributable to:**

Owners of the company	(228 393)	312 886	(5 438)	(2 767)	(6 924)	69 364
Non-controlling interest	-	(342)	-	-	-	(342)

**Significant segment assets**

Cash and cash equivalents	441 921	61 867	-	15 123	1 395	520 306
Other financial assets at fair value through profit or loss	69 145	-	-	-	-	69 145
Other financial assets at amortised cost	212 430	-	-	-	-	212 430
Loans and advances	-	736 677	-	-	-	736 677
Trade and other receivables	-	246 269	-	1 572	1 204	249 045
Loans to group companies	-	149	-	-	-	149
Investments in joint ventures	-	993 084	-	-	-	993 084
Investments in associates	-	664 956	-	-	-	664 956
Property, plant and equipment	-	148 973	-	137	116	149 226
Right of use assets	-	203 729	-	-	-	203 729
Investment property	-	-	107 216	-	-	107 216
Goodwill	-	305 201	-	-	-	305 201
Intangible assets	-	18 848	-	-	-	18 848

**Significant segment liabilities**

Transactional deposits	-	-	-	55 978	-	55 978
Trade and other payables	-	96 425	-	2 363	1 769	100 557
Lease liabilities	-	225 504	-	-	-	225 504
Fixed and notice deposits	530 511	-	-	-	-	530 511
Commercial paper	3 014 087	-	-	-	-	3 014 087

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

<u>OPERATING SEGMENTS</u> R'000	Deposit and Debt Finance Products	Lending	Property Investment	Transactional Banking	Other <sup>1</sup>	Total
<b>GROUP - 2025</b>						
Interest income	32 949	794 963	-	126	5 219	833 257
Interest expense	(318 428)	(49 019)	-	(659)	-	(368 106)
Net interest income/(expense)	(285 479)	745 944	-	(533)	5 219	465 151
Fee income	-	183 978	-	26 090	-	210 068
Other operating income	-	410 887	2 189	-	-	413 076
Income from joint venture	-	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*	(3 121)	(935 226)	(4 895)	(30 558)	(20 955)	(994 755)
Operating profit/(loss) before taxation	(288 311)	380 734	(9 791)	(5 001)	(15 741)	61 890
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>
<i>*Operating expenses include, inter alia:</i>						
Depreciation	-	(124 262)	-	(271)	(32)	(124 565)
Amortisation	-	(7 157)	-	-	-	(7 157)
Advertising	-	(4 775)	-	-	(6 980)	(11 755)
Bank charges	(1 854)	(76 184)	-	(2 652)	(402)	(81 092)
Collection charges	-	(57 146)	-	-	-	(57 146)
Commission paid	-	(12 002)	-	-	-	(12 002)
Communication expenses	(21)	(32 565)	(12)	(108)	(135)	(32 841)
Consulting and professional fees	(125)	(20 067)	(331)	-	(3 648)	(24 171)
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)
Travel costs	-	(14 461)	-	-	-	(14 461)
<b>Profit/(loss) for the period attributable to:</b>						
Owners of the company	(226 395)	280 483	(7 147)	(3 651)	(11 491)	31 799
Non-controlling interest	-	(2 547)	-	-	-	(2 547)
<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
Investment in joint ventures	-	937 380	-	-	-	937 380
Investment 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

**GROUP - 2026**

	South Africa	North America	Corporate <sup>1</sup>	Total
Interest income	507 445	297 425	11 545	816 415
Interest expense	(95 466)	(167 679)	(138 721)	(401 866)
Net interest income/(expense)	411 979	129 746	(127 176)	414 549
Fee income	210 190	2 745	(602)	212 333
Management fee income	5 413	29 475	(34 888)	-
Other operating income	373 008	14 596	63 216	450 820
Income from joint ventures	11 430	82 206	-	93 636
Income from associates	-	192 305	-	192 305
Fair value adjustments	33 631	-	-	33 631
Foreign exchange loss	(13)	-	(42)	(55)
Net impairment charge	(213 798)	(55 615)	(3 272)	(272 685)
Operating expenses*	(711 380)	(298 208)	(18 616)	(1 028 204)
Operating profit/(loss) before taxation	120 460	97 250	(121 380)	96 330
Taxation	(19 373)	(13 350)	5 415	(27 308)
<b>Profit/(loss) after taxation</b>	<b>101 087</b>	<b>83 900</b>	<b>(115 965)</b>	<b>69 022</b>

\*Operating expenses include, *inter alia*:

Depreciation	(118 159)	(20 835)	(158)	(139 152)
Amortisation	(269)	(384)	-	(653)
Advertising	(3 093)	(1 529)	(6 090)	(10 712)
Bank charges	(61 694)	(7 193)	(899)	(69 786)
Collection charges	(46 075)	(604)	-	(46 679)
Commission paid	(13 915)	(376)	-	(14 291)
Communication expenses	(28 123)	(4 489)	(231)	(32 843)
Consulting and professional fees	(6 248)	(4 265)	(3 203)	(13 716)
Employee costs	(252 759)	(190 150)	(18 966)	(461 875)
Property related costs	(38 976)	(17 981)	(487)	(57 444)
Transactional banking fees	(19 958)	-	-	(19 958)
Travel costs	(10 160)	(4 788)	(1 071)	(16 019)

**Profit/(loss) for the period attributable to:**

Owners of the company	101 087	84 242	(115 965)	69 364
Non-controlling interest	-	(342)	-	(342)

**Significant segment assets**

Cash and cash equivalents	150 228	284 865	85 213	520 306
Other financial assets at fair value through profit or loss	50 909	-	18 236	69 145
Other financial assets at amortised cost	212 430	-	-	212 430
Loans and advances	586 872	149 805	-	736 677
Trade and other receivables	79 553	69 056	100 436	249 045
Loans to group companies	-	-	149	149
Investments in joint ventures	113 164	879 920	-	993 084
Investments in associates	-	664 956	-	664 956
Property, plant and equipment	74 406	39 246	35 574	149 226
Right of use assets	162 613	41 116	-	203 729
Investment property	107 216	-	-	107 216
Deferred taxation	59 264	53 659	67 078	180 001
Goodwill	219 358	85 843	-	305 201
Intangible assets	14 107	4 741	-	18 848

**Significant segment liabilities**

Transactional deposits	55 978	-	-	55 978
Trade and other payables	63 452	21 811	15 294	100 557
Lease liabilities	182 150	43,354	-	225 504
Fixed and notice deposits	530 511	-	-	530 511
Commercial paper	-	-	3 014 087	3 014 087

<sup>1</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.

## GEOGRAPHICAL SEGMENTS

R'000

GROUP - 2025	South Africa	North America	Corporate <sup>1</sup>	Total
Interest income	494 688	323 255	15 314	833 257
Interest expense	(83 113)	(168 415)	(116 578)	(368 106)
Net interest income/(expense)	411 575	154 840	(101 264)	465 151
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*	(642 935)	(326 183)	(25 637)	(994 755)
Operating profit/(loss) before taxation	119 556	41 708	(99 374)	61 890
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>
*Operating expenses include, <i>inter alia</i> :				
Depreciation	(94 941)	(28 345)	(1 279)	(124 565)
Amortisation	(35)	(7 122)	-	(7 157)
Advertising	(2 800)	(1 975)	(6 980)	(11 755)
Bank charges	(72 561)	(7 295)	(1 236)	(81 092)
Collection charges	(56 394)	(752)	-	(57 146)
Commission paid	(10 553)	(1 449)	-	(12 002)
Communication expenses	(27 504)	(5 108)	(229)	(32 841)
Consulting and professional fees	(8 787)	(9 982)	(5 402)	(24 171)
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)
Travel costs	(8 961)	(4 487)	(1 013)	(14 461)
<b>Profit/(loss) for the period attributable to:</b>				
Owners of the company	88 070	44 314	(100 585)	31 799
Non-controlling interest	-	(2 547)	-	(2 547)
<b>Significant segment assets</b>				
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>1</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.

## 42. COMMITMENTS, CONTINGENCIES AND EVENTS AFTER THE REPORTING PERIOD

### Commitments and contingencies

There are no commitments and contingencies that require reporting.

### Events occurring after the reporting period

Subsequent to year-end, the Directors declared a final dividend of 4.06829 cents per ordinary share, amounting to R18.9 million, payable on 15 June 2026. This dividend has not been recognised as a liability at the reporting date. The total dividend declared relating to the reporting period amounts to 9.57071 cents per ordinary share.

Management is not aware of any other significant events that may impact the financial results or require reporting that occurred after the reporting date.

## 43. GOING CONCERN

The financial statements have been prepared on the going concern basis. This basis presumes that management neither intends to cease trading nor has reason to believe that the foreseeable future of the Company or Group is in doubt.

In the current environment, the following factors were considered in management's assessment:

- Although our US entities have recovered from elevated consumer savings levels arising from US government COVID related stimulus, further time is required to fully recover from the impact of Illinois regulatory changes. The replacement of Illinois sales volumes, revenue and products following regulatory changes implemented in March 2021 has been completed. This included the restructuring of affected Illinois businesses, expansion into other US states, an increased focus on online offerings, and the launch of an alternative loan product in Illinois.

Progress continues with the new Illinois product, Savings Account Instalment Loans ("SAIL"). While marginally profitable, this longer term product (up to 18 months) is taking longer than expected to scale. Although the concept is proven, an experienced management team is in place and funding has been secured, risk remains, as is typical for newer product lines. Continued growth of SAIL will require additional funding at a sustainable cost to scale the book and achieve meaningful returns.

- The current global economic environment remains highly uncertain, driven by factors including evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East. This uncertainty continues to contribute to elevated inflationary pressures across many markets and, more recently, to U.S. Dollar weakness.

While higher inflation can increase demand for the Group's credit products as consumers seek additional liquidity, it may also adversely affect customer affordability and repayment capacity. In addition, inflationary pressures typically result in higher interest rates, which can increase the Group's cost of funding.

Although U.S. Dollar weakness is expected to be short term, this has been carefully considered in the Group's forecasts and analysis. A weaker U.S. Dollar, particularly against the South African Rand (the Group's reporting currency), has a negative impact on the Group's U.S. Dollar denominated assets, liabilities and foreign exchange reserves forming part of equity. Conversely, a strengthening of the U.S. Dollar relative to the South African Rand, which is expected over the medium to long term, would have the opposite positive effect.

- The South African Reserve Bank has issued three sets of draft amendments to the Commercial Paper ("CP") Regulations in July 2023, July 2024 and January 2026, all of which were opened for industry comment. Finbond submitted formal responses in August 2024 and February 2026. However, no further communication has been received since the January 2026 draft. Management's view is that the latest proposed draft amendment would be workable for Finbond, but whether there will be any further changes and the implementation timeline remain uncertain.

The Group's proactive funding strategy has continued to evolve. Early redemption and renewal of existing CP under current regulations, extending maturity without increasing exposure, has proved highly effective. The issuance of excess new CP under existing regulations, which previously created an excess surplus cash buffer, has since ceased following the introduction of alternative funding products. Ongoing consultation with external Senior Counsel, IFRS specialists, capital market advisers and industry experts to assess alternative debt instruments and diversify funding sources resulted in the launch, in March 2026, of a Preference Share ("PS") investment product (refer further detail below). Liquidity stress testing across varying levels of funding stress continues to be performed to quantify potential funding gaps and timing requirements.

The PS product is not affected by CP regulations and is a standard preference share issued by Finbond Group Limited ("FGL"), regulated by the Companies Act. These are redeemable preference shares with a maximum term of 10 years, with investors having a one month window after five years from the date of their investment to request repayment.

It should be noted, as always, that a high degree of judgement is required when estimating the financial effects for the year ahead and beyond. The factors noted above confirm that uncertainties remain, and that the timing and magnitude of our recovery and growth initiatives are inherently uncertain.

Management has therefore performed robust capital, liquidity and cash flow stress testing across multiple scenarios and levels of stress. This testing, updated and monitored monthly, continues to demonstrate that the Group remains sufficiently capitalised with appropriate liquidity levels.

We remain confident that the benefits of our geographically diversified business, strong balance sheet, significant US dollar denominated assets, experienced management team and cash generative capability will continue to place the Group in good stead.

*"I was a revolutionary when I was young  
and all my prayer to God was  
'Lord, give me the energy to change the world'.  
As I approached middle age and realised that  
my life was half gone without changing a single soul,  
I changed my prayer to  
'Lord, give me the grace to change all those I come in contact with,  
just my family and friends, and I shall be satisfied'.  
Now that I am an old man and my days are numbered,  
I have begun to see how foolish I have been.  
My one prayer now is:  
'Lord, give me the grace to change myself'.  
If I had prayed this right from the start,  
I would not have wasted my life."*

- Sufi Bayazid -

## **APPENDIX**

Global Reporting Initiative (GRI) Index	192
Directors' Declaration	197
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*"If you can't explain it simply, you don't understand it well enough."*  
- Albert Einstein -

GRI INDEX (GLOBAL REPORTING INITIATIVE INDEX)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
1	G4-1	STANDARD DISCLOSURE Statement from the most senior decision-maker of the organisation about the relevance of sustainability and the organisation's strategy for addressing sustainability.	Chief Executive Report	Chair & CEO Review (pg.18-24)
2	G4-3	Company Name	Finbond Group Limited	Cover page
3	G4-4	Primary brands, products and services	Products	Products (pg.12-13)
4	G4-5	Location of the organisation's headquarters	Corporate Information	pg.198
5	G4-5	Number of countries where the organisation operates	SA, USA, Canada and Panama	pg.14
6	G4-7	Nature of ownership and legal form	Shareholders	pg.76
7	G4-8	Markets served	Customers	pg.64
8	G4-9	Scale of the organisation	2,491 employees 178 contractors, 679 branches	History and Development (pg.4-5) Branch Network, Number of Employees and Active Clients (pg.11) Chair & CEO Review (pg.18-24) CFO's Review (pg.25-27) Financial Highlights and Indicators (pg.16-17) Products (pg.12-13)
9		Industry	Financial Services	Financial Highlights and Indicators (pg.16-17)
10	G4-13	Significant changes during the reporting period		Branch Network, Number of Employees and Active Clients (pg.11) Chair & CEO Review (pg.18-24) CFO's Review (pg.25-27) Products (pg.12-13)
11	G4-15	Has the Company made a CDP submission?	No	
12	G4-15	Has the Company made a WCD submission?	No	
13	G4-15	Does the Report contain a King III compliance checklist?	Application of King V	King V (pg.58-59)
14	G4-16	Is the Company a signatory of the UN Global Impact?	No	
15	G4-16	Is the Company a signatory of any industry-specific regulatory body (e.g. ICMM) or the Equator Principles?	No	
16	G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Finbond Group Consolidated and Finbond Group Limited	Scope and Boundary (pg.2) Group Structure (pg.15)
17	G4-18	Process for defining the report content and the Aspect Boundaries	King V, GRI Index & SDTI	
18	G4-19	Material Aspects identified in the process for defining report content	External Environment, Strategy, Performance, Resources & Relationships	Scope and Boundary (pg.2)
19	G4-28	Stated reporting period of the Report	1 March 2025 - 28 Feb 2026	Directors' Report (pg.86-88)
20	G4-28	Month of Financial Year End	February	Cover page
21	G4-29	Date of most recent previous report	Integrated Report for financial year ended February 2025	
22	G4-30	Reporting cycle	Annual	
23	G4-31	Contact point for questions regarding the report or its contents	Finbond Group Head Office Tel: 012 460 7288	
24	G4-32	Is the report GRI-compliant?	Yes	
25	G4-32	What Application Level has been declared?	Core	
26	G4-33	Has the report been assured?	No	
27	G4-33	If so, by whom?	N/A	
28	G4-33	Has the AAT000AS Assurance Standard been used by the assurance provider?	No	
29	G4-33	Has the ISAE3000 Assurance Standard been used by the assurance provider?	No	
30	G4-33	Has the assurance provider identified specific data points that have been tested?	No	

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
31	G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Business Philosophy, Vision/ Mission/Core Values	Business Philosophy (pg.6) Vision/Mission (pg.7) Core Values (pg.8)
32	G4-10	<u>LABOUR</u> Total number of employees	2,491 excl. 178 contractors	History and Development (pg.4-5) Branch Network, Number of Employees and Active Clients (pg.11)  Financial Highlights and Indicators (pg.16-17) Chair & CEO Review (pg.18-24) Products (pg.12-13)
33	G4-10	Total number of contractors	178 contractors	Employees (pg.65)
34	G4-10	Total number of employees and contractors	2,668	
35	G4-LA12	Percentage of employees who are deemed 'HDSA'	97%	
36	G4-LA12	Percentage of employees who are women	96%	
37	G4-10	Percentage of employees who are 'permanent'	73%	
38	G4-11	Percentage of employees who belong to a Trade Union	None	
39	G4- LA1 (b)	Employee turnover (i.e. number of persons who departed relative to the total number of employees at year end)	29%	
40		Total number of Person Hours Worked (PHW) - Reported	5,631,704	
41		Total number of Person Hours Worked (HW) - Calculated (i.e. 1 824 HW multiplied by total workforce at year end)	4,541,760	
42		Variance in HW reported, versus calculated (percentage)	124.0%	
43		Total number of employees trained, including internal and external training interventions	2,714	
44		Rand (R'000) Value of Employee Trained Spend	9,335	
45	G4-LA6	Total number of Person Days lost due to Absenteeism	4	
46		Percentage of Total Person Days lost due to Absenteeism - Calculated	0.89%	
47		Total number of Person Days lost due to Industrial Action (i.e. strike action)	None	
48		Percentage of Total Person Days lost due to Industrial Action - Calculated	None	
49	G4-EC1	<u>ECONOMIC</u> Rand (R'000) Value of Total Revenue Generated	1,765,509	Financial Highlights and Indicators (pg.16-17)
50		Rand (R'000) Value of Total Revenue Generated per Employee	709	
51	G4-EC1	Rand (R'000) Value of Net Profit Generated	69,364	
52		Rand (R'000) Value of Net Profit per Employee	27.9	Employees (pg.65)
53	G4-EC1	Rand (R'000) Value of Total Compensation Paid to Employees and Contractors, including wages and benefits	486,777	Employees (pg.65)
54		Average Compensation per Employee and Contractors (Rands Thousands)	205	Employees (pg.65)
55	G4-EC1	Total Rand (R'000) Value of Compensation paid to Executive Directors - excluding gain on the exercise of share options	60,852	Remuneration Report - Key Statistics (pg.79)
56		Average Compensation per Executive Director (Rands Thousands) - excluding Gains on the exercise of share options	30,426	Remuneration Report - Key Statistics (pg.79)
57		Ratio of Average Compensation paid to Executive Directors relative to Average Compensation Paid to Employees - excluding "Gains"	138.79	Remuneration Report - Key Statistics (pg.79)
58	G4-EC1	Total Rand (R'000) Value of Gains on the Exercise of Share Options - Executive Directors	0	Remuneration Report - Key Statistics (pg.79)
59		Average Compensation per Executive Director (Rands Thousands) - including "Gains on the exercise of share options"	30,426	Remuneration Report - Key Statistics (pg.79)
60		Ratio: Average Compensation paid to Executive Directors relative to Average Compensation paid to Employees - Including "Gains"	138.79	Remuneration Report - Key Statistics (pg.79)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
61	G4-EC1	Total Compensation (R'000) Paid to Prescribed Officers - excluding Gains on the exercise of share options	0	Remuneration Report - Key Statistics (pg.79)
62		Average Compensation (R'000) per Executive Director & Prescribed Officers - excluding Gains on the exercise of share options	30,426	Remuneration Report - Key Statistics (pg.79)
63		Ratio: Average Executive Directors' & Prescribed Officers' Compensation relative to Average Employee Compensation - Excluding "Gains"	138.79	Remuneration Report - Key Statistics (pg.79)
64	G4-EC1	Total Rand (R'000) Value Gains on the exercise of share options - Prescribed Officers	0	Remuneration Report - Key Statistics (pg.79)
65		Average Compensation (R'000) per Executive Director & Prescribed Officer - including "Gains on share options exercised"	30,426	Remuneration Report - Key Statistics (pg.79)
66		Ratio: Average Executive Directors & Prescribed Officers relative to average Employee Compensation - including "Gains"	138.79	Remuneration Report - Key Statistics (pg.79)
67		Ratio of Net Profit After Tax per Employee to Average Compensation per Employee	14.3%	Employees (pg.65)
68		Rand (R'000) Value of Total Discretionary/Measure Spend	9,335	Employees (pg.65)
69	G4-EC1	Rand (R'000) Value of Total Taxes Paid, inclusive of VAT, Income Tax, Royalties, Rates & Taxes, and all other payments to Government	N/A	
70	G4-EC1	Rand (R'000) Value of Dividends Paid to Shareholders	57,146	
71	G4-EC1	Rand (R'000) Value of Earnings Retained	69,364	
72		Ratio of Payments to Employees relative to Dividends paid to Shareholders	8.1	
73		Ratio of Payments to Government relative to Dividends paid to Shareholders	N/A	
74		Rand (R'000) Value of Corporate Social Investment (CSI)/Socio-economic Development (SED) expenditures - Reported	1,839	Community and Social Responsibility (pg.69-70)
75	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Education	83	Community and Social Responsibility (pg.69-70)
76	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Skills Development, including Adult Basic Education & Training (ABET)	0	Community and Social Responsibility (pg.69-70)
77	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Health, including HIV/AIDS	0	Community and Social Responsibility (pg.69-70)
78	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Basic Needs & Social Development, including Nutrition and/or Feeding Programmes	179	Community and Social Responsibility (pg.69-70)
79	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Infrastructure Development	0	Community and Social Responsibility (pg.69-70)
80	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Arts, Sports & Culture	88	Community and Social Responsibility (pg.69-70)
81	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Other	78	Community and Social Responsibility (pg.69-70)
82	G4-EC1	Total Rand (R'000) Value of CSI/SED Spend	1,839	Community and Social Responsibility (pg.69-70)
83		Variance between Total CSI/SED Spend Reported...versus Calculated - Rands	0	
84		Variance between Total CSI/SED Spend Reported...versus Calculated - Percentage	0%	
85		CSI Spend as a percentage of Net Profit After Tax (NPAT)	2.7%	
86	G4-EC1	Does the report include a comprehensive discussion of returns on CSI?	Yes	Community and Social Responsibility (pg.69-70)
87	G4-EC1	Rand (R'000) Value of Enterprise Development Spend (i.e. support of small business)	247	
		<b>ENVIRONMENTAL</b>		
88	G4 EN3	Total Direct Energy Consumption (Gigajoules, GJ) – i.e. from fuels burned	368	Environment (pg.75)
89		Total Direct Energy Consumed per Person Hours Worked (MJ/HW)	0.07	Environment (pg.75)
90		Total Indirect Energy Consumption (Gigajoules, GJ) – i.e. from electricity consumed	0	
91		Total Indirect Energy Consumed per person hour worked (MJ/HW)	0	
92		Total Electricity Consumption (MWh)	10,892	Environment (pg.75)
93	G4 EN4	Total Electricity per Person Hour Worked (MWh/HW)	0.002	Environment (pg.75)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
94	G4 EN3	Total Energy Consumption in Gigajoules - calculated (NEW)	42,943	Environment (pg.75)
95		Does the company report a target for electricity consumption, or reductions, against a specific denominator (e.g. per PHW) (NEW)	No	
96		Does the company report a target for total energy consumption or reductions, against a specific denominator (e.g. per PHW) (NEW)	No	
97	G4EN18	Total Carbon Emissions (Tons of Carbon Dioxide equivalents, CO <sub>2</sub> e) - calculated	10,443	Environment (pg.75)
98	G4EN18	Average Volume of Carbon Emissions per Person Hour Worked (Tons CO <sub>2</sub> e/HW)	0.002	
99	G4EN19	Does the company report a target for carbon emissions, or reduction, against a specific denominator (e.g. per PHW). (NEW)	No	
100	G4 EN8	Total Water Consumption (Kilolitres, or Kl)	58,591	Environment (pg.75)
101		Average Quantity of Water (Litres) Consumed per Person Hour Worked (l/HW)	11	Environment (pg.75)
102		Does the company report a target for water consumption, or reduction, against a specific denominator (e.g. per PHW). (NEW)	No	
103	G4EN23	Total Quantity of Non-Hazardous Waste Disposed (Tonnes)	255	Environment (pg.75)
104		Average Quantity of Non-Hazardous Waste per Person Hour Worked (Tonnes/HW)	0.00005	Environment (pg.75)
105	G4EN25	Total Quantity of Hazardous Waste Disposed (Tonnes)	0	
106		Average Quantity of Hazardous Waste per Person Hour Worked (Tonnes/HW)	0	
107	G4EN23	Total Quantity of Waste sent for Recycling (Tonnes)	398	Environment (pg.75)
108		Percentage of Waste disposed of that is sent for recycling	66%	Environment (pg.75)
109	G4 LA6	<u>HEALTH AND SAFETY</u> Number of fatalities (i.e. injuries on duty leading to death...excluding the deaths of workers not occurring 'at work')	0	
110	G4 LA6	Number of First Aid Cases (FACs, i.e. injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	6	
111	G4 LA6	Number of Medical Treatment Cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days)	1	
112	G4 LA6	Number of Lost Time Injuries (LTIs, i.e. injuries on duty leading to at least one lost day)	3	
113	G4 LA6	Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities - Reported	3	
114		Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities	3	
115	G4 LA6	Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 Person Hours Worked) - Reported	0	
116		Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 Person Hours Worked)	0	
117	G4 LA6	Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 Person Hours Worked) - Reported	0.16	
118		Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 Person Hours Worked)	0.16	
119	G4 LA6	Total Recordable Injury Frequency Rate (TRIFR) - Reported	0.82	
120		Total Recordable Injury Frequency Rate (TRIFR)	0.82	
121		Does the company report a LTIFR and/or TRIFR target?	No	
122		Total Number of Employees & Contractors receiving Voluntary Counselling and Testing (VCT) for HIV/AIDS (i.e. counselled)	0	
123		Total Number of Employees & Contractors Tested for HIV/AIDS	0	
124		HIV/AIDS Prevalence Rate amongst employees	0%	
125	G4-38	<u>GOVERNANCE</u> Number of Board Members (as at 28 February 2026)	8	Remuneration Report - Key Statistics (pg.79)
126	G4-38	Number of Board Members who are Non-Executive	6	Remuneration Report - Key Statistics (pg.79)
127		Percentage of Board Members who are Non-Executive	75%	Remuneration Report - Key Statistics (pg.79)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
128	G4-38	Number of Board Members who are deemed 'Independent'	4	Remuneration Report - Key Statistics (pg.79)
129		Percentage of Board Members who are deemed 'Independent'	50%	Remuneration Report - Key Statistics (pg.79)
130	G4-38	Number of Board Members who are deemed 'HDSA'	1	Remuneration Report - Key Statistics (pg.79)
131		Percentage of Board Members who are deemed 'HDSA'	12.5%	Remuneration Report - Key Statistics (pg.79)
132	G4-38	Number of Board Members who are Women	1	Remuneration Report - Key Statistics (pg.79)
133		Percentage of Board Members who are Women	12.5%	Remuneration Report - Key Statistics (pg.79)
134	G4-38	Average Length of Executive Director Service (in years)	17	Remuneration Report - Key Statistics (pg.79)
135	G4-38	Average Length of Non-Executive Director Service (in years)	13	Remuneration Report - Key Statistics (pg.79)
136	G4-38	Average Length of Director (full Board) Service (in years)	14	Remuneration Report - Key Statistics (pg.79)
137	G4 LA12	Average Age of Directors (in years)	66	Remuneration Report - Key Statistics (pg.79)
138		Overall Board and Committee Meeting attendance	96%	Remuneration Report - Key Statistics (pg.79)
139		Auditor Remuneration: % of Non-audit Fees	0.48%	Remuneration Report - Key Statistics (pg.79)
140		Auditor's Rotation Period/Length of Current Auditor's service	7 years	Remuneration Report - Key Statistics (pg.79)
141	G4-39	Independence of Board Chairman	Yes	Remuneration Report - Key Statistics (pg.79)
142		Number of Prescribed Officers	0	Remuneration Report - Key Statistics (pg.79)

## DIRECTORS' DECLARATION

I hereby declare that to the best of my understanding this report is in accordance with the Core Guidelines of the G4 Sustainability Reporting Guidelines.

Any questions regarding this report or its contents can be directed to me directly by telephone on +27 (0)12 460 7288 or fax on +27 (0)12 460 7285.



Greg Labuschagne  
CPA (CA)  
Chief Financial Officer

## COMPANY INFORMATION

### COMPANY REGISTRATION NUMBER

2001/015761/06

### COMPANY SECRETARY

Mr B.C. Bredenkamp  
Rigel Office Park, 446 Rigel Ave South, Erasmusrand, Pretoria, 0181  
(PO Box 2127, Brooklyn Square, 0075)

### AUDITORS

BDO South Africa Incorporated  
Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg,  
2196

### BUSINESS ADDRESS AND REGISTERED OFFICE

Rigel Park, 446 Rigel Ave South, Erasmusrand, Pretoria, 0181

### SHARE REGISTRAR

JSE Investor Services (Pty) Ltd  
(Registration number 2000/007239/07)  
One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196  
(PO Box 4844, Johannesburg, 2000)

### SPONSOR

Valeo Capital (Pty) Ltd  
(Registration number 2021/834806/07)  
Unit G02, Skyfall Building, 18 De Beers Avenue,  
Paardevelei, Somerset West, 7130

### COMMERCIAL BANKERS

ABSA Bank Limited  
Ground Floor, Brooklyn Gardens, Block D  
Cnr Middel and Veale Streets, Brooklyn, Pretoria  
(PO Box 2018, Brooklyn Square, 0075)

### First National Bank

4 First Place, Bank City, Cnr Pritchard and Simmonds Streets,  
Johannesburg, 2000





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