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GOtymebank

# GoTyme Bank Limited

## Formerly Tyme Bank Limited

# Annual Financial Statements

For the year ended 30 June 2026

Registration number 2015/231510/06

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# General Information

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Nature of business and principal activities** | Digital banking services |
| **Directors** | TSB Jali (Chairman)<br>CL Jacobs (Chief Executive Officer)<br>Y Dockrat (Chief Financial Officer)<br>M Boakgomo (Independent non-executive)<br>S Barrett (Independent non-executive)<br>TNM Eboka (Independent non-executive)<br>R Ramcharan (Independent non-executive)<br>PA Wessels (Independent non-executive)<br>R Munyaradzi (Independent non-executive)<br>TA Boardman (Non-executive, Deputy Chairman)<br>TJ van der Walt (Non-executive)<br>MK Dippenaar (Non-executive)<br>T Zuma (Non-executive, alternate director) |
| **Registered office** | 30 Jellicoe Avenue<br>Rosebank<br>Johannesburg<br>Gauteng<br>2196 |
| **Holding company** | GoTyme Bank Holdings Limited (formerly Tyme Bank Holdings Limited) incorporated in South Africa |
| **Ultimate holding company** | Ubuntu-Botho Investments Proprietary Limited incorporated in South Africa |
| **Bankers** | Absa Bank Limited, FirstRand Bank Limited, The Standard Bank of South Africa Limited, Nedbank Limited, Investec Bank Limited |
| **Auditors** | PricewaterhouseCoopers Inc. |
| **Secretary** | L Jwili |
| **Bank registration number** | 2015/231510/06 |
| **Level of assurance** | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, No. 71 of 2008, of South Africa. |
| **Prepared by** | The annual financial statements were prepared by the Head of Strategic Finance: T Posthumus CA(SA); and supervised by the Chief Financial Officer: Y Dockrat CA(SA) |
| **Issued** | 22 October 2026 |

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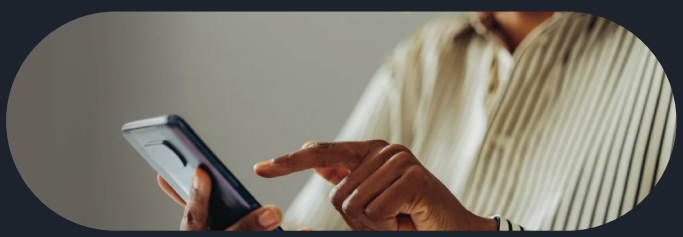
# Leadership
## Reports



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# Chairman's Report

It is my privilege to present the annual financial statements of GoTyme Bank Limited ('the Bank') for the year ended 30 June 2026. It was a defining year. After a multi-year build phase, the Bank delivered its first full year of underlying profitability, confirming that the digital model the Board has backed can operate at scale.

The statutory result includes a once-off accounting charge on the acquisition of the personal-loan business of Sanlam Personal Loans Proprietary Limited ('Sanlam Personal Loans'), completed in the final month of the year. The Chief Executive Officer and Chief Financial Officer explain this in their report.

## Strategic progress

The acquisition of the Sanlam Personal Loans business was the defining transaction of the year. It almost doubled the Bank's lending book and established a long-term jointly controlled lending business with Sanlam Personal Loans. During the year the Bank also rebranded as GoTyme Bank, and its holding company raised Tier 2 capital from external investors for the Bank, demonstrating the Group's access to the capital markets.

The Bank achieved this against a demanding South African backdrop, with households under sustained financial pressure. Its proposition – affordable, inclusive banking delivered digitally and through a nationwide network of kiosks and agents – continued to attract customers and grow deposits.

## Governance and the Board

Mr KH Westvig resigned as Chief Executive Officer with effect from 31 December 2025, and Mr CL Jacobs was appointed Chief Executive Officer and an Executive Director from 1 January 2026. On behalf of the Board, I thank Mr Westvig for leading the Bank through its build phase and welcome Mr Jacobs as the Bank enters its growth phase. NL Smalle resigned as a Non-Executive Director on 15 July 2025, MK Dippenaar and T Zuma[1] were appointed as Non-Executive Directors on 26 September 2025 and 2 October 2025, respectively.

The Board and its committees continued to provide robust oversight of strategy, risk, capital and controls throughout the year.

## Appreciation

I thank our customers for their trust, our people for their commitment, our shareholders and partners for their support. I also thank the South African Reserve Bank ('SARB'), including the Prudential Authority ('PA'), and our other regulators for their constructive engagement.

Signed by:
Thabani Jali
TSB Jali
0D624A239257447...
*Chairman of the Board*

Date: 22 October 2026

[1] *Alternate director.*

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# Chief Executive Officer and Chief Financial Officer's Report

The Bank delivered its first full year of underlying profitability while continuing to grow customers, deposits and lending.

## Customers and products

Our customer base grew to 12.8 million at 30 June 2026.

In January 2026, the Bank rebranded as GoTyme Bank and launched a new banking app, which reached one million users within three months of launch. The app gives customers free instant payments, reinforcing our commitment to affordable banking.

We launched Apple Pay in May 2026, rolled out 61 customer experience hubs, and introduced in-app chat in our new app, extending the support available to customers in person as well as digitally.

These developments deepen customer engagement and underpin the growth in fee income described below.

## Financial performance

Total income grew by 25% to R2.7 billion. Net fee and commission income was the largest contributor, rising by 41% on the back of a growing customer base. Net interest income increased by 13%, supported by growth in the lending book. Operating expenses rose by 16%, well below the growth in income, which improved the cost-to-income ratio from 83% to 77%.

### Financial performance

| R million | 2026 | 2025 | Change |
|---|---|---|---|
| Net interest income | **1 396.9** | 1 239.2 | +13% |
| Net fee and commission income | **1 248.9** | 885.8 | +41% |
| Other operating gains | **70.3** | 45.4 | +55% |
| **Total income** | **2 716.1** | 2 170.4 | +25% |
| Credit impairment charge | **(757.0)** | (533.7) | +42% |
| Operating expenses | **(2 083.2)** | (1 799.5) | +16% |
| Derecognition of intangible assets | **–** | (56.0) | |
| **Loss before taxation** | **(124.1)** | (218.8) | 43% lower |
| Taxation | **192.6** | – | |
| **Profit/(loss) after taxation** | **68.6** | (218.8) | |

On a statutory basis, the Bank reported a loss before taxation of R124.1 million (2025: R218.8 million). This includes a once-off, non-cash charge of R185.9 million that IFRS 9 requires on the acquired loans that were not credit-impaired, following the acquisition of the Sanlam Personal Loans business on 1 June 2026 (note 4). The charge is an accounting consequence of the acquisition. It does not reflect any deterioration in the credit quality of our portfolios.

Excluding this charge, underlying profit before taxation was R61.8 million – the Bank's first full year of underlying profitability. Underlying profit before taxation is not a measure defined by IFRS® Accounting Standards and is reconciled to the statutory result below.

### Reconciliation of statutory to underlying profit before taxation

| R million | 2026 | 2025 |
|---|---|---|
| Statutory loss before taxation | **(124.1)** | (218.8) |
| Once-off credit impairment charge on acquired loans not credit-impaired (note 4) | **185.9** | – |
| **Underlying profit/(loss) before taxation** | **61.8** | (218.8) |

Excluding the once-off charge, the credit impairment charge rose by 7% to R571.1 million. The taxation credit of R192.6 million includes the first-time recognition of a net deferred tax asset of R162.6 million (note 14). As a result, the Bank reported a profit after taxation of R68.6 million (2025: loss of R218.8 million).

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## Balance sheet

The balance sheet grew strongly. Customer deposits reached a record level, reflecting growth in our customer base and customers' confidence in our savings proposition. Net customer advances more than doubled, driven by organic growth and the acquired personal-loan portfolio, which had a gross contractual amount of R2.9 billion and a fair value of R2.4 billion at acquisition. Total equity was strengthened by the profit for the year and a capital contribution from our holding company.

### Financial position

| R million | 2026 | 2025 | Change |
|---|---|---|---|
| Total assets | **13 749.2** | 11 093.3 | +24% |
| Deposits from customers | **9 689.5** | 7 658.5 | +27% |
| Net customer advances | **5 084.1** | 2 246.8 | +126% |
| Total equity | **2 792.7** | 2 091.0 | +34% |

The acquisition also brought onto the balance sheet a 50% interest in a jointly controlled loan-origination company and a reference share with a fair value of R321.8 million at acquisition, through which the Bank shares in the profits of the related credit life insurance. The purchase price allocation is provisional and is set out in notes 4 and 6.

## Funding and liquidity

Our funding remains predominantly retail deposits. Liquid assets – cash, balances with the SARB and other banks, and Treasury bills – remained well above regulatory requirements throughout the year, including when the acquisition was settled.

## Capital

We strengthened the capital base on two fronts. First, the Bank received R450 million of Tier 2 capital through subordinated loans from its holding company, funded by notes placed with external investors under the holding company's Domestic Medium Term Note Programme (note 18). Second, the holding company contributed R595 million of capital which, together with R39 million transferred on the vesting of share-based payments, is held in the share issue reserve (note 19). After absorbing the acquisition, all capital and liquidity ratios remained above Board-approved and regulatory minimum requirements.

### Capital and liquidity

| At 30 June 2026 | % |
|---|---|
| Common equity Tier 1 and Tier 1 capital ratio | 15.68 |
| Total capital adequacy ratio | 21.01 |
| Leverage ratio | 11.99 |
| Liquidity coverage ratio[1] | 784 |
| Net stable funding ratio | 134 |

[1] *Average for the quarter ended 30 June 2026, as disclosed in the Pillar III report.*

## Outlook

We enter the 2027 financial year with a stronger balance sheet, a broader product offering and a full year of the enlarged lending business ahead of us. Our priorities are to:

- integrate the acquired portfolio with discipline;
- extend our products to Sanlam Group customers through the distribution partnership;
- sustain customer and deposit growth; and
- convert our larger customer base and lending book into sustainable, diversified earnings.

The Board monitors performance and capital monthly against the approved plan.

Signed by:
CL Jacobs
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*Chief Executive Officer*

Date: 22 October 2026

DocuSigned by:
Y Dockrat
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*Chief Financial Officer*

Date: 22 October 2026

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# Chief Risk Officer's Report

The Bank's risk profile was actively managed against its risk appetite during a year of significant change.

The year carried a high level of change risk. We rebranded to GoTyme Bank, launched a new banking app and completed the Sanlam Personal Loans transaction, which brought a personal-loan portfolio and a 50% interest in a jointly controlled loan-origination company. Credit, liquidity and capital were managed conservatively as the balance sheet grew, and system stability, operational risk and customer experience remained within expectations.

Our risk capabilities continue to mature with the business, and we continue to invest in the tools and people needed to support responsible, sustainable growth.

## Risk landscape

Geopolitical tension, including conflict in the Middle East, disrupted the global recovery from February 2026, adding to inflation and growth pressures that may affect South African consumers and small businesses. Rapid advances in artificial intelligence bring significant opportunities as well as new risks; we monitor both closely.

Our material risks are capital adequacy, liquidity and funding, credit risk in our unsecured lending portfolios, market risk, interest rate risk in the banking book, and operational risks including technology, fraud, cyber and compliance. Each is governed by Board-approved appetite limits, monitored by management committees and overseen by the relevant Board committee.

## Our approach to risk management

We seek to manage risk responsibly and in accordance with applicable laws, regulatory requirements and the Bank's risk appetite. Our operating model combines digital capabilities and automated controls, where appropriate, with human judgement and oversight. We apply the three lines model: business and operational management own and manage risks; the relevant second-line functions provide oversight and challenge; and Internal Audit provides independent assurance. Key and emerging risks are monitored against agreed indicators and thresholds at frequencies appropriate to the nature of the risk. Threshold breaches are escalated and addressed in accordance with the Bank's governance and risk-management frameworks.

## Credit risk

Data underpins every credit decision we make. The acquisition of the Sanlam Personal Loans portfolio materially increased our credit exposure, and we strengthened our risk management practices and model governance so that the enlarged portfolio has been appropriately overseen from acquisition. As our data matures, we continue to refine our credit models and our understanding of how the portfolio behaves under macroeconomic stress.

The credit impairment charge of R757.0 million (2025: R533.7 million) includes the once-off charge of R185.9 million that IFRS 9 requires on the acquired loans that were not credit-impaired. Excluding this charge, the impairment charge increased by 7%. Integrating the acquired portfolio into our credit risk framework is a key priority for the 2027 financial year.

## Other financial risks

Capital adequacy and liquidity ratios remained within risk appetite throughout the year, including when the acquisition was funded and settled. Interest rate risk in the banking book, including its effect on the economic value of equity, is monitored against Board-approved limits and managed by the Asset and Liability Committee ('ALCO'). The acquired fixed-rate portfolio is now a key consideration in our repricing profile. We assess capital and liquidity adequacy through our internal capital adequacy assessment process ('ICAAP') and recovery plan, including stress tests under idiosyncratic and market-wide scenarios.

## Regulatory and compliance

Our compliance position remained sound. Engagement with the PA and other regulators remained constructive, including on the regulatory approvals required during the year.

DocuSigned by:
C8DC003348ED4DD...

**ON Sorour**
*Chief Risk Officer*

Date: 22 October 2026

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# Customer Growth and Financial Position

## Highlights

| | | | |
|---|---|---|---|
| Total assets | R13.75bn | +24% | vs FY25 |
| Customer deposits | R9.69bn | +27% | vs FY25 |
| Customer advances | R5.08bn | +126% | vs FY25 |
| Total equity | R2.79bn | +34% | vs FY25 |

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# Financial Performance

## Highlights

| Total income | Net fee & commission | Net interest income |
|---|---|---|
| **R2.72bn** | **R1.25bn** | **R1.40bn** |
| +25% | +41% | +13% |

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# Governance
## Reports

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# Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act, No. 71 of 2008, of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Bank as at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with IFRS® Accounting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Bank's cashflow forecast for the year to 30 June 2027 and, in light of this review and the current financial position, they are satisfied that the Bank has access to adequate resources to continue in operational existence for the foreseeable future. Refer to the going concern note 34.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 18 to 23.

The annual financial statements set out on pages 24 to 82, which have been prepared on the going concern basis, were approved by the Board of Directors on 22 October 2026 and were signed on their behalf by:

Signed by:
Chesslyn Jacobs
3D6DEADDD9BD4FF...
**CL Jacobs**
*Chief Executive Officer*

Signed by:
Thabani Jali
6D824A239257447...
**TSB Jali**
*Chairman of the Board*

Date: 22 October 2026

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# Company Secretary's Certification

I confirm, in my capacity as Company Secretary of GoTyme Bank Limited, that for the year ended 30 June 2026 the Company has filed with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, No. 71 of 2008, of South Africa, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Signed by:
Lowwako Jwili
9606FB75451443A...
*Company Secretary*

22 October 2026

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# Directors' Report

The Board of Directors ('the Board') presents its report for the year ended 30 June 2026.

## 1. Nature of business

The Bank was incorporated on 8 July 2015 and was granted approval to commence business as a bank on 14 September 2017. It provides digital banking services focused on financial inclusion and affordable banking products, supported by an extensive physical network of kiosks and agents. On 1 June 2026, in a single transaction with Sanlam Personal Loans, the Bank acquired a personal-loan portfolio, a 50% interest in SanlamGoTyme Proprietary Limited, a jointly controlled loan-origination company, and a reference share (note 4).

## 2. Review of operations

The operating results and the state of affairs of the Bank are set out in the annual financial statements, and commentary on the year is provided in the Chairman's report and the Chief Executive Officer and Chief Financial Officer's report.

## 3. Directorate

The Directors in office at the date of this report are as follows:

| Directors | Office | Designation | Changes |
|---|---|---|---|
| CL Jacobs | Chief Executive Officer | Executive | Appointed 1 January 2026 |
| KH Westvig | Chief Executive Officer | Executive | Resigned 31 December 2025 |
| Y Dockrat | Chief Financial Officer | Executive | |
| TSB Jali | | Independent non-executive – Chairman | |
| M Boakgomo | | Independent non-executive | |
| S Barrett | | Independent non-executive | |
| TNM Eboka | | Independent non-executive | |
| R Ramcharan | | Independent non-executive | |
| PA Wessels | | Independent non-executive | |
| R Munyaradzi | | Independent non-executive | |
| TA Boardman | | Non-executive | |
| NL Smalle | | Non-executive | Resigned 15 July 2025 |
| TJ van der Walt | | Non-executive | |
| MK Dippenaar | | Non-executive | Appointed 26 September 2025 |
| T Zuma[1] | | Non-executive | Appointed 2 October 2025 |

[1] *Alternate director.*

## 4. Directors' interests in contracts

On 4 December 2018, the Bank concluded two related agreements with Tyme Limited, an intellectual-property licence granting right-of-use of Tyme's digital banking platform, and a Master Services Agreement under which Tyme Limited delivers ongoing technology and operational support. These arrangements remain in force.

## 5. Holding company

The Bank's holding company is GoTyme Bank Holdings Limited which holds 100% (2025: 100%) of the Bank's equity. GoTyme Bank Holdings Limited is incorporated in South Africa.

## 6. Ultimate holding company

The Bank's ultimate holding company is Ubuntu-Botho Investments Proprietary Limited which is incorporated in South Africa.

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## 7. Share capital and subordinated debt

No shares were issued during the year. The Bank received a capital contribution of R595.0 million from its holding company, which, together with R38.8 million transferred on the vesting of share-based payments, is reflected in the share issue reserve (note 19). During the year the Bank also received R450.0 million of Tier 2 subordinated loans from its holding company, funded by notes issued under the holding company's Domestic Medium Term Note Programme (note 18). After the reporting period, 615 871 197 ordinary shares were issued to GoTyme Bank Holdings Limited, in August 2026, in respect of the capital contribution and the vested share-based payments, and the share issue reserve was transferred to share capital and share premium (note 35).

## 8. Dividends

No dividends were declared or paid to the shareholder during the current and prior year.

## 9. Events after the reporting period

After the reporting period, 615 871 197 ordinary shares were issued to GoTyme Bank Holdings Limited, in August 2026, in respect of the R595.0 million capital contribution and the R38.8 million transferred on the vesting of share-based payments, and the share issue reserve of R633.8 million was transferred to share capital and share premium (note 19).

On 16 September 2026 TFG gave notice that it will terminate the kiosk services with effect from 31 May 2027 (note 35).

The Board is not aware of any other material event that occurred between the reporting date and the date of approval of these annual financial statements (note 35).

## 10. Going concern

The Board has assessed the Bank's ability to continue as a going concern and, having considered the Bank's underlying profitability, its demonstrated access to the capital markets, its execution of the Sanlam Personal Loans acquisition and the capital buffers the Board has set above regulatory minimum requirements, has concluded that the annual financial statements should be prepared on the going concern basis. Further detail is set out in note 34.

## 11. Auditors and Secretary

PricewaterhouseCoopers Inc. ('PwC') will continue in office in accordance with section 90 of the Companies Act of South Africa.

The Bank's Secretary is L Jwili.

## 12. Business address

The Bank's registered business address is:

Second floor
30 Jellicoe Avenue
Rosebank
Johannesburg
Gauteng
2196

## 13. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the Board on 22 October 2026. No authority was given to anyone to amend the annual financial statements after the date of issue.

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# Report of the Audit and Compliance Committee

This report is provided by the Audit and Compliance Committee ('the Committee'), in respect of the 2026 financial year of the Bank in compliance with section 94 of the Companies Act, as amended from time to time. The Committee's operation is guided by a detailed mandate that is informed by the Companies Act, No. 71 of 2008, of South Africa, the Banks Act, No. 94 of 1990, and the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV')[1] and, from March 2026, King V, and is approved by the Board. Section 94(2) of the Companies Act determines that, at each annual general meeting, a public company must elect an audit committee comprising at least three members.

The Audit and Compliance Committee comprises Non-Executive Directors and is chaired by PA Wessels, an independent Non-Executive Director. Several members of the Committee are also members of the Risk and Capital Management Committee, which ensures alignment on risk matters and strengthens oversight. The members have the experience and expertise required to discharge the Committee's duties.

The Committee meets quarterly and holds ad-hoc meetings when required to deal with other business-related matters. Management and the assurance functions meet the Prudential Authority on a regular basis.

## Execution of functions

The Audit and Compliance Committee has executed its duties and responsibilities during the financial year in accordance with its mandate as it relates to the nomination of the external auditor, verifying the independence of the auditor, approving the audit fees and assessing the nature and extent of non-audit services. In addition, the Committee has also considered the Bank's accounting, internal auditing, internal financial control, effectiveness of risk management, and financial reporting practices.

During the year under review, the Committee, among other matters, considered the following:

## In respect of the external auditors and the external audit:

The Committee performs the duties laid upon it by section 94(7) of the Companies Act, No. 71 of 2008, of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

- Considered and recommended the reappointment of PwC as external auditors for the financial year ended 30 June 2026, in accordance with section 90 of the Companies Act.
- Approved the external auditors' terms of engagement, the audit plan and budgeted audit fees payable.
- Reviewed the audit process and evaluated the effectiveness of the audit.
- Assessed and obtained assurance from the external auditors that their independence was not impaired.
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, No. 26 of 2005 for the financial year ended 30 June 2026.

## In respect of the financial statements:

The Committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act, No. 71 of 2008, of South Africa and by the standards of the auditing profession. The Committee sought and obtained assurance from the external auditors that internal governance processes within the firm support and demonstrate their independence.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

- Considered the going concern basis for the preparation of the annual financial statements.
- Examined and reviewed the annual financial statements prior to submission and approval by the Board.
- Ensured that the annual financial statements fairly present the financial position of the Bank as at the end of the financial year and the results of operations and cashflows for the financial year.
- Ensured that the annual financial statements conform with IFRS® Accounting Standards as issued by the International Accounting Standards Board ('IASB'), the Companies Act and all other applicable accounting guides and pronouncements.
- Considered accounting treatments, significant unusual transactions and accounting judgements, particularly those pertaining to the valuations where significant judgement has been exercised by management.
- Considered the appropriateness of the accounting policies adopted.
- Considered the expertise, resources and experience of the Finance function and the appropriateness of the Chief Financial Officer, and concluded that these are appropriate.
- Noted that there were no material reports or complaints received concerning accounting practices, Internal Audit, internal financial controls, content of annual financial statements, internal controls and related matters.
- Reviewed any significant legal and tax matters that could have a material impact on the financial statements.
- Reviewed and discussed the independent auditor's report.

## Significant matters considered:

- The accounting for the acquisition of the Sanlam Personal Loans business, including the provisional purchase price allocation, the fair values of the acquired loans and of the reference share, and the once-off expected credit loss charge on the acquired loans that were not credit-impaired.
- The adequacy of the expected credit loss allowances on customer advances, including management overlays.
- The first-time recognition of a deferred tax asset and the forecasts of taxable profit that support it.
- The going concern assessment, which involved significant judgement this year.

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## In respect of financial accounting and reporting developments:

- Reviewed management's process and progress with respect to new financial accounting and reporting developments.

## In respect of internal control and Internal Audit:

- Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the Internal Audit function and compliance with its charter.
- Considered reports of the internal and external auditors on the Bank's systems of internal control, including internal financial controls, and maintenance of effective internal control systems.
- Reviewed significant issues raised by the Internal Audit function and the adequacy of corrective action taken in response to such findings.
- Noted that there were no significant differences of opinion between the Internal Audit function and management.
- Assessed the independence and effectiveness of the Internal Audit function and adequacy of the available Internal Audit resources and found them to be satisfactory.
- The Committee formed the opinion that, at the date of this report, there were no material breakdowns in internal control, including internal financial controls, resulting in any material loss to the Bank.

## In respect of compliance requirements, the Committee:

- Assessed the compliance monitoring plan, and structure, as well as the compliance plan and compliance charter.
- Assessed the regulatory compliance risk control framework and applicable compliance policies, which include the requirements for the Bank to comply with applicable laws, rules, and codes.
- Reviewed compliance practices and procedures for enabling the Directors to discharge their regulatory responsibilities.
- Assessed the approach to risk assessment to ensure the integrity of the Bank's internal controls.
- Assessed the overall status of compliance at the Bank and any significant breakdowns that could cause material loss or penalty.
- Assessed the adequacy of resources and budget available to the Compliance function.
- Satisfied itself that the functioning of Compliance is in line with relevant regulatory requirements, including without limitation, section 60A and regulation 49 of the Banks Act; Financial Advisory and Intermediary Services Act, No. 37 of 2002 ('FAIS'), section 17 and regulation 4, regulation 5, Financial Intelligence Centre Act, No. 38 of 2001 ('FICA'), section 42 and King IV, Principle 6 (King V from March 2026).
- Assessed the adequacy and effectiveness of the Compliance function's performance, including receiving confirmation that there was no restriction on scope or access.

## In respect of legal and regulatory requirements:

- Reviewed and approved the annual compliance mandate and compliance plan.
- Reviewed, with management, matters that could have a material impact on the Bank.
- Monitored compliance with the Companies Act, the Banks Act, King IV (King V from March 2026) and other applicable legislation and governance codes and reviewed reports from Internal Audit, external auditors and the Compliance function detailing the extent of this.
- Considered the reports received through the Bank's ethics and fraud hotline and the actions taken in response.

## In respect of risk management and information technology:

- Considered risk management, including fraud and information technology risks as they pertain to financial reporting and the going concern assessment, through reports from Internal Audit and the external auditor.
- Considered updates on key internal and external audit findings in relation to the information technology ('IT') control environment and significant IT programmes.

## Independence, skills and expertise of the external auditors

The Audit and Compliance Committee is satisfied that PwC are independent of the Bank, and the firm and the partner who is responsible for signing the Bank's audit opinion have the requisite skills and expertise. This conclusion was arrived at, inter alia, after considering the following factors:

- The representations made by PwC to the Committee, including confirmation of the firm's and individual auditor's accreditation and the latest Independent Regulatory Board for Auditors inspection findings report.
- The auditors do not, except as external auditors or in rendering permitted and approved non-audit services, receive any remuneration or other benefits from the Bank.
- The auditors' independence was not impaired by any consultancy, advisory or other work undertaken by them.
- The auditors' independence was not prejudiced as a result of any previous appointment as auditor.
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies were met.

In conclusion, the Committee is satisfied that it has fulfilled its responsibilities and complied with its legal, regulatory and governance responsibilities as set out in its mandate.

The Committee has also satisfied the requirements for regulation 40(5) of the Regulations relating to Banks, including the annual review of material malfunction and recommended this to the Board for approval.

On behalf of the Audit and Compliance Committee:

Signed by:
Philip Wessels
PA Wessels
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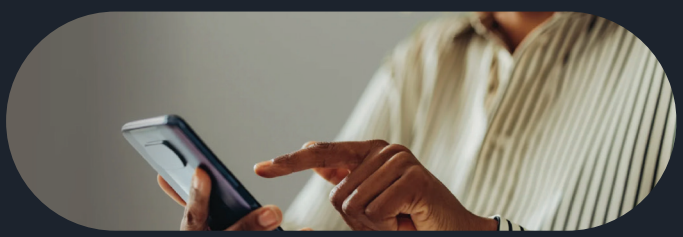
# Annual
## Financial Statements and Independent Auditor's Report



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# Independent Auditor's Report

To the shareholder of GoTyme Bank Limited

## Report on the audit of the financial statements

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GoTyme Bank Limited (the Company) as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

GoTyme Bank Limited's financial statements set out on pages 24 to 82 comprise:

- the statement of financial position as at 30 June 2026;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

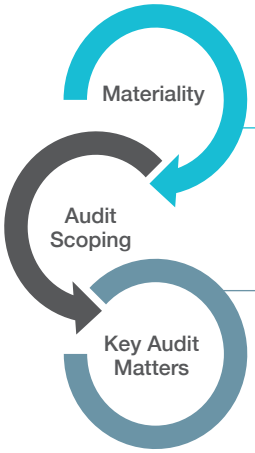
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the 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).*

## Our audit approach

### Overview




R44 million, which represents 1.58% of total equity

2 components were identified based on the operating activities of the Company. A full scope audit was performed at 1 component and an audit of specific account balances, classes of transactions and disclosures was performed at the other component.

- Expected credit losses on customer advances
- Recognition and valuation of the deferred tax asset

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

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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 and audit scope below.

## Final materiality

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

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

| | **Company financial statements** |
|---|---|
| **Final materiality** | R44 million |
| **How we determined it** | 1.58% of total equity |
| **Rationale for the materiality benchmark applied** | We chose total equity as the benchmark because, in our view, it recognises the Company's relatively developing maturity in the industry in which it operates, which renders profitability a less relevant benchmark. For an entity at this stage of maturity, we determined that the key benchmark which would impact the users' materiality decisions relate to solvency of the Company, which is also correlated with the prudential regulatory capital requirements the Company is required to comply with.<br><br>We calculated materiality at a level which is reflective of the quantitative threshold at which we believe users would consider misstatements to be material relative to the financial position and financial performance of the Company as a whole. |

## Audit scope

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

We considered the Company's organisational and legal structure, operating activities and its financial reporting processes when identifying components for purposes of planning and performing audit procedures.

In establishing the overall audit approach to the Company audit, we determined the type of work that needed to be undertaken on the financial information of the components based on risk assessment procedures across the Company 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.

Based on our scoping procedures described above, we identified 2 components. A full scope audit was performed at 1 component and an audit of specific account balances, classes of transactions and disclosures was performed at the other component. All work was performed by ourselves without reliance on another component auditor.

The work carried out at the component levels together with the additional audit procedures performed at the Company level, including substantive audit procedures over the process of aggregation of the financial information of the components, provided us with sufficient audit evidence to express an opinion on the financial statements as a whole.

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## Key audit matters

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

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report*/the EAR Rule (as applicable), 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 |
|---|---|
| **Expected credit losses on customer advances**<br><br>Refer to the following notes in the financial statements as it relates to this key audit matter:<br><br>• Material accounting policies information: 1.4.a. Significant judgements and sources of estimation uncertainty – Expected credit losses<br>• Material accounting policies information: 1.5 Financial instruments<br>• Note 3: Financial instruments and risk management – 3.4.2 Credit risk<br>• Note 8: Customer advances<br><br>As at 30 June 2026, the Company recognised gross customer advances of R6 billion, against which an expected credit loss (ECL) provision of R940.4 million was recognised. The ECL provision is calculated in terms of IFRS 9 – *Financial Instruments*.<br><br>The key areas of significant management judgement and estimation and audit attention in relation to the determination of the ECL provision include:<br><br>• Assessment of the input assumptions applied to estimate the probability of default (PD), exposure at default (EAD) and loss given default (LGD) within the ECL measurement;<br>• The criteria for assessing Significant Increase in Credit Risk (SICR) and incorporation and assessment of macro-economic inputs and forward-looking information (FLI) into the SICR assessment and ECL measurement; and<br>• Disclosures related to ECL of customer advances.<br><br>We considered the ECL on customer advances to be a matter of most significance to the current year audit due to:<br><br>• the magnitude of the advances and related ECL provision in relation to the financial statements; and<br>• the degree of subjective judgements and estimation applied by management in determining the ECL provision. | We have assessed the application of the relevant accounting definitions and policy choices for alignment with the requirements of IFRS 9 and have assessed the impact of these policies, where applicable, on the audit responses described below.<br><br>We also assessed the associated impairment methodologies and practices applied by management against the requirements of IFRS 9, as detailed below.<br><br>Using our actuarial expertise where appropriate, we performed the following procedures on the areas of significant judgment:<br><br>**Assessment of the input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement**<br><br>In respect of retail and business lending portfolios:<br><br>• We tested the appropriateness of the ECL calibration through independent reperformance of management's models, the application of challenger models and sensitivity analyses to produce an ECL range that we deemed reasonable.<br>• We assessed trends in default and loss risk based on internal data and compared that to our understanding of the general market trends and risks observed for similar credit portfolios to assess the judgment associated with allowance for forward looking information;<br>• We reviewed the design and implementation of model methodology documentation for the development and approval of the ECL models.<br>• We tested the reasonability of assumptions relating to historical default and recovery experience and recent exposure behaviour in estimating the PD:<br>– In respect of business lending, we back tested the PD model against actual observed defaults rates at various durations; and<br>– In respect of personal lending, we compared management's PDs against the actual observed default rates;<br>• We tested the reasonability of assumptions relating to historical default and recovery experience and recent exposure behaviour in estimating the EAD, and LGD model parameters;<br>• The general economic outlook and scenarios combined with the trends in default and loss experience were used to assess the allowance for forward looking information in the ECL;<br>• We tested the accuracy of data used in the models on a sample basis, noting no material exceptions.<br><br>Based on the procedures performed with respect to our assessment of the input assumptions applied, we did not identify any material matters affecting the ECL measurement. |

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| | **The criteria for assessing SICR and incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement**<br>• We assessed the appropriateness of the SICR methodology against the requirements of IFRS 9 and customer risk profiles and tested the resultant transfer rate of SICR accounts into stage 2.<br>• We obtained management's SICR trigger methodology and the application of this methodology to the portfolio.<br>• Using our actuarial expertise, we tested management's key assumptions and calculations applied in the staging process, including:<br>– The reasonableness of the modelled thresholds applied for transferring exposures to Stage 2.<br>– Arrears statuses of exposures, including the application of the days past due backstop.<br>• We independently recalculated the staging of customer advances, including the modelled ECL impacts, and compared this to management's results to confirm the accuracy of the staging outcome. This included benchmarking the transfer rate against the volume of up-to-date accounts that went into arrears based on historical trends as well as increases in risk determined by management's forward-looking macroeconomic model.<br>Based on the procedures performed with respect to the SICR judgements above, we did not identify any material matters requiring further consideration.<br>**Disclosures related to ECL of customer advances**<br>We assessed the appropriateness of the ECL related disclosures for customer advances in the financial statements in accordance with IFRS.<br>We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models and estimates, noting no material exceptions. |

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Recognition and valuation of the deferred tax asset**<br><br>Refer to the following notes in the financial statements as it relates to this key audit matter:<br><br>• Material accounting policies information: 1.4.g. Significant judgements and sources of estimation uncertainty – Recognition of deferred tax assets<br>• Material accounting policies information: 1.9 Tax<br>• Note 14: Deferred tax<br><br>During the current year, the Bank recognised a net deferred tax asset of R162.6 million for the first time. The deferred tax asset arises from deductible temporary differences and a portion of the Bank's assessed tax losses that management expects to recover through future taxable profits.<br><br>The recognition of deferred tax assets requires management to assess whether it is probable that sufficient future taxable profits will be available against which deductible temporary differences and unused tax losses can be utilised. This assessment involved significant judgement, particularly given the Bank's history of losses, the fact that it has not previously reported an accounting profit, and the uncertainty inherent in forecasting future taxable profits.<br><br>Significant judgement was applied in determining the level and timing of future taxable profits and the amount of assessed losses expected to be utilised.<br><br>Given the significance of the judgement involved in determining whether the recognition criteria in IAS 12 – Income Taxes had been met, and the materiality of the deferred tax asset recognised, we considered the recognition and valuation of the deferred tax asset to be a key audit matter. | • We evaluated management's assessment of whether the recognition criteria for deferred tax assets under IAS 12 had been satisfied.<br>• We assessed the nature and recoverability of deductible temporary differences and the availability of assessed tax losses.<br>• We evaluated the reasonableness of management's forecast taxable profits by comparing key assumptions to approved budgets, strategic plans and historical performance.<br>• We assessed whether the forecast period used by management was appropriate in the circumstances.<br>• We tested the mathematical accuracy of the deferred tax asset calculation.<br>• Using our economics experts, we performed sensitivity analyses on key assumptions underlying the forecast taxable profits, including the timing of profitability, forecast revenue growth and operating costs, and evaluated the impact of reasonably possible changes on the amount of the deferred tax asset recognised.<br>• We evaluated the adequacy of the deferred tax disclosures in the financial statements.<br><br>Based on the procedures performed, we did not identify any material matters requiring further consideration. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "GoTyme Bank Limited Annual Financial Statements for the year ended 30 June 2026", which includes the Directors' report, the Report of the Audit and Compliance Committee and the Company Secretary's Certification as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

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## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 PricewaterhouseCoopers Inc. has been the auditor of GoTyme Bank Limited for 11 years.

PricewaterhouseCoopers Inc.

**PricewaterhouseCoopers Inc.**
Director: Rivaan Roopnarain
Registered Auditor

Johannesburg, South Africa
22 October 2026

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# Statement of Financial Position

## as at 30 June 2026

| | Notes | 2026 R'000 | 2025 R'000 |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances with the SARB | 5 | **2 107 054** | 2 103 646 |
| Cash and balances with other banks | 5 | **25 281** | 33 105 |
| Financial assets | 6 | **4 266 316** | 5 129 329 |
| Receivables | 7 | **594 365** | 360 154 |
| Customer advances | 8 | **5 084 110** | 2 246 812 |
| Current tax receivable | 9 | **1 204** | 34 |
| Inventories | 10 | **5 442** | 33 159 |
| Plant and equipment | 11 | **215 647** | 211 902 |
| Right-of-use assets | 12 | **21 065** | 24 447 |
| Goodwill and other intangible assets | 13 | **1 266 119** | 950 722 |
| Deferred tax | 14 | **162 587** | – |
| **Total assets** | | **13 749 190** | 11 093 310 |
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| Deposits from customers | 15 | **9 689 468** | 7 658 517 |
| Trade and other payables | 16 | **706 125** | 1 249 995 |
| Provisions | 17 | **83 307** | 63 132 |
| Lease liabilities | 12 | **27 563** | 30 706 |
| Financial liabilities | 18 | **450 000** | – |
| **Total liabilities** | | **10 956 463** | 9 002 350 |
| **Equity** | | | |
| Share capital | 19 | **1 239 729** | 1 239 729 |
| Share premium | 19 | **6 940 574** | 6 940 574 |
| Share issue reserve | 19 | **633 788** | – |
| Share-based payment reserve | 20 | **101 874** | 102 462 |
| Common control equity reserve | | **1 086 409** | 1 086 409 |
| Accumulated loss | | **(7 209 647)** | (7 278 214) |
| **Total equity** | | **2 792 727** | 2 090 960 |
| **Total equity and liabilities** | | **13 749 190** | 11 093 310 |

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# Statement of Profit or Loss and Other Comprehensive Income

| | Notes | 2026 R'000 | 2025 R'000 |
|---|---|---|---|
| Interest income | 22 | **1 755 867** | 1 560 431 |
| Interest expense | 23 | **(358 940)** | (321 232) |
| **Net interest income** | | **1 396 927** | 1 239 199 |
| Fee and commission income | 24 | **1 969 580** | 1 548 055 |
| Fee and commission expense | 24 | **(720 666)** | (662 259) |
| **Net fee and commission income** | | **1 248 914** | 885 796 |
| Credit impairment charge | 25 | **(757 012)** | (533 723) |
| Other operating gains (losses) | 26 | **70 300** | 45 388 |
| Other operating expenses | 27 | **(2 083 208)** | (1 799 475) |
| Derecognition of intangible assets | 13 | **–** | (55 969) |
| **Loss before taxation** | | **(124 079)** | (218 784) |
| Taxation | 28 | **192 646** | – |
| Profit/(loss) for the year | | **68 567** | (218 784) |
| **Total comprehensive income (loss) for the year** | | **68 567** | (218 784) |

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# Statement of Changes in Equity

| | Share capital R'000 | Share premium R'000 | Total share capital R'000 | Share issue reserve R'000 | Common control equity reserve R'000 | Share-based payment reserve R'000 | Total reserves R'000 | Accumulated loss R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 01 July 2024** | 1 189 927 | 6 474 465 | 7 664 392 | – | 1 086 409 | 97 362 | 1 183 771 | (7 059 430) | 1 788 733 |
| Loss for the year | – | – | – | – | – | – | – | (218 784) | (218 784) |
| Other comprehensive income | – | – | – | – | – | – | – | – | – |
| **Total comprehensive Loss for the year** | – | – | – | – | – | – | – | (218 784) | (218 784) |
| Issue of shares | 49 802 | 456 605 | 506 407 | – | – | – | – | – | 506 407 |
| Capital raise costs | – | (1 166) | (1 166) | – | – | – | – | – | (1 166) |
| Share-based payment expense – ESOP | – | – | – | – | – | 15 770 | 15 770 | – | 15 770 |
| Issue of shares – Vested LTIP | – | 10 670 | 10 670 | – | – | (10 670) | (10 670) | – | – |
| **Total contributions by and distributions to owners of company recognised directly in equity** | 49 802 | 466 109 | 515 911 | – | – | 5 100 | 5 100 | – | 521 011 |
| **Balance at 01 July 2025** | **1 239 729** | **6 940 574** | **8 180 303** | **–** | **1 086 409** | **102 462** | **1 188 871** | **(7 278 214)** | **2 090 960** |
| **Total comprehensive income for the year** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **68 567** | **68 567** |
| Capital contribution from holding company | **–** | **–** | **–** | **595 031** | **–** | **–** | **595 031** | **–** | **595 031** |
| Share-based payment expense – ESOP | **–** | **–** | **–** | **–** | **–** | **38 169** | **38 169** | **–** | **38 169** |
| Transfer on vesting of LTIP | **–** | **–** | **–** | **38 757** | **–** | **(38 757)** | **–** | **–** | **–** |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **–** | **–** | **–** | **633 788** | **–** | **(588)** | **633 200** | **–** | **633 200** |
| **Balance at 30 June 2026** | **1 239 729** | **6 940 574** | **8 180 303** | **633 788** | **1 086 409** | **101 874** | **1 822 071** | **(7 209 647)** | **2 792 727** |
| Notes | 19 | 19 | 19 | 19 | | 20 | | | |

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# Statement of Cash Flows

| | Notes | 2026 R'000 | 2025 R'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 31 | **(454 775)** | 233 777 |
| Interest received | | **1 328 025** | 1 219 185 |
| Interest paid | 23 | **(358 940)** | (321 232) |
| Tax (paid)/received | 29 | **(4 235)** | 7 059 |
| **Net cash from operating activities** | | **510 075** | 1 138 789 |
| **Cash flows from investing activities** | | | |
| Purchase of plant and equipment | 11 | **(53 222)** | (141 938) |
| Proceeds from sale of plant and equipment | 11 | **212** | 25 |
| Purchases of intangible assets | 13 | **(10 819)** | (3 507) |
| Purchase of financial assets – Treasury bills | | **(6 244 410)** | (6 703 254) |
| Proceeds on maturity of financial assets – Treasury bills | | **7 801 305** | 4 718 090 |
| Proceeds on sale of financial assets – Government bonds | | **–** | 1 145 601 |
| Acquisition of the Sanlam Personal Loans business (consideration paid) | 4 | **(3 044 862)** | – |
| **Net cash from investing activities** | | **(1 551 796)** | (984 983) |
| **Cash flows from financing activities** | | | |
| Proceeds on issue of share capital | 19 | **–** | 506 407 |
| Capital raise costs | 19 | **–** | (1 166) |
| Proceeds from subordinated loans | 18 | **450 000** | – |
| Capital contribution | | **595 031** | – |
| Payment on lease liabilities | 12 | **(7 726)** | (8 099) |
| **Net cash from financing activities** | | **1 037 305** | 497 142 |
| **Total cash movement for the year** | | **(4 416)** | 650 948 |
| Cash and cash equivalents at the beginning of the year | | **2 136 751** | 1 485 803 |
| **Cash and cash equivalents at the end of the year** | 5 | **2 132 335** | 2 136 751 |

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# Material Accounting Policies Information

## 1. Significant accounting policies

### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee ('IFRS IC') interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act, No. 71 of 2008, of South Africa as amended.

The annual financial statements comply with the requirements of the Financial Reporting Guides of the South African Institute of Chartered Accountants ('SAICA') as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies where the fair value basis has been applied. They are presented in South African Rands which is the Bank's functional currency, and rounded to the nearest thousand unless otherwise indicated.

These accounting policies are consistent with the previous period.

### 1.2 Business combinations under common control

The Bank accounts for common control business combinations, which are specifically excluded from the scope of IFRS 3 Business Combinations, using the pooling of interests method. Assets and liabilities of the transacting entities are reflected at their predecessor values, being the carrying amounts recognised by the controlling party.

No "new" goodwill is recognised as a result of the combination. The only goodwill that is recognised is that already recognised in respect of the combining parties. Any difference between the consideration transferred and the net assets acquired is recognised in the common control equity reserve.

### 1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

#### Joint operations

The Bank recognises the following in relation to its interests in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

### 1.4 Significant judgements and sources of estimation uncertainty

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

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# 1. Significant accounting policies (continued)

## 1.4 Significant judgements and sources of estimation uncertainty (continued)

### a. Expected credit losses

The Bank measures expected credit losses ('ECL') in accordance with IFRS 9 Financial Instruments, using a forward-looking approach that incorporates both quantitative models and expert judgement.

The ECL methodology reflects current and forecast macroeconomic conditions by adjusting historical loss data with forward-looking information. Given the limitations of historical information alone, the Bank integrates a range of internal and external indicators when evaluating the need to modify assumptions underlying ECL measurement. These indicators include:

- macroeconomic variables such as gross domestic product ('GDP') growth, inflation and interest rates;
- portfolio specific variables, including product type, risk grade, and delinquency patterns; and
- customer specific data such as payment history and sector exposure.

The Bank's ECL models are based on the three key parameters:

- **Probability of Default ('PD')** – the likelihood that a borrower will default on their obligation over a given time horizon.
- **Exposure at Default ('EAD')** – the estimated outstanding balance at the time of default.
- **Loss Given Default ('LGD')** – the proportion of exposure that is expected to be lost, net of recoveries.

These parameters are calibrated using historical data and are regularly updated to reflect changes in credit risk and borrower behaviour.

Where model limitations exist, management overlays are applied using expert judgement to ensure that the ECL estimate reflects the Bank's best estimate of expected future credit losses under current and forecast economic conditions.

The ECL provision is reassessed at each reporting date and adjusted accordingly to ensure alignment with changes in risk exposure and macroeconomic outlook.

### b. Goodwill

Goodwill arising on a business combination is recognised at the acquisition date as the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured at fair value.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment testing is performed at the level of the cash-generating unit ('CGU') to which the goodwill is allocated.

The recoverable amount of the CGU is determined using the higher of fair value less costs to sell and the value in use approach. This involves estimating future cashflow projections based on approved financial budgets and applying a discount rate that reflects current market assessments of the time value of money and risks specific to the CGU.

The discount rate incorporates:

- a market risk premium;
- country and size-specific risk adjustments; and
- a risk-free rate benchmarked to the prevailing 10-year government bond yield.

Assumptions used in the impairment assessment include projections of revenue growth, asset yields, and other macroeconomic and industry-specific factors influencing the CGU's performance.

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# 1. Significant accounting policies (continued)

## 1.4 Significant judgements and sources of estimation uncertainty (continued)

### c. Impairment of non-financial assets

The Bank assesses non-financial assets for impairment in accordance with the principles of IAS 36 Impairment of Assets. This assessment applies to property, plant and equipment, intangible assets (including customer relationships, trademarks, and internally generated software), and goodwill.

Impairment assessments are performed at least annually for goodwill, and whenever events or changes in circumstances indicate that the carrying amount of a non-financial asset may not be recoverable. Indicators of impairment are identified through the evaluation of both internal and external information, including:

- internal indicators such as updated business plans, actual performance relative to budget, and changes in the expected manner of asset use; and
- external indicators such as macroeconomic trends, political and regulatory developments, fiscal policy shifts, and market dynamics affecting the Bank's operations.

Where such indicators exist, the Bank determines the recoverable amount of the asset or CGU to which the asset belongs. The recoverable amount is defined as the higher of:

- fair value less costs of disposal; and
- value in use, which represents the present value of future cashflows expected to be derived from the asset or CGU.

Value in use is determined using a discounted cashflow ('DCF') model. The model estimates future cashflows based on financial forecasts approved by management, adjusted for asset-specific risks, and discounted using a rate that reflects current market conditions and the time value of money. The discount rate includes a risk premium appropriate to the specific asset or CGU.

An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount.

### d. Capital Work in Progress ('WIP')

Capital Work in Progress is recognised within plant and equipment for the development of self-service kiosks prior to their deployment and installation at retail locations. These kiosks form part of the Bank's digital onboarding and customer service infrastructure.

WIP is measured at cost, which comprises the invoiced amounts for hardware components and any directly attributable costs necessary to bring the asset to its intended working condition. Until the kiosk installation is complete and the asset is ready for use, WIP is not depreciated.

The carrying value of WIP reflects only the actual costs incurred to date.

While these assets are not yet operational, the Bank periodically assesses the recoverability of WIP. This assessment includes consideration of the ability to recover costs through future use, or in the unlikely event of non-deployment, the potential to realise value through the sale or repurposing of components. Such assessments are based on the Bank's best estimates and experience in the digital distribution of banking infrastructure.

### e. Long Term Incentive Plan

The Bank operates a Long Term Incentive Plan ('LTIP') in which share appreciation rights are granted to qualifying employees and executives, subject to service and performance-based vesting conditions.

In assessing whether performance obligations under the LTIP have been met and whether the associated rights have vested, the Bank applies a valuation methodology based on a free cashflow to equity ('FCFE') model. This model estimates the present value of expected future cashflows attributable to equity holders, adjusted for relevant valuation considerations.

The Bank reassesses these valuations periodically and at each reporting date to ensure fair presentation and compliance with IFRS 2.

### f. Asset useful life and residual values

Plant and equipment and intangible assets are depreciated/amortised over their useful lives taking into account residual values, where applicable. An assessment is performed annually of the useful lives of these assets to determine whether these remain appropriate. Factors considered in this assessment are the technological advancements, changes in use of the asset or business requirements, the expected period over which value is expected to be derived from the asset. The actual lives of the assets and residual values are assessed at each financial year end and may vary depending on a number of factors. In reassessing asset useful lives, factors such as technological innovation, use of the asset and changing business requirements are taken into account.

Where appropriate, changes to the useful lives of plant and equipment are made. The updated estimates for depreciation are adjusted prospectively in the statement of profit and loss.

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# 1. Significant accounting policies (continued)

## 1.4 Significant judgements and sources of estimation uncertainty (continued)

### g. Recognition of deferred tax assets

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

Determining the amount to be recognised requires significant judgement regarding the timing and level of future taxable profit. The Bank bases this assessment on its Board-approved forecasts, which are consistent with those used in its going concern assessment, and takes into account its recent performance, the expected contribution of its lending portfolios and the limitations on the use of assessed losses under South African tax legislation. The amounts recognised and not recognised are set out in note 14.

### h. Joint arrangements

The Bank applies judgement in determining whether it has joint control of an arrangement and whether a joint arrangement is a joint operation or a joint venture. The assessment considers the legal form of the arrangement, its contractual terms and other relevant facts and circumstances, in particular whether the parties have rights to the assets and obligations for the liabilities of the arrangement. Refer to note 30.

## 1.5 Financial instruments

Financial instruments held by the Bank are classified in accordance with the provisions of IFRS 9 Financial Instruments. The classification and subsequent measurement depend on the business model with which the debt instruments are managed and whether the contractual cashflows represent "solely payments of principal and interest" ('SPPI').

The following financial instruments are classified as financial assets held at amortised cost:

- Receivables
- Bank balance pledged
- Treasury bills
- Customer advances
- Acquired financial assets (including purchased or originated credit-impaired ('POCI') assets)
- Cash and cash equivalents

The following financial instruments are classified as financial assets held at fair value through profit or loss ('FVTPL'):

- Investment in reference share
- Derivative financial instruments

The following financial instruments are classified as financial liabilities at amortised cost:

- Trade and other payables
- Deposits from customers
- Tier 2 subordinated loan

The classification of financial assets at amortised cost applies only when the contractual terms of the instrument give rise, on specified dates, to cashflows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cashflows. Interest income from these financial assets is included in interest income calculated using the effective interest method in the income statement.

### 1.5.1 Recognition and measurement of financial instruments

Financial instruments are recognised when the Bank becomes a party to the contractual provisions of the instrument. The instruments are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments classified at FVTPL, for which transactions costs are expensed in profit or loss.

All purchases or sales of financial assets are recognised and derecognised on a trade date basis.

#### a. Financial assets at amortised cost

Financial assets in this category are subsequently recognised at amortised cost.

The amortised cost is the amount recognised on the instrument initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method ('EIR') of any difference between the initial amount and the maturity amount, adjusted for any ECL allowance.

Net interest income comprises interest income net of interest expense and is calculated using the EIR. The EIR is calculated by considering transaction costs, initiation fees as well as costs that are an integral part of the EIR. The Bank 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.

Where financial assets have subsequently become credit impaired, interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the ECL allowance). The interest income is suspended (interest in suspense) for the duration that the financial asset is credit impaired.

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# 1. Significant accounting policies (continued)

## 1.5 Financial instruments (continued)

### 1.5.1 Recognition and measurement of financial instruments (continued)

#### b. Financial assets at FVTPL

Financial assets are classified and measured at FVTPL where they do not satisfy the SPPI criterion, or are not held within a business model whose objective is to hold assets to collect contractual cashflows or both to collect contractual cashflows and sell financial assets.

Financial assets classified at FVTPL are initially recognised at fair value on the trade date. Transaction costs directly attributable to the acquisition are expensed as incurred. After initial recognition, such assets are measured at fair value at each reporting date, and all changes in fair value are recognised in profit or loss in the period in which they arise.

#### c. Significant financial assets include:

##### Receivables

Receivables are classified as financial assets at amortised cost and comprise of sundry deposits and cash in transit, which are considered to be short term in nature. Receivables are measured at the undiscounted amount of the cash expected to be received unless the arrangement effectively constitutes a financing arrangement.

##### Bank balances pledged

Bank balances pledged are deposits held as security for guarantees issued in respect of lease obligations.

##### Treasury bills

Treasury bills are held with the SARB and are classified as financial assets at amortised cost.

##### Customer advances

Customer advances are initially recognised at fair value upon loan origination. Loan origination fees, which are integral to the loan, are capitalised and adjusted as part of the effective interest rate over the loan's term.

Subsequently, customer advances are measured at amortised cost, reflecting the Bank's business model of holding these assets to collect contractual cashflows.

Customer advances are classified and disclosed into two categories: Retail Lending and Business Lending. Retail Lending primarily includes Personal Loans, while Business Lending primarily comprises Merchant Cash Advances ('MCA').

The Bank provides MCA's to qualifying merchants. Under these arrangements, the Bank advances a fixed amount to a merchant in exchange for contractual repayment of the amount advanced together with a predetermined fee. Repayments are collected as an agreed percentage of the merchant's future sales until the contractual settlement amount has been repaid.

Although the arrangements are legally described as the acquisition of a right to a portion of the merchant's future sales, the bank has exercised judgement in determining whether, in substance, the arrangement constitute financial assets with contractual cash flows that are consistent with a basic lending arrangement i.e. characteristics of solely principal and interest.

In making this assessment, the Bank considers the contractual terms of each product, and assessed:

- that the Bank always has a contractual right to receive repayment i.e. the uncertainty relates to timing of collection rather than exposure to the underlying revenue generation;
- the contract caters for the impact of early settlement in line with the prepayment features consistent of that with a basic lending arrangement;
- the fee earned by the Bank compensates the bank for both time value of money and credit risk even in instances of a delayed settlement i.e. settlement later than when projected by the Bank's internal models;
- the loan is not subordinated to other creditors.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash that is held with the SARB as well as funds held with other South African banks and financial institutions which are subject to an insignificant risk of changes in value. These balances are classified as financial assets at amortised cost.

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# 1. Significant accounting policies (continued)

## 1.5 Financial instruments (continued)

### 1.5.1 Recognition and measurement of financial instruments (continued)

#### d. Acquired financial assets

Financial assets acquired as part of a portfolio acquisition are initially recognised at their acquisition-date fair value. The acquisition-date fair value incorporates the credit risk present in the portfolio at that date.

Where acquired financial assets are not credit-impaired at the acquisition date, the EIR is calculated on the acquisition-date fair value and a loss allowance equal to 12-month ECL is recognised in profit or loss from the date of initial recognition, even though the acquisition-date fair value already reflects expected credit losses.

Where acquired financial assets are credit-impaired at the acquisition date (POCI assets), a credit-adjusted effective interest rate is applied. The credit-adjusted EIR is calculated such that the present value of expected cashflows, including expected credit losses at the acquisition date, discounts to the acquisition date fair value. Interest revenue is recognised by applying the credit-adjusted EIR to the amortised cost of the asset. No loss allowance is recognised at initial recognition; subsequent favourable changes in lifetime expected credit losses are recognised as an impairment gain in profit or loss and adverse changes are recognised as an impairment loss.

#### e. Derivative financial instruments

Derivative financial instruments are recognised on the date on which the Bank becomes a party to the contractual provisions of the instrument. All derivatives are classified and measured at FVTPL.

Where the fair value of a derivative at inception is nil — which arises where the contractual terms of the instrument are structured such that no economic premium or discount is paid or received — no initial asset or liability is recognised. All subsequent changes in fair value are recognised in profit or loss as they arise.

The Bank does not apply hedge accounting.

### 1.5.2 Impairments

The Bank evaluates its debt instruments classified at amortised cost for ECL in accordance with IFRS 9 Financial Instruments. The ECL model necessitates the recognition of an allowance for either 12-month or lifetime ECLs, depending on the credit risk status of the asset since initial recognition. This classification determines whether exposures are classified as Stage 1 (12-month ECL), or Stage 2 and 3 (lifetime ECL).

#### Staging framework (overview)

The Bank allocates exposures to one of three stages for ECL measurement:

- Stage 1 (Performing; no significant increase in credit risk ('SICR')): recognise 12-month ECL
- Stage 2 (Under-performing/SICR): recognise lifetime ECL
- Stage 3 (Non-performing/credit-impaired): recognise lifetime ECL

Stage allocation is determined by the credit risk status of the asset since initial recognition and is reassessed at each reporting date.

#### SICR assessment (Stage 1 vs Stage 2)

SICR is assessed using a combination of quantitative and qualitative indicators, incorporating current and forward-looking information. The Bank may apply SICR assessment at individual exposure level and/or at portfolio level where appropriate. Portfolio/- or segment -level approaches may use observed empirical transitions (e.g. roll rates) and forward-looking adjustments to estimate the portion of Stage 1 exposures that have experienced SICR. Delinquency/aging, together with other risk metrics, is used as a SICR indicator. The Bank applies IFRS 9 requirements, including rebuttable presumptions where relevant, and defines the specific thresholds, rebuttal criteria, and interaction with other SICR indicators in the ECL Staging Criteria approved and governed by the Credit Approval and Large Exposures Committee ('CALEC').

#### Credit-impaired/Stage 3 assessment

An exposure is classified as Stage 3 when it is credit-impaired in accordance with IFRS 9 and the Bank's default definition. Stage 3 indicators include, but are not limited to:

- For retail lending exposures measured under a day-count aging convention, the Bank defines default as 90 or more days past due. For the Merchant Cash Advance product, where repayments are variable and linked to merchant turnover, the Bank applies its Payments Equivalence methodology, which translates actual payment receipts relative to expected payments into a days-past-due equivalent for credit risk monitoring and staging purposes.
- Borrowers admitted to the regulated debt review programme under the National Credit Act are classified as Stage 3 (credit-impaired) regardless of their arrears status, as admission to debt review constitutes objective evidence of financial difficulty.

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# 1. Significant accounting policies (continued)

## 1.5 Financial instruments (continued)

### 1.5.2 Impairments (continued)

#### Restructuring/modification status and staging

Restructuring status is considered in the SICR/credit-impaired assessments and may affect staging, depending on whether the restructuring is indicative of financial difficulty and the resulting credit risk profile has changed. Detailed definitions (including "non-distressed restructures," treatment of regulatory debt review restructures, and any probation/performance requirements before down-staging) are maintained in controlled standards and approved through IFRS 9 governance, rather than embedded in this policy.

#### Cure and stage transfers (down-staging)

The Bank performs continuous assessment to determine whether the conditions that led to SICR or credit impairment still exist, and transfers exposures to a lower stage only when supported by evidence.

Down-staging is effected only upon receipt of payments sufficient to extinguish the arrears that gave rise to the SICR or credit-impairment classification, thereby restoring the exposure to a non-defaulted state. The Bank does not apply re-aging or balance restructuring as cure mechanisms, except for statutory debt review restructuring pursuant to the National Credit Act.

#### Variable repayment products and "expected payment" aging

As repayments on Merchant Cash Advance products vary with observed business performance (e.g. turnover-based repayment profiles), the Bank monitors delinquency/aging relative to an expected payment schedule derived from available information and governed forecasting approaches.

The method for establishing expected payment schedules (including data sources, forecasting techniques, stress overlays, and any minimum payment/variance tolerance parameters) is documented in the model development documentation and is subject to model risk governance and periodic validation.

#### Write-off

The Bank writes off accounts where there is minimal chance of recovery. Partial write-offs are not performed:

- A financial asset is written off when it satisfies both of the following criteria: (i) it is 180 or more days past due; and (ii) no payment has been received in the six months preceding the write-off date. Once both conditions are met concurrently, the write-off is applied without further deferral.
- For retail lending exposures on which payments continue to be received, a backstop write-off is applied at 360 days past due, irrespective of payment activity. For Merchant Cash Advance exposures, the backstop write-off period is extended by a further 12 months, reflecting the variable repayment nature of these instruments and the potential for continued recovery from future merchant settlement flows.

### 1.5.3 Measurement of impairments

The Bank assesses the ECL of its advances portfolio by estimating the likelihood of defaults. ECL is measured using three key components: PD, EAD, and LGD. These components are multiplied together to determine the ECL, which is then discounted using the original effective interest rate of the customer advance.

The measurement of ECL considers both the possibility of a credit loss occurring and the possibility of no credit loss occurring, even if the likelihood of a loss is low. Credit losses are calculated as the present value of all cash shortfalls – i.e. the difference between the cashflows due to the Bank under the contract and the cashflows the Bank expects to receive, excluding any post-write-off recoveries. Adjustments are made for general economic conditions, customer-specific factors, and an assessment of both current and forecasted conditions at the reporting date. The time value of money is also considered in this calculation.

The assessment of SICR and the calculation of ECL incorporate forward-looking information. The Bank conducts historical analyses to identify key economic variables affecting credit risk and ECL, using macroeconomic data from the Bureau for Economic Research ('BER'). This information is applied to the rest of the retail lending portfolio where contractual terms exceed two months.

#### Retail lending specific considerations

For the personal-loan portfolio, the PD is calibrated to the observed credit experience of the portfolio. For the loans acquired from Sanlam Personal Loans, which make up most of the portfolio, this is the longer loss history of that portfolio; for loans originated by the Bank, it is the Bank's own experience. PD increases as a borrower progresses through arrears stages, with lifetime PD recognised from Stage 2 onwards in accordance with the Bank's staging framework.

The LGD for the personal-loan portfolio is calibrated on the same basis, using the observed recoveries on credit-impaired accounts. Where observed loss history is limited, management considers whether an overlay is required to reflect the uncertainty in the data.

The EAD represents an estimate of the exposure at the point of default. It considers expected changes in the exposure after the reporting date, including principal and interest repayments. EAD is determined by applying estimated cashflows to amortise the current loan exposure up to the point of default.

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# 1. Significant accounting policies (continued)

## 1.5 Financial instruments (continued)

### 1.5.3 Measurement of impairments (continued)

#### Business lending specific considerations

The Bank's MCA product is a flexible offering designed to align repayment expectations with the cashflow cycles and trading patterns of its clients. As such, it does not require fixed payments or have a predetermined contractual term. The Bank has implemented an aging methodology based on the number of payments a client is ahead or behind their expected payment profile. This serves as a proxy for client arrears, although arrears are not contractually defined in the MCA product.

As part of the credit origination process, the client's turnover is forecasted using various statistical techniques, depending on the availability of data. To account for normal seasonal and trading variations, as well as forecasting uncertainties, the aging calculation is based on a minimum payment requirement of 75% of the expected payments outlined in the agreement. The PD is then determined using a Hazard Rate methodology, which tracks client transitions through different delinquency stages to calculate the PD.

The LGD for the Bank's MCA portfolio is calculated using the workout approach. This method tracks collections on defaulted debt until final resolution, which may result in either a payment or a liquidation/write-off. To reflect the time value of money, collections are discounted to the default date using the original EIR.

The EAD for the Bank's MCA portfolio is estimated using the observed behaviour of clients per arrears status leading up to the point of default and applied to their gross carrying value at measurement period to estimate what gross carrying value will be at the point of default.

### 1.5.4 Modifications

In the Bank's retail lending portfolio, restructured accounts refer to loans where the original terms have been modified due to the borrower's financial difficulties under the terms of the National Credit Act ('NCA'). There is a formal contractual arrangement between the customer and the Company, where both parties have agreed to alter the terms of the original loan agreement. The contractual terms are changed in such a way to accept a reduced monthly instalment than the original contractual amounts due, resulting in cashflow relief for the customer. The contract terms are generally adjusted when the customer can no longer afford the payments under the original agreement terms.

Modification gains/losses arise when the terms of a financial asset are modified, resulting in changes to the timing or amount of contractual cashflows. Modification gains/losses are calculated as the difference between the original contractual cashflows and the modified cashflows discounted at the original effective interest rate.

In the Bank's business lending portfolio, the terms associated with MCA are not formally modified, rather repayments are variable in nature and depend on the client's level of monthly turnover, the term taken to repay the outstanding amount can vary automatically. This is not considered a loan modification.

### 1.5.5 Credit risk

Details of the Bank's exposure to credit risk are set out in note 3 (Financial instruments and risk management) and note 8 (Customer advances).

#### Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

#### Trade and other payables

Trade payables are classified as financial liabilities at amortised cost. These are measured at the undiscounted value of the cash expected to be paid, unless the discounting component is material.

#### Deposits from customers

Deposits from customers are recognised at fair value and thereafter carried at amortised cost.

## 1.6 Plant and equipment

Plant and equipment are tangible assets which the Bank holds for its own use and which are expected to be used for more than one year.

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Bank, and the cost of the item can be measured reliably. Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment are initially measured at cost and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Where assets and components thereof are purchased prior to being readied for use these are recorded as Capital Work in Progress. Once the related asset is brought into use, this is transferred from Capital Work in Progress to the relevant asset category in fixed assets and depreciated in accordance with the estimated useful life of the respective asset category. When assets are recorded Capital Work in Progress, they are not depreciated.

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# 1. Significant accounting policies (continued)

## 1.6 Plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is charged using the straight-line method to write down the asset's carrying amount over its estimated useful life to its estimated residual value. Leasehold improvements are depreciated over the shorter of their expected useful lives and the lease term, including the lease term related to probable lease renewals. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the date that the asset is derecognised.

The useful lives of items of plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Furniture and fixtures | Straight line | 6 years |
| Office equipment | Straight line | 3 – 5 years |
| Computer equipment | Straight line | 3 – 7 years |
| Leasehold improvements | Straight line | 5 – 7 years |
| Tools and equipment | Straight line | 6 years |
| Generators | Straight line | 15 years |
| Kiosks | Straight line | 5 years |
| Capital – Work in progress | Not depreciated | |

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

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired.

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

## 1.7 Goodwill and other intangible assets

Internally generated and purchased intangible assets are initially recognised at the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated and purchased intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequently, intangible assets are carried at cost less accumulated amortisation and impairment.

Development costs that relate to the design and testing of new improved products, systems or processes are recognised as an asset to the extent that it is expected that such assets are separable and will generate future economic benefits. Useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being recognised on a prospective basis.

The amount initially recognised for internally generated and purchased intangible assets is the sum of the expenditure incurred from the date when the asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally generated and purchased intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Recognition criteria are met when the Bank can demonstrate:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- its intention to complete and its intention and ability to use or sell the asset;
- how the asset will generate future economic benefits; and
- the availability of resources to complete the assets.

Internally generated intangible assets comprise computer software developed to support the Bank's operations, including software acquired in business combinations.

| Item | Depreciation method | Average useful life |
|---|---|---|
| Internally generated software | Straight line | 3 years |
| Trademarks | Straight line | 8 years |
| Customer relationships | Straight line | 4 – 10 years |
| Purchased intangible software | Straight line | 3 years |
| Goodwill | Not amortised | |

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# 1. Significant accounting policies (continued)

## 1.8 Inventories

Inventories represent cards on hand not yet delivered to kiosks. Inventories are valued at the lower of cost and net realisable value, on a first in, first out basis ('FIFO').

Where the net realisable value is lower than the cost, the difference will be recognised as an expense in the period.

The cost of cards delivered to kiosks are recognised in the statement of profit or loss in the period in which delivery occurs.

Promotional merchandise represent branded merchandise items such as staff clothing held on hand. These items are not intended for sale and are used for internal purposes including employee engagement and promotional activities. The cost associated with these items is recognised in the statement of profit or loss during the period in which they are distributed or used. The Bank evaluates its merchandise stock to ensure it is recorded at the lower of cost and net realisable value.

## 1.9 Tax

### Current tax assets and liabilities

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

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

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

## 1.10 Leases

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

### a. Bank as lessee

The Bank recognises lease liabilities pertaining to lease payment commitments and right-of-use assets representing the right to use the underlying assets.

### b. Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term.

| Item | Depreciation method | Average useful life |
|---|---|---|
| Office space | Straight line | 3 – 7 years |

The right-of-use assets are presented within note 12 and are subject to impairment in line with the Bank's impairment of non-financial assets policy.

The depreciation charge for each year is recognised in profit or loss.

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# 1. Significant accounting policies (continued)

## 1.10 Leases (continued)

### c. Lease liabilities

The Bank recognises lease liabilities measured at the present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable.

The lease liability is initially measured at the present value of the future lease payments expected to be paid after the commencement date, discounted using the incremental borrowing rate ('IBR'). To determine the IBR, the Bank obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease liability is subsequently measured at amortised cost using the effective interest method. The Bank remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination and/or extension option. Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

### d. Leases of low-value assets

The Bank considers leased items with a new purchase value of below R120 000 to be low-value. These types of leases typically relate to the rental of office equipment. Lease payments on leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

### e. Lease term

The Bank determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the Bank is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Bank is reasonably certain not to exercise that option.

In assessing whether it is reasonably certain to exercise or not exercise an option, the Bank considers all relevant facts and circumstances that create an economic incentive. These include contractual terms, significant leasehold improvements, termination penalties, costs associated with replacing the leased asset, and the importance of the asset to the Bank's operations. Lease terms are on average 3 to 7 years for leased premises.

## 1.11 Impairment of non-financial assets

The Bank assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of an impairment is recognised immediately in profit or loss.

## 1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at R0.10 each and classified as share capital in equity. Any amounts received from the issue of shares in excess of R0.10 is classified as share premium in equity.

Directly attributable costs associated with the issuing of new shares are capitalised against equity, resulting in the increase in equity being reflective of the net proceeds received.

There are currently no restrictions on distributions from reserves in equity.

The shares for issue reserve represents funding received from shareholders for which shares are still to be issued. Once the shares are issued, the amounts will be recognised as share capital and share premium in equity as per the share capital and equity accounting policy.

## 1.13 Share based payments

### a. Employee share-based compensation benefits

Share-based compensation benefits are provided to employees (including senior executives) of the Bank via the GoTyme Bank Holdings Limited LTIP which replaced the Bank's Employee Share Ownership Programme ('ESOP'). Selected employees working at the Bank are granted shares based on the value of GoTyme Bank Holdings Limited shares and Tyme Group shares through the programme. Information relating to this scheme is set out in note 21.

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# 1. Significant accounting policies (continued)

## 1.13 Share based payments (continued)

### a. Employee share-based compensation benefits (continued)

The change in the fair value of shares granted under the LTIP is recognised as an employee benefit expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (e.g. the entity's share price in terms of recent share subscriptions); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period) and including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### b. Purchase of shares by African Fig Tree Investments Proprietary Limited ('AFT')

Share-based payment compensation is received by certain employees of the Bank in the form of a discount on the acquisition price of GoTyme Bank Holdings Limited's shares, from AFT and is recognised as an equity settled share-based payment. The total expense is recognised immediately where there are no vesting conditions, with the remainder recognised over the vesting period.

## 1.14 Employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and 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.

## 1.15 Provisions

Provisions are recognised when:

- the Bank has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses unless the contract is considered to be onerous. An onerous contract is identified when the costs to fulfil the contract are higher than the expected future economic benefits to be received and a provision is raised based on the total estimated costs required to fulfil the contract less future economic benefits expected to be received.

## 1.16 Revenue recognition

Revenue is recognised on an accrual basis in the period in which the interest is earned or services are rendered.

### a. Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income for all instruments measured at amortised cost using the effective interest method over the life of the related instrument. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. Loan origination fees that relate to the creation of a financial asset are amortised over the expected term of the loan on an effective interest rate basis and included in interest income.

Where estimates of future payments or receipts on financial assets are revised, the carrying amount of the financial asset is adjusted to reflect both the actual and revised estimated cashflows. The revised carrying amount is determined by calculating the present value of the updated cashflows using the financial asset's original effective interest rate. Any resulting adjustment to the carrying value is recognised as interest income.

For financial assets classified as Stage 3 (impaired), interest income is calculated based on the asset's amortised cost, using the original effective interest rate. Contractual interest income on the gross exposure is suspended and is only recognised as part of credit impairments once the financial asset is no longer classified as Stage 3.

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# 1. Significant accounting policies (continued)

## 1.16 Revenue recognition (continued)

### b. Fee and commission income

#### Transactional banking

Fee income from transactional banking includes charges levied on customer transactional accounts, such as cash deposit and withdrawal fees, card-based commissions, money transfer fees, and fees for value-added services provided as an agent for third-party businesses, such as the sale of electricity and airtime.

Fee income is recognised in a manner that reflects the transfer of promised services to customers, at an amount that represents the consideration the Bank expects to be entitled to for those services. Fees earned for services rendered are accrued over time, in line with the provision of the service. Fee income that is earned over time, is recognised as the services are rendered to the customer.

#### Fees earned – non-banking services

Fees earned from non-banking services comprise cost recoveries from related parties and income earned on partnerships. These fees are recognised over time.

## 1.17 Fee and commission expenses

Fee and commission expenses primarily comprise costs incurred in respect of transactional banking services, including interchange, network and association fees, as well as expenses related to third-party distribution and value-added services. These expenses are recognised in profit or loss in the period in which the related services are received.

In certain arrangements, the Bank is entitled to receive incentives, rebates or marketing support from vendors or partners linked to specific expense categories. Such amounts are recognised as an asset when it is probable that they will be received and the amount can be measured reliably. These amounts are deducted from the related expense line in the statement of profit or loss to ensure that the reported expense reflects the net cost incurred by the Bank.

## 1.18 Translation of foreign currencies

### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cashflows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cashflow.

## 1.19 Prepayments

Prepayments are included in receivables and relate to annual service contracts for IT support services, networks and licences, as well as new kiosks ordered from the manufacturer that have not yet been delivered to the Bank.

## 1.20 Financial liabilities

The liability component is carried at amortised cost using the effective interest rate method.

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# Notes to the Annual Financial Statements

## 2. New standards and interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Bank has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

#### Lack of exchangeability – amendments to IAS 21

The amendments apply when a currency is not exchangeable into another currency. They require an entity to estimate the spot exchange rate at the measurement date and to provide additional disclosures that enable users to understand the effects of non-exchangeability on financial performance, position and cashflows.

The effective date of the amendment is for years beginning on or after 01 January 2025.

The Bank has adopted the amendment for the first time in the 2026 annual financial statements.

The impact of the amendment is not material.

### 2.2 Standards and interpretations not yet effective

The Bank has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Bank's accounting periods beginning on or after 01 July 2026 or later periods:

#### Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Bank's annual financial statements.

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries to apply full-IFRS Accounting Standards recognition and measurement with reduced disclosures.

The effective date of the standard is for years beginning on or after 01 January 2027.

The Bank is not eligible to apply IFRS 19; therefore, no impact is expected.

It is unlikely that the standard will have a material impact on the Bank's annual financial statements.

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, introducing mandatory subtotals (operating, investing and financing) in the statement of profit or loss, a category-aligned structure for the statement of cashflows and enhanced disaggregation and management-defined performance-measure disclosures.

The effective date of the standard is for years beginning on or after 01 January 2027.

The Bank plans no early adoption. Significant presentation and disclosure changes are expected, but no effect on recognition or measurement.

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# 2. New standards and interpretations (continued)

## 2.2 Standards and interpretations not yet effective (continued)

### Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

These amendments clarify derecognition when settlement is electronic, refine guidance on contractually linked instruments and introduce disclosures for financial assets with environmental, social and corporate governance ('ESG') linked features.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The Bank will assess the impact during the 2026 planning cycle; no early adoption is planned and no material effect is anticipated.

### Amendments to IAS 28: Fair value option for investments in associates and joint ventures

The amendments clarify the scope of the exemption that permits certain entities with a specified main business activity to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method, aligning it with the concept introduced by IFRS 18.

The effective date of the standard is for years beginning on or after 01 January 2027.

The Bank does not meet the conditions for the fair value option and holds no equity-accounted associates or joint ventures; therefore no impact is expected.

### IFRS 20 Regulatory Assets and Regulatory Liabilities

IFRS 20 (which supersedes IFRS 14 Regulatory Deferral Accounts) sets out recognition, measurement, presentation and disclosure requirements for regulatory assets and regulatory liabilities arising from rate regulation.

The effective date of the standard is for years beginning on or after 01 January 2029.

The Bank has no activities within the scope of the standard; therefore no impact is expected.

### Annual Improvements to IFRS Accounting Standards – Volume 11

The annual improvements make narrow-scope clarifications and corrections to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The effective date of the standard is for years beginning on or after 01 January 2026.

It is unlikely that the amendment will have a material impact on the Bank's annual financial statements.

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# 3. Financial instruments and risk management

## 3.1. Categories of financial instruments

### Categories of financial assets

| | Notes | Fair value through profit or loss R'000 | Amortised cost R'000 | Total R'000 |
|---|---|---|---|---|
| **2026** | | | | |
| Cash and cash equivalents | 5 | **–** | **2 132 335** | **2 132 335** |
| Treasury bills | 6 | **–** | **3 928 623** | **3 928 623** |
| Investment in reference share | 6 | **321 797** | **–** | **321 797** |
| Bank balances pledged | 6 | **–** | **15 896** | **15 896** |
| Receivables | 7 | **–** | **501 249** | **501 249** |
| Customer advances | 8 | **–** | **5 084 110** | **5 084 110** |
| | | **321 797** | **11 662 213** | **11 984 010** |

| | Notes | Amortised cost R'000 | Total R'000 |
|---|---|---|---|
| **2025** | | | |
| Cash and cash equivalents | 5 | 2 136 751 | 2 136 751 |
| Treasury bills | 6 | 5 113 432 | 5 113 432 |
| Bank balances pledged | 6 | 15 897 | 15 897 |
| Receivables | 7 | 276 464 | 276 464 |
| Customer advances | 8 | 2 246 812 | 2 246 812 |
| | | 9 789 356 | 9 789 356 |

The carrying amount of financial assets at amortised cost approximates their fair value. Most of these assets are short-term, and the personal-loan portfolio acquired on 1 June 2026 was recognised at its fair value one month before the reporting date.

## 3.2. Categories of financial liabilities

| | Notes | Amortised cost R'000 | Total R'000 |
|---|---|---|---|
| **2026** | | | |
| Deposits from customers | 15 | **9 689 468** | **9 689 468** |
| Trade and other payables | 16 | **687 236** | **687 236** |
| Financial liabilities | 18 | **450 000** | **450 000** |
| | | **10 826 704** | **10 826 704** |

| | Notes | Amortised cost R'000 | Total R'000 |
|---|---|---|---|
| **2025** | | | |
| Deposits from customers | 15 | 7 658 517 | 7 658 517 |
| Trade and other payables | 16 | 1 246 307 | 1 246 307 |
| | | 8 904 824 | 8 904 824 |

The fair value of the financial liabilities approximates the carrying amount.

Lease liabilities of R27.6 million (2025: R30.7 million) are within the scope of IFRS 16 Leases and are measured under that standard; they are therefore excluded from the IFRS 9 categories above. Refer to note 12 for the lease liabilities and their maturity analysis. The Bank holds no financial liabilities measured at FVTPL.

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# 3. Financial instruments and risk management (continued)

## 3.3. Capital risk management

The Bank's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Bank's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Capital requirements are set by the Prudential Authority of the SARB and are monitored on a monthly basis by management to ensure compliance with the regulatory and Board approved minimum capital requirements. Management continually forecasts the capital adequacy of the Bank to proactively address any capital requirements which may be needed in the coming months. Tier 1 Capital comprises share capital, share premium, the share issue reserve, share-based payment reserve, retained earnings/accumulated losses and common control equity reserve. Tier 2 qualifying capital comprises loan loss provisions for performing loans (Stage 1 and Stage 2) and subordinated debt qualifying as capital.

Internal controls and governance processes which include the Risk Appetite Statement ('RAS') are used by ALCO to monitor, manage and ensure sound capital planning.

As part of the RAS process, capital is managed in a conservative manner to ensure the minimum prudential requirements are met at all times. At 30 June 2026 the Bank's Common Equity Tier 1 and Tier 1 ratios were 15.68% and its total capital adequacy ratio was 21.01% (2025: 21.29% and 21.72%), above the regulatory and Board-approved minimum requirements throughout the year.

In maintaining these capital ratios, management seeks to efficiently manage both the qualifying capital on the statement of financial position and the risk weighted value of the assets.

## 3.4. Financial risk management

### 3.4.1. Overview

The Bank is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (currency risk, interest rate risk and price risk)

### 3.4.2. Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, either in part or in full. The Bank's credit risk primarily originates from retail and business lending, particularly from unsecured personal loans and merchant cash advances. Effective credit risk management is a key component of the Bank's risk governance framework, ensuring the stability and resilience of its loan portfolio and overall balance sheet.

The Bank employs a proactive approach to credit risk management, focusing on the identification, assessment, and mitigation of risks associated with lending. This process includes comprehensive credit assessments, setting appropriate credit limits based on borrowers' affordability, and ongoing monitoring of exposures to respond swiftly to any signs of increased credit risk. The Bank uses both internal rating models and external credit ratings, where applicable, to assess the creditworthiness of counterparties.

In line with IFRS 9, the Bank follows a comprehensive provisioning process to account for ECL (refer to note 8 for further detail). The credit risk management policies are regularly reviewed and updated to align with changing market conditions, regulatory requirements, and the broader economic environment. This ensures the Bank maintains a healthy risk appetite and capital adequacy, while effectively managing its credit portfolios.

Operationally, credit risk is managed by the Head of Credit, who reports directly to the Chief Risk Officer ('CRO'). The CRO, in turn, reports to the Risk Committee, a sub-committee of the Board. The Board approves the Bank's overall Risk Appetite Statement ('RAS'), and the management of credit portfolios is conducted within this mandate. The mandate includes predefined risk triggers and limits, with specific response requirements linked to credit granting. Risk triggers and limits are set based on credit loss outcomes that could impact the portfolio's return on capital, ensuring a proactive approach to managing credit losses and maintaining product-level profitability.

The Head of Credit provides monthly reports on credit performance to the business, where key insights, observations, and any proposed changes to credit granting are discussed. The Bank's credit approval process follows a tiered approval mandate, with larger exposures requiring higher levels of approval and adherence to stricter criteria.

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.2. Credit risk (continued)

| | Notes | 2026 Gross carrying amount R'000 | 2026 ECL R'000 | 2026 Net carrying amount R'000 | 2025 Gross carrying amount R'000 | 2025 ECL R'000 | 2025 Net carrying amount R'000 |
|---|---|---|---|---|---|---|---|
| Receivables | 7 | **501 249** | **–** | **501 249** | 276 464 | – | 276 464 |
| Financial assets | 6 | **4 267 009** | **(693)** | **4 266 316** | 5 130 228 | (899) | 5 129 329 |
| Bank balances pledged | | **15 900** | **(4)** | **15 896** | 15 900 | (3) | 15 897 |
| Investment in reference share | | **321 797** | **–** | **321 797** | – | – | – |
| Treasury bills | | **3 929 312** | **(689)** | **3 928 623** | 5 114 328 | (896) | 5 113 432 |
| Customer advances | 8 | **6 024 538** | **(940 428)** | **5 084 110** | 2 883 431 | (636 619) | 2 246 812 |
| Business lending | 8 | **2 836 089** | **(542 624)** | **2 293 465** | 2 435 582 | (548 718) | 1 886 864 |
| Retail lending | 8 | **3 188 449** | **(397 804)** | **2 790 645** | 447 849 | (87 901) | 359 948 |
| Cash and cash equivalents | 5 | **2 132 709** | **(374)** | **2 132 335** | 2 137 271 | (520) | 2 136 751 |
| | | **12 925 505** | **(941 495)** | **11 984 010** | 10 427 394 | (638 038) | 9 789 356 |

The maximum exposure to credit risk represents the gross carrying amount disclosed above.

#### a. Treasury bills

Treasury bills have been evaluated for ECL based on a year end sovereign credit risk rating of BB. Given the absence of historical default evidence, the Bank has determined that the PD is low.

#### b. Receivables

Receivables primarily consist of amounts from vendors, related parties, deposits paid to suppliers and cash in transit. The Bank has assessed credit risk by examining historical balance movements and forward looking information for indications of potential credit losses. No significant credit risk has been identified, and consequently, an immaterial ECL has been recognised.

#### c. Bank balances pledged

Bank balances pledged are held with First National Bank, a division of FirstRand Bank Limited, and relate to guarantees on leases for properties. These balances have been assessed for ECL by evaluating the counterparty credit rating of the institution where the pledged funds are maintained.

#### d. Cash and cash equivalents

Cash and cash equivalents have been evaluated for ECL based on the counterparty credit ratings of the institutions where these funds are held. These funds are maintained with reputable institutions that have demonstrated a strong credit history.

#### e. Customer advances

Estimating credit exposure for risk management purposes is inherently complex and necessitates the application of models, as exposure fluctuates with changes in market conditions, expected cashflows, and the passage of time. Evaluating the credit risk of a portfolio involves making further estimations regarding the likelihood of defaults, associated loss ratios, and default correlations among counterparties. The Bank assesses credit risk utilising PD, EAD, and LGD. This methodology is employed to measure ECL in accordance with IFRS 9. Refer to note 8 for the ECL staging.

##### ECL Parameters

During the year, the PD, LGD and EAD parameters for the retail and business lending portfolio were estimated from observed portfolio experience, including the acquired portfolio's history of empirical data from January 2012 to 30 June 2025.

Monthly probabilities of default ('PD') are estimated separately for current accounts, partial arrears, one-instalment arrears, two-instalment arrears and performing restructured accounts. The risk drivers include arrears history, outstanding debt, customer characteristics and credit-bureau information that are used to derive through-the-cycle PDs which are subsequently calibrated against observed defaults.

The Loss Given Default ('LGD') parameter estimates the loss incurred from a write-off weighted by the probability of the account being written off. The loss severity is determined using historical recovery cashflows discounted at the effective interest rate, after being adjusted for collection costs and other adjustments. The methodology recognises the restructuring/ modification losses and caters for re-default risk from accounts in Stage 2 and 3.

The Exposure at Default ('EAD') is estimated using empirically observed balances at the time of default and deriving exposure weighted ratios segmented by the arrears status and age of the account.

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.2. Credit risk (continued)

#### e. Customer advances (continued)

**Forward-looking information**

The forward-looking economic assumptions used for the 30 June 2026 ECL assessment are based on the Bureau for Economic Research ('BER') Scenario Analysis issued on May 2026. The report provides baseline, positive (upside) and negative (downside) scenarios for South Africa over 2026–2031. The BER internally constructs each of the scenarios using macro econometric modelling and economical judgement. The scenarios are weighted by aggregating the views across its panel of experts.

| Scenario | Scenario weight | Economic outlook |
|---|---|---|
| Base | 55.5% | The Middle East conflict creates a temporary energy-price shock without developing into a prolonged global crisis. The country maintains modest growth, supported by household spending and gradual improvements in electricity supply and confidence. Higher fuel and transport costs temporarily lift inflation, while monetary policy remains cautious before easing as pressures subside. Borrower affordability remains under pressure. |
| Upside | 15.0% | Faster geopolitical de-escalation and improving energy supply routes reduce fuel and transport costs. Inflation moderates more quickly, interest-rate easing starts earlier, and confidence and household purchasing power improve. These conditions support stronger consumption and investment and a more favourable credit outlook. |
| Downside | 29.5% | A prolonged energy shock and persistent shipping disruptions keep fuel costs elevated. Inflation becomes more persistent and monetary policy tightens further. Higher debt-service costs, weaker real income growth and delayed investment weigh on demand. BER assumes a technical recession during 2026, although annual real GDP growth remains positive at 0.7%, followed by a slower recovery. |

The macroeconomic values from each of the scenarios are used as inputs together with the respective portfolio's default experience to generate a credit linked index that is used to adjust the probability of default ('PD') into a forward-looking parameter before estimating the ECL at reporting date. The macro variables considered are Inflation, Household Credit Extension, Unemployment, Real Disposable Income Net of Debt, Real GDP and Prime Interest Rate.

**Significant increase in credit risk**

The acquired loans are assessed for Staging and SICR relative to the acquisition date of 01 June 2026 (the date of initial recognition). The loans acquired while in Stage 3 are classified as Purchase Originated Credit Impaired ('POCI') and were recognised at the fair market value. The 12-month ECL on the performing acquired loans was recognised on initial recognition (R185.9 million, note 4). The remainder of the loans are classified by the methodology noted in 1.5.2. For the POCI assets, subsequent changes in the net asset value are recognised as a gain or loss.

**Credit risk rating**

The Bank has developed credit risk rating models that use credit bureau data and customer information collected at the time of application. Each application is also subject to an affordability assessment, a key component of the credit decision, in line with the National Credit Act. After origination, customers' payment behaviour is monitored and used to develop behavioural scores that inform the Bank's internal credit ratings.

The Bank's internal credit scorecards grade applications from lowest to highest acceptable risk at origination, and grades may change over the life of an exposure. The tables below show the distribution of gross advances by risk grade for the Bank's material products.

| Personal loans | | FY26 | FY25 |
|---|---|---|---|
| Risk Grade 1 | Lowest risk category | **8%** | 7% |
| Risk Grade 2 | | **9%** | 8% |
| Risk Grade 3 | | **42%** | 50% |
| Risk Grade 4 | | **14%** | 11% |
| Risk Grade 5 | | **11%** | 9% |
| Risk Grade 6 | | **8%** | 8% |
| Risk Grade 7 | | **6%** | 6% |
| Risk Grade 8 | Highest risk category | **2%** | 1% |
| | | **100%** | 100% |

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.2. Credit risk (continued)

#### e. Customer advances (continued)

Credit risk rating (continued)

| Merchant cash advance | | FY26 | FY25 |
|---|---|---|---|
| Risk Grade 1 | Lowest risk category | **16%** | 15% |
| Risk Grade 2 | | **5%** | 6% |
| Risk Grade 3 | | **77%** | 77% |
| Risk Grade 4 | Highest risk category | **2%** | 2% |
| | | **100%** | 100% |

The tables below analyse the gross carrying amount of customer advances subject to the IFRS 9 impairment requirements by stage and arrears bucket as at 30 June 2026, presented by product. For these exposures, the Bank's internal credit rating is based on arrears status.

| 2026 | Credit risk grade – arrear bucket (days) | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | POCI[1] R'000 |
|---|---|---|---|---|---|
| **Retail lending** | | | | | |
| Personal Loans | Current 0 – 4 | **2 216 069** | **113 031** | **2 300** | **17** |
| | Arrears 5 – 29 | **224 302** | **37 095** | **2 266** | **157** |
| | Arrears 30 – 59 | **57 295** | **31 755** | **2 981** | **20** |
| | Arrears 60 – 89 | **146 530** | **15 197** | **3 473** | **5 270** |
| | Arrears 90+ | **–** | **–** | **102 242** | **131 593** |
| MoreTyme | Current 0 – 4 | **45 583** | **–** | **–** | **–** |
| | Arrears 5 – 29 | **3 944** | **–** | **–** | **–** |
| | Arrears 30 – 59 | **–** | **2 520** | **–** | **–** |
| | Arrears 60 – 89 | **–** | **729** | **1 185** | **–** |
| | Arrears 90+ | **–** | **–** | **6 315** | **–** |
| Other | | **36 585** | **(8)** | **–** | **–** |
| | | **2 730 308** | **200 320** | **120 761** | **137 056** |

[1] *Purchased or originated credit-impaired ('POCI').*

| 2026 | Credit risk grade – arrear bucket (days) | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 |
|---|---|---|---|---|
| **Business lending** | | | | |
| Merchant cash advance | Current 0 – 4 | **1 575 883** | **180 001** | **–** |
| | Arrears 5 – 29 | **–** | **214 119** | **–** |
| | Arrears 30 – 59 | **–** | **120 601** | **–** |
| | Arrears 60 – 89 | **–** | **86 746** | **–** |
| | Arrears 90+ | **–** | **–** | **467 377** |
| Other | | **191 362** | | **–** |
| | | **1 767 245** | **601 467** | **467 377** |

| 2025 | Credit risk grade – arrear bucket (days) | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 |
|---|---|---|---|---|
| **Retail lending** | | | | |
| Personal Loans | Current 0 – 4 | 265 101 | 4 126 | 12 966 |
| | Arrears 5 – 29 | 6 535 | 344 | 1 530 |
| | Arrears 30 – 59 | – | 51 576 | 994 |
| | Arrears 60 – 89 | – | 33 989 | 875 |
| | Arrears 90+ | – | – | 25 848 |
| MoreTyme | Current 0 – 4 | 28 185 | – | – |
| | Arrears 5 – 29 | 2 039 | – | – |
| | Arrears 30 – 59 | – | 855 | – |
| | Arrears 60 – 89 | – | 168 | 712 |
| | Arrears 90+ | – | – | 1 763 |
| Other | | 10 242 | – | – |
| | | 312 102 | 91 058 | 44 689 |

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.2. Credit risk (continued)

#### e. Customer advances (continued)

Credit risk rating (continued)

| 2025 | Credit risk grade – arrear bucket (days) | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 |
|---|---|---|---|---|
| **Business lending** | | | | |
| Merchant cash advance | Current 0 – 4 | 1 250 282 | 342 357 | – |
| | Arrears 5 – 29 | – | 153 063 | – |
| | Arrears 30 – 59 | – | 90 680 | – |
| | Arrears 60 – 89 | – | 57 700 | – |
| | Arrears 90+ | – | – | 356 905 |
| Other | | 183 646 | 133 | 815 |
| | | 1 433 928 | 643 933 | 357 720 |

Measurement of ECLs

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

- Customer advances that are not credit-impaired on initial recognition are classified in Stage 1 and credit risk is continuously monitored by the Bank against its SICR criteria.
- If a significant increase in credit risk since initial recognition is identified, the customer advance is moved to Stage 2 but is not yet deemed to be credit-impaired.
- If the customer advances become credit-impaired, these advances move to Stage 3.

Definition of default

The Bank's default definition is aligned to the Basel definition of default and an advance is seen to be in default when the customer is 90 or more days past due on their contractual payments, is subject to legal action (handed over) or has been admitted to debt review under the National Credit Act.

#### f. Investment in reference share

The Bank holds a reference share issued by Sanlam Personal Loans, acquired at a fair value of R321.8 million, which entitles it to six-monthly dividends based on the profits of credit life insurance policies linked to its personal-loan portfolio. The reference share is measured at fair value through profit or loss using an appraisal-value approach, is a Level 3 measurement (note 6) and is not subject to the expected credit loss requirements.

### 3.4.3. Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet both expected and unexpected current and future cashflow needs without impacting its daily operations. Liquidity risk is managed by ensuring that the Bank holds sufficient liquid assets, both short and longer dated.

#### Liquidity risk management

The Bank manages its liquidity risk through the liquidity risk framework ('LRF'), which prescribes the requirements, processes, risk measures, and strategies to be used to manage liquidity and funding risk.

The LRF provides robust governance, risk management measures and techniques related to liquidity risk management and outlines the execution of liquidity risk and funding risk activities. This framework is consistent with the Bank's risk management, governance, and control standards. The LRF has clearly documented and communicated responsibilities and accountabilities and is considered adequate by the Board for managing liquidity risk at a prudent level under both normal conditions and in periods of stress. It furthermore also duly specifies, implements, and maintains appropriate limits in respect of the Bank's funding sources and complies with the liquidity requirements of the SARB.

The Bank manages liquidity risk through separate liquidity buffers on the liquidity coverage ratio ('LCR') and net stable funding ratio ('NSFR'), as documented in the RAS. This is further supported by the Bank's contingency funding plan ('CFP), business continuity plan ('BCP') and the recovery plan.

The Treasury function is responsible for the Bank's daily funding and liquidity management. This function is critical in ensuring that the Bank has sufficient funds to meet all its obligations as they fall due and to optimally and efficiently place or utilise surplus funds to ensure optimal return for the Bank, its depositors and investors. This is all done within prescribed internal limits set out in the aforementioned policies, as well as in compliance with regulatory liquidity, market, and credit risk limits.

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.3. Liquidity risk (continued)

**Liquidity risk management (continued)**

The Bank's ALCO is responsible for managing the Bank's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. In order to effectively manage liquidity risk the Bank:

- maintains a portfolio of highly liquid assets, with varying tenors;
- ensures that there is diversity in its funding base;
- monitors the behavioural characteristics of financial assets and liabilities;
- monitors liquidity reports analysing the expected maturity profile of assets and liabilities;
- establishes early warning indicators of potential liquidity stress events;
- performs daily monitoring of liquidity inflows and outflows to ensure day-to-day anticipated and unforeseen payment obligations can be met;
- performs regular stress testing on the liquidity mis-match of the bank's assets and liabilities on a contractual basis, a business as usual basis and on a stress basis;
- monitoring the stability of demand deposits; and
- maintains a contingency funding plan and recovery plan designed to provide a framework where liquidity stress could be effectively managed.

The table below analyses the Bank's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows. Balances due within 12 months equal their carrying balances where the impact of discounting is insignificant.

| | Notes | Less than 1 month R'000 | 1 – 3 months R'000 | 3 months to 1 year R'000 | 1 – 5 years R'000 | 5+ years R'000 | Non contractual R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | 5 | **2 132 709** | **–** | **–** | **–** | **–** | **–** | **2 132 709** |
| Financial assets | 6 | **673 370** | **638 600** | **2 748 940** | **–** | **–** | **390 700** | **4 451 610** |
| Receivables | 7 | **243 863** | **61 700** | **109 447** | **–** | **7 256** | **78 983** | **501 249** |
| Customer advances | 8 | **721 717** | **998 182** | **3 182 435** | **3 304 173** | **–** | **187 096** | **8 393 603** |
| | | **3 771 659** | **1 698 482** | **6 040 822** | **3 304 173** | **7 256** | **656 779** | **15 479 171** |
| **Financial liabilities** | | | | | | | | |
| Deposits from customers | 15 | **7 755 688** | **583 558** | **1 395 928** | **94 806** | **–** | **–** | **9 829 980** |
| Trade and other payables | 16 | **687 236** | **–** | **–** | **–** | **–** | **–** | **687 236** |
| Lease liability | 12 | **868** | **1 756** | **7 903** | **23 807** | **–** | **–** | **34 334** |
| Financial liabilities | 18 | **–** | **15 273** | **45 322** | **242 547** | **738 200** | **–** | **1 041 342** |
| | | **8 443 792** | **600 587** | **1 449 153** | **361 160** | **738 200** | **–** | **11 592 892** |
| **Net liquidity gap** | | **(4 672 133)** | **1 097 895** | **4 591 669** | **2 943 013** | **(730 944)** | **656 779** | **3 886 279** |

The statement of financial position is presented in order of liquidity. The order in the statement of financial position changed in 2026 because the acquisition of the Sanlam Personal Loans portfolio extended the liquidity profile of customer advances, and the 2025 presentation has been aligned. The maturity profile of financial assets relative to receivables has a higher quantum in a shorter term in the current year.

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.3. Liquidity risk (continued)

Liquidity risk management (continued)

| | Notes | Less than 1 month R'000 | 1 – 3 months R'000 | 3 months to 1 year R'000 | 1 – 5 years R'000 | 5+ years R'000 | Non contractual R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | 5 | 2 137 271 | – | – | – | – | – | 2 137 271 |
| Financial assets | 6 | 391 250 | 889 820 | 3 688 690 | 337 870 | – | – | 5 307 630 |
| Receivables | 7 | 276 463 | – | – | – | – | – | 276 463 |
| Customer advances | 8 | 411 205 | 717 918 | 1 796 782 | 174 003 | – | 162 395 | 3 262 303 |
| | | 3 216 189 | 1 607 738 | 5 485 472 | 511 873 | – | 162 395 | 10 983 667 |
| **Financial liabilities** | | | | | | | | |
| Deposits from customers | 15 | 6 089 457 | 471 736 | 1 225 373 | – | – | – | 7 786 566 |
| Trade and other payables | 16 | 1 246 306 | – | – | – | – | – | 1 246 306 |
| Lease liability | 12 | 1 183 | 2 366 | 7 978 | 28 854 | – | – | 40 381 |
| | | 7 336 946 | 474 102 | 1 233 351 | 28 854 | – | – | 9 073 253 |
| **Net liquidity gap** | | (4 120 757) | 1 133 636 | 4 252 121 | 483 019 | – | 162 395 | 1 910 414 |

As part of the Bank's short-term liquidity management processes R350 million of Treasury bills, included within financial assets in the table above, were placed as security for cash borrowed from the SARB as at 30 June 2025. This amount was repaid during the following month releasing the security over the Treasury bills.

### 3.4.4. Market risk

Market risk is the risk of a change in the market value, actual or effective earnings, or future cashflows of a portfolio of financial instruments. This is caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates or correlations, and implied volatilities in all of these variables.

Market risk consists of the following categories:

- Foreign currency risk
- Interest rate risk

#### 3.4.4.1. Foreign currency risk

The Bank is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. These liabilities arise from contracts with international service providers and suppliers. The Bank manages this risk by closely monitoring foreign exchange rates and timing payments to minimise the impact of currency fluctuations. Any currency exchange differences are recorded in profit or loss. The Bank does not engage in hedging activities as the exposures to foreign currencies are immaterial. At 30 June 2026 the Bank had no material foreign currency exposure (2025: US$373 561).

#### 3.4.4.2. Interest rate risk

Interest rate risk is the risk of loss arising from movements in market interest rates affecting the Bank's assets, liabilities, and off-balance sheet items. It is assessed through the economic value of equity (EVE) and net interest income (NII) measures, in line with the PA's framework for interest rate risk in the banking book ('IRRBB'), and covers three sub-types:

- **Gap risk:** arises from the term structure of banking book instruments and the timing mismatch between the repricing of the Bank's assets and liabilities.
- **Basis risk:** arises where instruments of similar tenor reprice off different interest rate indices.
- **Option risk:** arises from behavioural optionality in non-maturing deposits, where customers are able to withdraw funds at any time regardless of rate movements.

The Bank manages gap risk through aligning the maturity and repricing characteristics of interest-bearing assets against corresponding liabilities, reducing earnings volatility and economic value exposure. The Bank retains discretion over savings deposit rates to manage net interest sensitivity enabling flexible rate adjustment in response to market movements.

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# 3. Financial instruments and risk management (continued)

## 3.4. Financial risk management (continued)

### 3.4.4. Market risk (continued)

#### 3.4.4.2. Interest rate risk (continued)

Interest-bearing assets are mostly in the form of customer advances, Treasury bills, and overnight deposits with the central bank.

Interest-bearing liabilities comprise of customer deposits held in transactional, savings, wholesale deposits, Tier 2 instruments and term deposit accounts. No interest is payable on transactional account balances; savings account and fixed deposit rates are set at the Bank's discretion.

**Interest rate sensitivity analysis**

The following analysis shows the estimated effect on profit or loss of a reasonably possible change in market interest rates, based on the Bank's exposures at the reporting date. As at 30 June 2026, an increase of 1% in interest rates would result in an increase in profits of R7.3 million (2025: R21.4 million). A decrease of 1% in interest rates would result in a decrease in profits of R7.3 million (2025: R21.4 million).

As at 30 June 2026, if the interest rate (ZARONIA) had been 1% per annum (2025: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R2.375 million (2025: R nil) lower and R2.375 million (2025: R nil) higher respectively. The only interest which is referenced to ZARONIA is the Tier 2 liability of R450 million, refer to note 18.

## 3.5. Fair value of financial instruments

The Bank classifies fair value measurements, and financial instruments carried at amortised cost for which fair value is disclosed, using the following hierarchy (IFRS 13):

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data.

For cash and cash equivalents, receivables, bank balances pledged, trade and other payables and customer deposits, the carrying amount is a reasonable approximation of fair value because these instruments are short-term; the hierarchy level is nonetheless disclosed below.

| Class | Notes | Carrying amount R'000 | Fair value R'000 | Level |
|---|---|---|---|---|
| **2026** | | | | |
| Investment in reference share (FVTPL) | 6 | **321 797** | **321 797** | **3** |
| Cash and cash equivalents | 5 | **2 132 335** | **2 132 335** | **2** |
| Receivables | 7 | **501 249** | **501 249** | **3** |
| Bank balances pledged | 6 | **15 896** | **15 896** | **2** |
| Treasury bills | 6 | **3 928 623** | **3 928 623** | **2** |
| Customer advances | 8 | **5 084 110** | **5 084 110** | **3** |
| Deposits from customers | 15 | **9 689 468** | **9 689 468** | **2** |
| Trade and other payables | 16 | **687 236** | **687 236** | **2** |
| Subordinated loans | 18 | **450 000** | **450 000** | **2** |

At 30 June 2025 the Bank held no financial instruments measured at fair value.

| Class | Notes | Carrying amount R'000 | Fair value R'000 | Level |
|---|---|---|---|---|
| **2025** | | | | |
| Cash and cash equivalents | 5 | 2 136 751 | 2 136 751 | 2 |
| Receivables | 7 | 276 464 | 276 464 | 3 |
| Bank balances pledged | 6 | 15 897 | 15 897 | 2 |
| Treasury bills | 6 | 5 113 432 | 5 113 432 | 2 |
| Customer advances | 8 | 2 246 812 | 2 246 812 | 3 |
| Deposits from customers | 15 | 7 658 517 | 7 658 517 | 2 |
| Trade and other payables | 16 | 1 246 307 | 1 246 307 | 2 |

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# 3. Financial instruments and risk management (continued)

## 3.5. Fair value of financial instruments (continued)

In the prior year the fair value of financial instruments was disclosed on the basis that carrying amount approximated fair value as the instruments were short-term. This note expands that disclosure to present the fair value hierarchy; there is no change to any recognised amount.

### Valuation techniques and inputs

Treasury bills (Level 2) are valued using a discounted cashflow technique with inputs derived from the observable government/Treasury-bill yield curve; as the valuation relies on observable inputs other than a quoted price for the identical instrument in an active market, it is a Level 2 measurement. Customer advances (Level 3) are valued using a discounted cashflow technique incorporating probability of default, loss given default and risk-adjusted discount rates; the carrying amount, net of expected credit losses, approximates fair value, as the acquired portfolio was recognised at fair value on 1 June 2026 and the remainder of the book comprises short-dated merchant cash advances and personal loans advanced at current market rates. Deposits from customers (Level 2) are valued by discounting future cashflows at observable market rates for similar remaining maturities; the fair value of transactional and on-demand deposits equals the carrying amount. Subordinated loans (Level 2) are valued by discounting contractual cashflows at a market rate for instruments of similar tenor and credit standing; as the loans were advanced at market terms during the year, carrying amount approximates fair value. For cash, receivables, bank balances pledged and trade and other payables, the carrying amount approximates fair value owing to their short-term nature.

### Investment in reference share – Level 3 measurement

The reference share is measured at fair value through profit or loss and is a Level 3 measurement, as no active market exists and the significant valuation inputs are unobservable. It is valued using an appraisal-value (income) approach; refer to note 6 for the methodology and the significant unobservable inputs.

Reconciliation of Level 3 fair value measurement:

| | Fair value R'000 |
|---|---|
| **2026** | |
| Opening balance – 1 July 2025 | – |
| Additions – acquired in business combination (note 4) | 321 797 |
| Fair value gains/(losses) recognised in profit or loss | – |
| **Closing balance – 30 June 2026** | 321 797 |

The instrument was acquired on 1 June 2026 at an acquisition-date fair value of R321.8 million and its fair value at 30 June 2026 remained R321.8 million; accordingly no fair value gain or loss was recognised in profit or loss for the period (2025: R nil).

The fair value of the reference share is sensitive to reasonably possible changes in the significant unobservable inputs set out in note 6 (investment return, lapse rates, claims rate and discount rate). The effect of reasonably possible alternative assumptions is set out below:

| Unobservable input | Reasonably possible change | Effect on fair value/ profit or loss R'000 |
|---|---|---|
| Risk discount rate per annum | 1%/(1%) | (1 459)/1 505 |
| Lapse rates on policies | 10%/(10%) | (5 652)/6 238 |
| Assumed investment return per annum | 1%/(1%) | 1 364/(1 323) |
| Claims rates | 5%/(5%) | (761)/761 |

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# 4. Acquisition of the Sanlam Personal Loans business

## Nature and effective date of the transaction

On 1 June 2026, following approval by the Competition Commission of South Africa and the Prudential Authority, the Bank completed a single, integrated transaction with Sanlam Personal Loans to establish a jointly controlled personal unsecured lending arrangement. The transaction was implemented through the Bank's acquisition of a 50% interest in SanlamGoTyme Proprietary Limited ('SGOT'), to which Sanlam Personal Loans had transferred its loan-generation business, together with the Bank's acquisition of a personal-loan portfolio from Sanlam Personal Loans with a gross contractual amount of R2.9 billion and a reference share issued by Sanlam Personal Loans. The transaction steps were contractually indivisible and are accounted for as a single arrangement. The Bank's interest in SGOT is classified as a joint operation (note 30). As the activities acquired constitute a business, the transaction is accounted for as a business combination in terms of IFRS 3 Business Combinations, as required by IFRS 11 Joint Arrangements for the acquisition of an interest in a joint operation that constitutes a business.

## Provisional fair value of identifiable assets acquired and liabilities assumed

The acquisition accounting is provisional. As permitted by IFRS 3, provisional amounts have been recognised because the initial accounting was incomplete at the reporting date. The amounts will be finalised within the measurement period, which ends no later than 31 May 2027, once the valuations of the acquired loan portfolio and the identifiable intangible assets are complete. The provisional amounts recognised at the acquisition date are set out below.

| | 2026 R'000 |
|---|---|
| **Assets acquired** | |
| Personal-loan portfolio (fair value) | **2 299 141** |
| POCI portfolio acquired | **147 167** |
| Investment in reference share | **321 797** |
| Customer relationships intangible (gross) | **122 680** |
| SGOT day-1 net assets acquired[1] | **638** |
| **Liabilities assumed** | |
| Deferred tax liability on customer relationships intangible | **(33 124)** |
| **Net identifiable assets acquired (provisional)** | **2 858 299** |

[1] *The Bank's share of the joint operation's (SGOT) net assets.*

A deferred tax liability of R33.1 million has been recognised on the customer relationships intangible asset, which has no tax base.

The Bank holds a 50% interest in SGOT and exercises joint control over it in terms of a shareholders' agreement. The Loan Generation and Management Agreement gives the parties rights to the assets, and obligations for the liabilities of the arrangement. The Bank's interest in SGOT is therefore classified as a joint operation in terms of IFRS 11 Joint Arrangements (note 30).

## Consideration transferred

| | 2026 R'000 |
|---|---|
| Total consideration transferred[1] | **3 059 643** |

[1] *Cash consideration paid at year end was R 3.045 billion, the remainder of consideration is payable in FY27.*

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# 4. Acquisition of the Sanlam Personal Loans business (continued)

## Receivables (customer advances) acquired

The acquired personal-loan portfolio is set out below. It excludes a portfolio of previously written-off loans acquired for R24.7 million, which is included in the POCI portfolio above. As required by IFRS 3.B64(h), the table shows the acquisition-date fair value, the gross contractual amounts receivable and the best estimate at the acquisition date of the contractual cashflows not expected to be collected. Loans classified by the seller as Stage 1, or as Stage 2 but not in arrears, were regarded as performing, and their fair value approximated their gross contractual amount. The fair value of the remaining loans reflects the expected credit losses on those loans at the acquisition date. The difference of R494 million between the gross contractual amount and the fair value therefore represents expected credit losses reflected in the acquisition-date fair value.

In addition, IFRS 9 Financial Instruments requires a loss allowance equal to 12-month ECL to be recognised from initial recognition for acquired loans that are not credit-impaired. This applied to all acquired loans other than those classified by the seller as Stage 3, and resulted in a credit impairment charge of R185.9 million, recognised in profit or loss on initial recognition (note 25). The charge is not an adjustment to goodwill. Loans classified by the seller as Stage 3 were credit-impaired on acquisition and are classified as POCI financial assets; no loss allowance was recognised for them on initial recognition.

| Customer advances acquired | Fair value | Gross contractual amounts | Contractual cashflows not expected to be collected |
|---|---|---|---|
| Personal-loan portfolio acquired | 2 421 559 | 2 915 079 | 493 520 |

## Goodwill and intangible assets

Goodwill arising on the investment represents the excess of the consideration transferred over the provisional fair value of the identifiable net assets acquired, and reflects the synergies expected from the combined lending operations.

Goodwill is allocated to a separate cash-generating unit and is tested for impairment annually, or more frequently where indicators of impairment exist. The provisional goodwill amount is R201.3 million (consideration of R3 059.6 million less net identifiable assets of R2 858.3 million).

The customer relationships intangible asset has a finite useful life of 10 years and is amortised on a straight-line basis. It was valued using the multi-period excess earnings method, which estimates the present value of the net cashflows expected from the acquired customer base over a 10-year period, after contributory asset charges and an annual attrition rate of 17%. Its acquisition-date fair value is R122.7 million. Goodwill is not amortised but is tested for impairment at least annually in terms of IAS 36 Impairment of Assets (note 13).

## Investment in the reference share

As part of the acquisition, the Bank acquired a reference share issued by Sanlam Personal Loans, with a fair value of R321.8 million at the acquisition date. The reference share entitles the Bank to dividends, paid every six months, based on the profits of the credit life insurance policies linked to the Bank's personal loans. It is measured at fair value through profit or loss (note 6).

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# 5. Cash and cash equivalents

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Cash and cash equivalents consist of: | | |
| Balances with the SARB | **2 107 423** | 2 104 160 |
| Balances with other banks | **25 286** | 33 111 |
| **Gross cash and cash equivalents** | **2 132 709** | 2 137 271 |
| ECL (Stage 1) – SARB | **(369)** | (514) |
| ECL (Stage 1) – Other banks | **(5)** | (6) |
| **Total ECL** | **(374)** | (520) |
| Net cash and balances with SARB | **2 107 054** | 2 103 646 |
| Net cash and balances with other banks | **25 281** | 33 105 |
| **Net cash and cash equivalents** | **2 132 335** | 2 136 751 |

Balances with the SARB include minimum reserve requirements of R257.8 million (2025: R198.3 million).

The ECL is raised on credit risk arising from counterparties with whom the cash and cash equivalents are held. All amounts are classified as Stage 1. There were no movements between stages for cash and cash equivalents during the reporting period.

## Credit quality of cash and cash equivalents

The Bank holds cash and cash equivalents with Absa Bank Limited, FirstRand Bank Limited, The Standard Bank of South Africa Limited, Investec Bank Limited, Nedbank Limited and the South African Reserve Bank.

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Credit rating – Fitch** | | |
| Absa Bank Limited: BB | **24** | 8 |
| FirstRand Bank Limited: BB | **4 361** | 9 473 |
| Investec Bank Limited: BB | **14 767** | 5 |
| Nedbank Limited: BB | **27** | 79 |
| The Standard Bank of South Africa Limited: BB | **6 081** | 23 387 |
| South African Reserve Bank | **2 107 449** | 2 104 319 |
| | **2 132 709** | 2 137 271 |

All balances are realisable within 12 months.

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# 6. Financial assets

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Bank balances pledged | **15 900** | 15 900 |
| Investment in reference share | **321 797** | – |
| Treasury bills | **3 929 312** | 5 114 328 |
| **Gross financial assets** | **4 267 009** | 5 130 228 |
| ECL (Stage 1) – Bank balances pledged | **(4)** | (3) |
| ECL (Stage 1) – Treasury bills | **(689)** | (896) |
| **Total ECL** | **(693)** | (899) |
| Net financial assets – Bank balances pledged | **15 896** | 15 897 |
| Net financial assets – Investment in reference share | **321 797** | – |
| Net financial assets – Treasury bills | **3 928 623** | 5 113 432 |
| **Net financial assets** | **4 266 316** | 5 129 329 |
| **Split between non-current and current portions** | | |
| More than 12 months | **337 693** | 329 212 |
| Less than 12 months | **3 928 623** | 4 800 117 |
| **Closing balance – 30 June** | **4 266 316** | 5 129 329 |

All the Bank's financial assets are held at amortised cost, except the reference share which is measured at FVTPL.

## Bank balances pledged

Bank balances pledged are held by First National Bank, a division of FirstRand Bank Limited, and relate to guarantees on leases held over properties.

| Beneficiary | Amount | Expires |
|---|---|---|
| Spareprops Proprietary Limited (Head office) | 15 900 | 31 October 2029 |

## Treasury bills

As part of the Bank's liquidity risk management strategy, investments are made in shorter-dated Treasury bills (ranging from 91 days to 364 days) issued by the National Treasury to satisfy liquid asset requirements. The National Treasury carries a Fitch credit rating of BB.

ECLs are recognised based on credit risk associated with the National Treasury as the counterparty for these investments. All other financial assets are classified as Stage 1, with no movements between stages observed during the reporting period.

## Investment in reference share

As part of the acquisition of the Sanlam Personal Loans business (note 4), the Bank acquired, at an acquisition-date fair value of R321.8 million, a reference share issued by Sanlam Personal Loans. The reference share entitles the Bank to dividends determined every six months by reference to the profits generated from credit life insurance policies associated with the unsecured personal loans originated and owned by the Bank.

The value of the reference share is dependent on the size and growth of the underlying unsecured loan book, the volume of associated credit life insurance policies and the premium income, claims experience and profitability of those policies, the future growth of the unsecured lending business, and the contractual rights attaching to the reference share. The instrument is not traded in an active market and no quoted prices are available.

### Classification and measurement

The contractual returns on the reference share do not represent solely payments of principal and interest.

The instrument is accordingly classified as a financial asset at FVTPL under IFRS 9 Financial Instruments. It was recognised initially at its acquisition-date fair value of R321.8 million, determined as part of the overall purchase price allocation for the business combination (note 4). Subsequent to initial recognition it is measured at fair value at each reporting date, with all changes in fair value recognised in profit or loss.

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# 6. Financial assets (continued)

## Investment in reference share (continued)

### Valuation approach

In terms of IFRS 13 Fair Value Measurement, management assessed the market, cost and income approaches. No active market or comparable observable transactions exist for the instrument, so the market approach is not appropriate; the reference share derives value from future economic benefits rather than replacement cost, so the cost approach is not appropriate. Management has concluded that the income approach most faithfully represents how market participants would value the instrument.

The fair value is estimated using the appraisal value method, a valuation approach commonly applied to insurance portfolios generating in-force and new business value from underwriting activity. Under this method, fair value is determined as the embedded value of the underlying credit life business attributable to the reference share, plus a multiple of its annual value of new business. Embedded value represents the adjusted net asset value plus the value of in-force business. Value of new business represents the present value of expected future after-tax profits from new credit life policies expected to be written over the following 12 months. A multiple of 5-times has been applied to the annual value of new business. The measurement is classified as Level 3 in the fair value hierarchy (note 3.5).

### Significant unobservable inputs

| Input | Description |
|---|---|
| Risk discount rate per annum | Market-participant required return |
| Lapse rates on policies | Portion of policies that lapse due to non-payment of premiums |
| Assumed investment return per annum | Market returns earned on funds invested |
| Claims rates | Expected future claims experience |

### Governance

The valuation is performed at each reporting date and reviewed by Finance. Material assumptions are supported by approved forecasts, historical performance, actuarial data where applicable and relevant market evidence, and the methodology is reassessed periodically for continued compliance with IFRS 13 and alignment with market-participant assumptions.

# 7. Receivables

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Financial instruments: held at amortised cost** | | |
| Amounts receivable from vendors[4] | **249 683** | 134 039 |
| Receivables – related parties[1] | **44 447** | 36 674 |
| Deposits paid to suppliers | **19 256** | 18 979 |
| Cash in transit[2] | **187 863** | 86 772 |
| Receivables at amortised cost | **501 249** | 276 464 |
| **Non-financial instruments:** | | |
| Value Added Tax | **2 362** | 5 454 |
| Prepayments[3] | **90 754** | 78 236 |
| **Closing balance – 30 June 2026** | **594 365** | 360 154 |

1 *Receivables from related parties are made up of amounts from Tyme Group for shared services and staff loans.*
2 *Cash in transit represents transactional settlements receivable from banking institutions and vendors, typically settled within 30 days of the transaction date.*
3 *Prepayments relate to annual service contracts for IT support services, networks and licences.*
4 *Amounts receivable from vendors in the current year comprise mainly comprise of a receivable from Visa R126.7 million (2025: R56.3 million) SASSA R56 million (2025: R326.3 million) and SGOT of R22.3 million (2025: Rnil). R61.7 million of the Visa outstanding balance at year end was received post year end.*

All balances, except for deposits paid to suppliers are realisable within 12 months of the receivable being recorded.

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## 7. Receivables (continued)

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Financial instrument and non-financial instrument components of receivables** | | |
| Financial instruments held at amortised cost | **501 249** | 276 464 |
| Non-financial instruments | **93 116** | 83 690 |
| | **594 365** | 360 154 |

## 8. Customer advances

Customer advances are presented at amortised cost, which is net of loss allowance, as follows:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Business lending | **2 836 089** | 2 435 582 |
| Retail lending | **3 188 449** | 447 849 |
| **Gross customer advances** | **6 024 538** | 2 883 431 |
| ECL – Business lending | **(542 624)** | (548 718) |
| ECL – Retail lending | **(397 804)** | (87 901) |
| **Net customer advances – 30 June** | **5 084 110** | 2 246 812 |

### Analysis of Business lending by stages – 2026

| | Stage 1 12 Month ECL R'000 | Stage 2 Lifetime ECL R'000 | Stage 3 Lifetime ECL R'000 | Total R'000 |
|---|---|---|---|---|
| Gross customer advances | **1 769 908** | **559 803** | **506 378** | **2 836 089** |
| ECL | **(29 501)** | **(125 544)** | **(387 579)** | **(542 624)** |
| **Net customer advances** | **1 740 407** | **434 259** | **118 799** | **2 293 465** |
| ECL coverage %[1] | **1.7%** | **22.4%** | **76.5%** | **19.1%** |

| **Reconciliation of gross business lending** | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2025 | **1 433 926** | **643 935** | **357 721** | **2 435 581** |
| New advances | **3 610 517** | **–** | **–** | **3 610 517** |
| Income accrued for the year | **652 298** | **222 874** | **152 472** | **1 027 644** |
| Transfers | **(629 609)** | **215 092** | **414 517** | **–** |
| Stage 1 to Stage 2 | **(698 181)** | **698 181** | **–** | **–** |
| Stage 1 to Stage 3 | **(5 884)** | **–** | **5 884** | **–** |
| Stage 2 to Stage 3 | **–** | **(425 175)** | **425 175** | **–** |
| Stage 2 to Stage 1 | **70 599** | **(70 599)** | **–** | **–** |
| Stage 3 to Stage 1 | **3 857** | **–** | **(3 857)** | **–** |
| Stage 3 to Stage 2 | **–** | **12 685** | **(12 685)** | **–** |
| Repayments and settlements | **(3 296 256)** | **(521 814)** | **(17 914)** | **(3 835 984)** |
| Write-offs | **(968)** | **(284)** | **(400 418)** | **(401 670)** |
| **Closing balance – 30 June 2026** | **1 769 908** | **559 803** | **506 378** | **2 836 089** |

[1] *The ECL coverage for business lending decreased to 19.1% (2025: 22.5%), primarily reflecting improved performance in the portfolio following changes to the origination risk strategy implemented in January 2025. The majority of the higher risk accounts originated prior to this had substantially ran off by December 2025; thereafter a stable coverage was observed to year end.*

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# 8. Customer advances (continued)

## Analysis of Business lending by stages – 2026

| Reconciliation of business lending ECL | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2025 | (41 377) | (218 892) | (288 449) | (548 718) |
| New advances | (44 697) | – | – | (44 697) |
| Transfers | 67 749 | 86 563 | (154 312) | – |
| Stage 1 to Stage 2 | 89 693 | (89 693) | – | – |
| Stage 1 to Stage 3 | 658 | – | (658) | – |
| Stage 2 to Stage 3 | – | 165 256 | (165 256) | – |
| Stage 2 to Stage 1 | (19 875) | 19 875 | – | – |
| Stage 3 to Stage 1 | (2 727) | – | 2 727 | – |
| Stage 3 to Stage 2 | – | (8 875) | 8 875 | – |
| Remeasurements | (47 092) | (520 350) | (352 131) | (919 573) |
| Repayments and settlements | 35 916 | 527 135 | 5 642 | 568 693 |
| Write-offs | – | – | 401 671 | 401 671 |
| **Closing balance – 30 June 2026** | (29 501) | (125 544) | (387 579) | (542 624) |

## Analysis of Retail lending by stages – 2026

| | Stage 1 12 Month ECL R'000 | Stage 2 Lifetime ECL R'000 | Stage 3 Lifetime ECL R'000 | POCI R'000 | Total R'000 |
|---|---|---|---|---|---|
| Gross customer advances | 2 733 598 | 245 931 | 71 864 | 137 056 | 3 188 449 |
| ECL | (253 214) | (83 270) | (61 645) | 329 | (397 804) |
| **Net customer advances** | 2 480 384 | 162 661 | 10 219 | 137 385 | 2 790 645 |
| ECL coverage %[1] | 9.3% | 33.9% | 85.8% | 0.2% | 12.5% |

| Reconciliation of gross retail lending | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | POCI R'000 | Total R'000 |
|---|---|---|---|---|---|
| Opening balance – 1 July 2025 | 312 102 | 91 058 | 44 689 | – | 447 849 |
| Acquired in a business combination (note 4) | 2 297 506 | – | – | 147 167 | 2 444 673 |
| New advances | 1 485 831 | 6 | – | – | 1 485 837 |
| Income accrued for the year | 249 582 | 23 900 | 5 491 | 4 109 | 283 082 |
| Transfers | (438 150) | 255 577 | 182 573 | – | – |
| Stage 1 to Stage 2 | (469 267) | 469 267 | – | – | – |
| Stage 1 to Stage 3 | (44 723) | – | 44 723 | – | – |
| Stage 2 to Stage 3 | – | (141 874) | 141 874 | – | – |
| Stage 2 to Stage 1 | 75 340 | (75 340) | – | – | – |
| Stage 3 to Stage 1 | 500 | – | (500) | – | – |
| Stage 3 to Stage 2 | – | 3 524 | (3 524) | – | – |
| Repayments and Settlements | (1 172 701) | (124 453) | (95 236) | (13 300) | (1 405 689) |
| Write-offs | (572) | (157) | (65 654) | (920) | (67 303) |
| **Closing balance – 30 June 2026[2]** | 2 733 598 | 245 931 | 71 864 | 137 056 | 3 188 449 |

[1] *The decrease in retail lending ECL coverage to 12.5% (2025: 19.6%) reflects the acquired Sanlam Personal Loans portfolio. Acquired loans that were credit-impaired at acquisition are classified as POCI and carried at their acquisition-date fair value, with no loss allowance on initial recognition, and the performing acquired loans carry a 12-month ECL (note 4).*

[2] *Included in the above balance is interest in suspense of R38.8 million related to the acquired Sanlam Personal Loans portfolio.*

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## 8. Customer advances (continued)

### Analysis of Retail lending by stages – 2026 (continued)

| Reconciliation of retail lending ECL | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | POCI R'000 | Total R'000 |
|---|---|---|---|---|---|
| Opening balance – 1 July 2025 | **(29 921)** | **(21 977)** | **(36 003)** | **–** | **(87 901)** |
| Acquired in a business combination (note 4) | **(185 942)** | **–** | **–** | **–** | **(185 942)** |
| New advances | **(149 041)** | **(4 292)** | **(962)** | **–** | **(154 295)** |
| Transfers | **42 082** | **5 849** | **(47 931)** | **–** | **–** |
| Stage 1 to Stage 2 | **49 518** | **(49 518)** | **–** | **–** | **–** |
| Stage 1 to Stage 3 | **8 801** | **–** | **(8 801)** | **–** | **–** |
| Stage 2 to Stage 3 | **–** | **42 612** | **(42 612)** | **–** | **–** |
| Stage 2 to Stage 1 | **(15 731)** | **15 731** | **–** | **–** | **–** |
| Stage 3 to Stage 1 | **(505)** | **–** | **505** | **–** | **–** |
| Stage 3 to Stage 2 | **–** | **(2 977)** | **2 977** | **–** | **–** |
| Remeasurements | **17 481** | **(66 385)** | **(60 113)** | **(2 425)** | **(111 442)** |
| Repayments and settlements | **52 077** | **3 454** | **4 270** | **2 754** | **62 555** |
| Write-offs | **50** | **79** | **79 092** | **–** | **79 221** |
| **Closing balance – 30 June 2026** | **(253 214)** | **(83 270)** | **(61 645)** | **329** | **(397 804)** |

### Analysis of Business lending by stages – 2025

| | Stage 1 12 Month ECL R'000 | Stage 2 Lifetime ECL R'000 | Stage 3 Lifetime ECL R'000 | Total R'000 |
|---|---|---|---|---|
| Gross customer advances | 1 433 926 | 643 935 | 357 721 | 2 435 582 |
| ECL | (41 377) | (218 892) | (288 449) | (548 718) |
| **Net customer advances** | 1 392 549 | 425 043 | 69 272 | 1 886 864 |
| ECL coverage % | 2.9% | 34.0% | 80.6% | 22.5% |

| Reconciliation of gross business lending | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2024 | 1 365 709 | 657 486 | 181 082 | 2 204 277 |
| New advances | 3 167 622 | – | – | 3 167 622 |
| Income accrued for the year | 839 849 | 42 375 | 132 449 | 1 014 673 |
| Transfers | (532 459) | 113 063 | 419 396 | – |
| Stage 1 to Stage 2 | (567 375) | 584 279 | – | 16 904 |
| Stage 1 to Stage 3 | (1 311) | – | 1 375 | 64 |
| Stage 2 to Stage 3 | – | (437 651) | 432 283 | (5 368) |
| Stage 2 to Stage 1 | 35 672 | (44 741) | – | (9 069) |
| Stage 3 to Stage 1 | 555 | – | (1 091) | (536) |
| Stage 3 to Stage 2 | – | 11 176 | (13 171) | (1 995) |
| Repayments and settlements | (3 406 795) | (168 989) | (110 147) | (3 685 931) |
| Write-offs | – | – | (265 059) | (265 059) |
| **Closing balance – 30 June 2025** | 1 433 926 | 643 935 | 357 721 | 2 435 582 |

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## 8. Customer advances (continued)

### Analysis of Business lending by stages – 2025 (continued)

| Reconciliation of business lending ECL[1] | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2024 | (83 703) | (167 799) | (132 868) | (384 370) |
| New advances | (289 441) | – | – | (289 441) |
| Transfers | 273 145 | (13 837) | (259 308) | – |
| Stage 1 to Stage 2 | 281 363 | (302 855) | – | (21 492) |
| Stage 1 to Stage 3 | 1 226 | – | (1 187) | 39 |
| Stage 2 to Stage 3 | – | 274 524 | (270 098) | 4 426 |
| Stage 2 to Stage 1 | (9 306) | 21 248 | – | 11 942 |
| Stage 3 to Stage 1 | (138) | – | 884 | 746 |
| Stage 3 to Stage 2 | – | (6 754) | 11 093 | 4 339 |
| Remeasurements | (112 470) | (55 078) | (184 737) | (352 285) |
| Repayments and settlements | 171 092 | 17 822 | 23 410 | 212 324 |
| Write-offs | – | – | 265 054 | 265 054 |
| **Closing balance – 30 June 2025** | (41 377) | (218 892) | (288 449) | (548 718) |

[1] *The comparative period information has not been updated in line with the information presented above as IFRS 9 will be refined and embedded in the Bank reporting process given the changes to the loan portfolios.*

### Analysis of Retail lending by stages – 2025

| | Stage 1 12 Month ECL R'000 | Stage 2 Lifetime ECL R'000 | Stage 3 Lifetime ECL R'000 | Total R'000 |
|---|---|---|---|---|
| Gross customer advances | 312 102 | 91 058 | 44 689 | 447 849 |
| ECL | (29 921) | (21 977) | (36 003) | (87 901) |
| **Net customer advances** | 282 181 | 69 081 | 8 686 | 359 948 |
| ECL coverage % | 9.6% | 24.1% | 80.6% | 19.6% |

| Reconciliation of gross retail lending | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2024 | 107 996 | 4 958 | 4 614 | 117 568 |
| New advances | 838 451 | 654 | 863 | 839 968 |
| Income accrued for the year | 112 272 | 4 868 | 3 560 | 120 700 |
| Transfers | (159 673) | 90 566 | 69 107 | – |
| Stage 1 to Stage 2 | (149 583) | 149 583 | – | – |
| Stage 1 to Stage 3 | (18 474) | – | 18 474 | – |
| Stage 2 to Stage 3 | – | (53 798) | 53 798 | – |
| Stage 2 to Stage 1 | 6 177 | (6 177) | – | – |
| Stage 3 to Stage 1 | 2 207 | – | (2 207) | – |
| Stage 3 to Stage 2 | – | 958 | (958) | – |
| Repayments and Settlements | (586 833) | (9 817) | (4 653) | (601 303) |
| Write-offs | (111) | (171) | (28 802) | (29 084) |
| **Closing balance – 30 June 2025** | 312 102 | 91 058 | 44 689 | 447 849 |

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## 8. Customer advances (continued)

### Analysis of Retail lending by stages – 2025 (continued)

| Reconciliation of retail lending ECL[1] | Stage 1 R'000 | Stage 2 R'000 | Stage 3 R'000 | Total R'000 |
|---|---|---|---|---|
| Opening balance – 1 July 2024 | (9 667) | (802) | (4 071) | (14 540) |
| New advances | (74 285) | – | – | (74 285) |
| Transfers | 28 052 | (16 066) | (56 814) | (44 828) |
| Stage 1 to Stage 2 | 24 758 | (34 020) | – | (9 262) |
| Stage 1 to Stage 3 | 4 156 | – | (15 046) | (10 890) |
| Stage 2 to Stage 3 | – | 16 748 | (44 307) | (27 559) |
| Stage 2 to Stage 1 | (648) | 1 475 | – | 827 |
| Stage 3 to Stage 1 | (214) | – | 1 766 | 1 552 |
| Stage 3 to Stage 2 | – | (269) | 773 | 504 |
| Remeasurements | 11 936 | (5 921) | 1 711 | 7 726 |
| Repayments and settlements | 14 032 | 775 | 1 706 | 16 513 |
| Write-offs | 11 | 37 | 21 465 | 21 513 |
| **Closing balance – 30 June 2025** | (29 921) | (21 977) | (36 003) | (87 901) |

[1] *The comparative period information has not been updated in line with the information presented above as IFRS 9 will be refined and embedded in the Bank reporting process given the changes to the loan portfolios.*

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Contractual amount outstanding on customer advances written off and still subject to enforcement activity[2] | **647 261** | 583 291 |

[2] *Included in the above, is R381 million (2025: R124.7 million) that was written off during the year.*

## 9. Current tax receivable

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Amount receivable from the South African Revenue Service ('SARS') | **1 204** | 34 |

The receivable amount is attributable to the Bank and SGOT corporate tax positions. The Bank's provisional tax payments surpassed the final tax calculation. The balance is anticipated to be realised within a 12 month period.

## 10. Inventories

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Customer card stock | **5 442** | 31 106 |
| Promotional merchandise | **–** | 2 053 |
| **Closing balance – 30 June** | **5 442** | 33 159 |

The balance reflects the customer cards on hand. The cost associated with cards issued to distribution partners is recognised in the statement of profit or loss during the period in which delivery occurs. All balances are expected to be realisable within 12 months. The Bank evaluates its customer card stock to ensure it is recorded at the lower of cost and net realisable value.

Write-downs of customer card stock for the period amounted R0.8 million (2025: R1.5 million). These write-downs pertain to damaged or lost cards and have been recognised as an expense, included in other operating expenses in the statement of profit or loss.

The promotional merchandise balance reflects branded merchandise items such as staff clothing held on hand. These items are not intended for sale and are used for internal purposes including employee engagement and promotional activities. The cost associated with these items is recognised in the statement of profit or loss during the period in which they are distributed or used. The Bank evaluates its merchandise stock to ensure it is recorded at the lower of cost and net realisable value.

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# 11. Plant and equipment

| | 2026 Cost | 2026 Accumulated depreciation and impairment | 2026 Carrying value | 2025 Cost | 2025 Accumulated depreciation and impairment | 2025 Carrying value |
|---|---|---|---|---|---|---|
| Furniture and fixtures | **4 919** | **(1 049)** | **3 870** | 4 428 | (339) | 4 089 |
| Office equipment | **453** | **(297)** | **156** | 1 544 | (1 403) | 141 |
| Computer equipment | **87 167** | **(57 231)** | **29 936** | 78 378 | (58 593) | 19 785 |
| Leasehold improvements | **23 402** | **(3 978)** | **19 424** | 18 632 | (8 725) | 9 907 |
| Tools and equipment | **1 302** | **(938)** | **364** | 1 111 | (754) | 357 |
| Generators | **1 015** | **(660)** | **355** | 1 015 | (588) | 427 |
| Kiosks | **225 583** | **(96 380)** | **129 203** | 124 376 | (75 325) | 49 051 |
| Capital – Work in progress | **32 339** | **–** | **32 339** | 157 065 | (28 920) | 128 145 |
| **Total** | **376 180** | **(160 533)** | **215 647** | 386 549 | (174 647) | 211 902 |

## Reconciliation of plant and equipment – 2026

| | Opening balance R'000 | Additions R'000 | Additions through business combinations R'000 | Disposals R'000 | Transfers R'000 | Depreciation R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|
| Furniture and fixtures | **4 089** | **38** | **453** | **–** | **–** | **(710)** | **3 870** |
| Office equipment | **141** | **39** | **10** | **–** | **–** | **(34)** | **156** |
| Computer equipment | **19 785** | **17 138** | **–** | **(368)** | **–** | **(6 619)** | **29 936** |
| Leasehold improvements | **9 907** | **12 309** | **–** | **(161)** | **–** | **(2 631)** | **19 424** |
| Tools and equipment | **357** | **–** | **–** | **–** | **191** | **(184)** | **364** |
| Generators | **427** | **–** | **–** | **–** | **–** | **(72)** | **355** |
| Kiosks | **49 051** | **3 232** | **–** | **–** | **116 083** | **(39 163)** | **129 203** |
| Capital – Work in progress | **128 145** | **20 468** | **–** | **–** | **(116 274)** | **–** | **32 339** |
| | **211 902** | **53 224** | **463** | **(529)** | **–** | **(49 413)** | **215 647** |

## Reconciliation of plant and equipment – 2025

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Depreciation R'000 | Total R'000 |
|---|---|---|---|---|---|
| Furniture and fixtures | 116 | 4 179 | – | (206) | 4 089 |
| Office equipment | 180 | 60 | – | (99) | 141 |
| Computer equipment | 14 360 | 10 172 | (191) | (4 556) | 19 785 |
| Leasehold improvements | 2 831 | 9 174 | (10) | (2 088) | 9 907 |
| Tools and equipment | 302 | 235 | – | (180) | 357 |
| Generators | 500 | – | – | (73) | 427 |
| Kiosks | 71 402 | 2 011 | – | (24 362) | 49 051 |
| Capital – Work in progress | 12 039 | 116 106 | – | – | 128 145 |
| | 101 730 | 141 937 | (201) | (31 564) | 211 902 |

## Plant and equipment encumbered as security

No plant and equipment has been encumbered as security for borrowings.

## Changes in estimates

The Bank reassesses the useful lives and residual values of items of plant and equipment at the end of each reporting period, in line with the accounting policy and IAS 16 Property, Plant and Equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

## Impairment indicator

There were no indicators of impairment for property, plant and equipment in the current financial year.

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# 12. Right-of-use assets and lease liabilities

The Bank enters into lease agreements for office space that include options to extend the leases, which can be exercised up to three months prior to the expiration of the non-cancellable contract period. The decision to extend lies with the Bank, which is reasonably confident that these extensions will be exercised, and this expectation has been incorporated into the asset and liability calculations.

The lease terms range from 3 to 7 years, with monthly payments that feature escalation clauses of 8% to 10% per annum. The incremental borrowing rates used in the lease calculations range from 10.91% to 12.91%. Furthermore, the Bank has the option to purchase the leased office space for a nominal amount at the end of the lease term. For office equipment valued below R120 000, the Bank has chosen not to recognise right of use assets and lease liabilities; instead, lease payments are recorded as an expense over the lease term.

No right-of-use assets have been encumbered as security for borrowings.

The Bank entered into a lease agreement for office space in Cape Town prior to year end, which commenced on 1 July 2026, with rentals payable from 1 August 2026 to 31 July 2036, and as such is not included in the lease liabilities or right of use assets presented below. Commitments under the lease total R131 million over a 10-year lease term.

Details pertaining to leasing arrangements, where the Bank is lessee are presented below:

| | 2026 Cost R'000 | 2026 Accumulated depreciation R'000 | 2026 Carrying value R'000 | 2025 Cost R'000 | 2025 Accumulated depreciation R'000 | 2025 Carrying value R'000 |
|---|---|---|---|---|---|---|
| Office space | **41 927** | **(20 862)** | **21 065** | 51 283 | (26 836) | 24 447 |

## Reconciliation of right-of-use assets – 2026

| | Opening balance R'000 | Additions R'000 | Depreciation R'000 | Total R'000 |
|---|---|---|---|---|
| Office space | **24 447** | **4 584** | **(7 966)** | **21 065** |

## Reconciliation of right-of-use assets – 2025

| | Opening balance R'000 | Additions R'000 | Depreciation R'000 | Total R'000 |
|---|---|---|---|---|
| Office space | 21 125 | 17 843 | (14 521) | 24 447 |

## Lease liabilities

The maturity analysis of lease liabilities is as follows:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Balance – 1 July | **30 706** | 20 962 |
| Additions | **4 584** | 17 843 |
| Interest expense | **3 928** | 5 459 |
| Lease payments | **(11 655)** | (13 558) |
| | **27 563** | 30 706 |
| More than 12 months | **20 527** | 23 060 |
| Less than 12 months | **7 036** | 7 646 |
| | **27 563** | 30 706 |

The following amounts are recognised in profit or loss relating to leases:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Depreciation expense on right-of-use assets | **7 966** | 14 521 |
| Interest expense on lease liabilities | **3 928** | 5 459 |
| Short term and low value lease payments | **4 299** | 1 247 |
| **Total amount recognised in profit or loss** | **16 193** | 21 227 |

The maturity analysis of lease liabilities has been included in note 3.4.3.

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# 13. Goodwill and other intangible assets

| | 2026 Cost R'000 | 2026 Accumulated amortisation and impairment losses R'000 | 2026 Carrying value R'000 | 2025 Cost R'000 | 2025 Accumulated amortisation and impairment losses R'000 | 2025 Carrying value R'000 |
|---|---|---|---|---|---|---|
| Internally generated software | **21 702** | **(19 384)** | **2 318** | 27 862 | (21 841) | 6 021 |
| Purchased intangible software | **11 130** | **–** | **11 130** | 2 030 | – | 2 030 |
| Customer relationships | **174 680** | **(47 606)** | **127 074** | 52 000 | (33 583) | 18 417 |
| Goodwill | **1 125 597** | **–** | **1 125 597** | 924 254 | – | 924 254 |
| **Total** | **1 333 109** | **(66 990)** | **1 266 119** | 1 006 146 | (55 424) | 950 722 |

## Reconciliation of goodwill and other intangible assets – 2026

| | Opening balance R'000 | Additions R'000 | Additions through business combinations R'000 | Disposals R'000 | Amortisation R'000 | Total R'000 |
|---|---|---|---|---|---|---|
| Internally generated software | **6 021** | **1 064** | **–** | **(59)** | **(4 708)** | **2 318** |
| Purchased intangible software[1] | **2 030** | **9 755** | **–** | **–** | **(655)** | **11 130** |
| Customer relationships | **18 417** | **–** | **122 680** | **–** | **(14 023)** | **127 074** |
| Goodwill | **924 254** | **–** | **201 343** | **–** | **–** | **1 125 597** |
| | **950 722** | **10 819** | **324 023** | **(59)** | **(19 386)** | **1 266 119** |

[1] *Additions to software are amounts paid to third-party suppliers.*

Goodwill is allocated to the Bank's CGUs as follows:

| CGU | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Retail Capital | **924 254** | 924 254 |
| Personal Loans | **201 343** | – |
| **Total goodwill** | **1 125 597** | 924 254 |

Goodwill is tested for impairment annually, and whenever there is an indication that it may be impaired. Other intangible assets are tested for impairment when there is such an indication. The recoverable amount of each CGU is determined on a value-in-use basis. For the current year, the recoverable amount of each CGU exceeded its carrying amount and no impairment loss was recognised. The goodwill allocated to the Sanlam Personal Loans CGU arose on the acquisition completed on 1 June 2026 (note 4). The key assumptions used in the value-in-use calculations are set out below.

No impairment loss has been recognised during the reporting period.

## Reconciliation of goodwill and other intangible assets – 2025

| | Opening balance R'000 | Additions R'000 | Amortisation R'000 | Assets derecognised R'000 | Total R'000 |
|---|---|---|---|---|---|
| Trademarks | 66 303 | – | (10 334) | (55 969) | – |
| Internally generated software | 12 956 | 1 477 | (8 412) | – | 6 021 |
| Purchased intangible software[1] | – | 2 030 | – | – | 2 030 |
| Customer relationships | 31 417 | – | (13 000) | – | 18 417 |
| Goodwill | 924 254 | – | – | – | 924 254 |
| | 1 034 930 | 3 507 | (31 746) | (55 969) | 950 722 |

[1] *Additions to software are amounts paid to third-party suppliers.*

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# 13. Goodwill and other intangible assets (continued)

## Derecognition of trademark intangible asset

During the prior financial year, the Bank derecognised R56 million on the trademark intangible asset acquired as part of the Retail Capital business combination.

The derecognition of the Retail Capital brand intangible was triggered by management's strategic decision to discontinue the use of the Retail Capital brand in favour of unified branding under the Bank's identity. This unified brand was rolled out in the current year and there is no intention by management to realise any further benefits from the Retail Capital trademark, nor to dispose of it to any third party. As a result, the economic benefits originally expected to flow from continued use of the trademark will no longer materialise.

The Bank will continue to monitor all intangible assets for indicators of impairment in future reporting periods.

## Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the Retail Capital division is most sensitive to the following assumptions:

- Loan growth rates
- ECL
- Discount rates
- Market share during the forecast period
- Growth rates used to extrapolate cashflows beyond the forecast period

### Loan growth

Loan growth rates are based on average values achieved in the three years preceding the beginning of the forecast period. Loan growth rates averaged 1.3% per month (2025: 1.3%) over the forecast period. Decreased demand can lead to a decline in the loan growth rate. A decrease in the gross margin by 1.0% would result in a decrease in recoverable amount that would not require an impairment of goodwill.

### ECLs

ECLs represent the current market assessment of the loan portfolio, taking into account historical provisions as a percentage of gross loans. An increase in the provisions rate of 1% would not require an impairment of goodwill.

### Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cashflow estimates. The discount rate calculation is based on the specific circumstances of the Bank and its CGUs derived from its cost of equity ('$K_e$'). The valuation is derived from the expected return on investment by the Bank's investors discounting the free cashflow to equity ('FCFE') by the $K_e$. The $K_e$ is based on the risk free rate adjusted for segment-specific risk incorporated by applying individual beta factors and a market risk premium. The beta factors are evaluated annually based on publicly available market data. A Tyme-specific risk premium has also been included in the calculation of $K_e$.

A rise in the $K_e$ rate by 0.5% from 17.8% to 18.3% in the Retail Capital division would not result in an impairment.

### Market share assumptions

When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the division's position, relative to its competitors, might change over the forecast period. Management expects the Bank's share of the advances market to increase over the forecast period.

### Growth rate estimates

Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the forecasts take into account existing growth rates. The effect of new entrants is not expected to have an adverse impact on the forecasts but could yield a reasonably possible alternative to the estimated long-term growth rate of 2.5%. A reduction by 1.0% in the long-term growth rate would not result in an impairment.

### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

Goodwill arising on the acquisition of the Sanlam Personal Loans business has been allocated to the Personal Loans cash-generating unit ('CGU') for impairment testing. The carrying amount of goodwill allocated to the CGU is R201.3 million, comprising goodwill arising on the personal-loan portfolio acquired of R170.4 million and goodwill arising on the interest in SGOT of R30.9 million. The recoverable amount of the CGU has been determined on a value in use basis, using cashflow projections approved by management (FY27 to FY31) and extrapolated thereafter using a long-term growth rate of 3.0%. The recoverable amount exceeded the carrying amount of the CGU, and no impairment was recognised.

The calculation of value in use for the Personal Loans CGU is most sensitive to the following assumptions:

- Loan growth rates
- ECL
- Discount rates

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# 13. Goodwill and other intangible assets (continued)

## Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)

### Loan growth

Loan growth rates are based on historic growth and management's expectation of growth over the forecast period. Gross loans were forecast to grow by 5.0% per annum over the five-year forecast period (FY27 to FY31). Decreased demand can lead to a decline in the loan growth rate. A decrease in the loan growth rate of 1.0% would result in a decrease in recoverable amount that would not require an impairment of goodwill.

The long-term rate used to extrapolate the forecast beyond the five-year period takes into account existing growth rates and the inflation rate targeted by the South African Reserve Bank. A reduction of 1.0% in the long-term growth rate would not result in an impairment.

### Provisions

ECLs represent the current market assessment of the loan portfolio, taking into account historical provisions as a percentage of gross loans. The cost of risk was forecast at 8.5% of gross loans. An increase in the provisions rate of 1.0% would not require an impairment of goodwill.

### Discount rates

The discount rate reflects the current market assessment of the risks specific to the CGU, excluding risks already incorporated in the cashflow estimates. It is derived from the Bank's weighted average cost of capital ('WACC'), which blends the cost of equity (the return expected by the Bank's investors) and the cost of debt (based on the Bank's interest-bearing borrowings).

A rise in the post-tax discount rate of 0.5% to 7.1% in the Personal Loans CGU would not result in an impairment.

# 14. Deferred tax

In the current year the Bank recognised a net deferred tax asset for the first time (2025: net R nil). Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Bank intends to settle on a net basis.

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Deferred tax asset | **210 753** | 57 690 |
| Deferred tax liability | **(48 166)** | (57 690) |
| **Net deferred tax asset** | **162 587** | – |
| **Reconciliation of the net deferred tax asset** | | |
| At the beginning of the year | **–** | – |
| Deferred tax asset | **57 690** | 57 785 |
| Deferred tax liability | **(57 690)** | (57 785) |
| Recognised in profit or loss – deferred tax asset | **153 063** | (95) |
| Recognised in profit or loss – deferred tax liability | **42 648** | 95 |
| Recognised on customer list intangible asset on SPL acquisition | **(33 124)** | – |
| **Closing balance – 30 June** | **162 587** | – |
| **Analysis of the recognised net deferred tax asset** | | |
| Deductible temporary differences (net) | **82 964** | – |
| Unused tax losses (recognised) | **79 623** | – |
| **Net deferred tax asset** | **162 587** | – |
| **Deferred tax on deductible temporary differences by type** | | |
| Expected credit loss allowances (s11(jA)) and employee provisions | **123 934** | 57 690 |
| Operating and finance leases (net) | **1 692** | – |
| Deferred income and deferred expenses | **5 504** | – |
| Intangible assets | **(33 964)** | (40 218) |
| Prepaid expenses | **(11 604)** | (9 935) |
| Property, plant and equipment | **(2 598)** | (7 537) |
| **Net deductible temporary differences** | **82 964** | – |

## Recognition of deferred tax asset

**Recognition of deferred tax assets:** A deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised (IAS 12.34-36). The Bank recognised a net deferred tax asset for the first time in the current year.

**Deductible temporary differences:** Deferred tax on deductible temporary differences is recognised in full. These differences arise principally on the expected credit loss allowance on advances and on employee-related provisions, and they reverse as the section 11(jA) allowance is claimed and as the provisions are settled. They are expected to reverse against the taxable temporary differences on intangible assets and prepaid expenses, and against the taxable profits of the periods in which they reverse.

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# 14. Deferred tax (continued)

## Recognition of deferred tax asset (continued)

**Unused tax losses:** A deferred tax asset of R79.6 million has been recognised in respect of the Bank's unused tax losses and R1.7 billion has not been recognised. The unused tax losses do not expire under South African tax law, so no part of the unrecognised amount is forfeited by not being recognised in the current year.

The amount recognised is limited to the portion of the assessed loss that the Bank expects to use against taxable profit in the near future, after the restriction in section 20(1) of the Income Tax Act, which limits the set-off of an assessed loss in any year to the greater of R1 million and 80% of taxable income. It is measured at the corporate tax rate of 27%. The remainder of the assessed loss has not been recognised and is reassessed at each reporting date.

**Judgements applied and evidence considered:** The Bank incurred a loss before taxation of R124 million in the current year (2025: R218 million) and has not previously reported an accounting profit. The profit after taxation reported for the current year arises from the first-time recognition of this deferred tax asset and is not a measure of the Bank's trading performance. Recognising a deferred tax asset in these circumstances requires the Bank to conclude that it is probable that sufficient future taxable profit will be available.

The Bank bases this assessment on its Board-approved three-year forecast, which is consistent with that used in its going concern assessment (note 34). In making the assessment, the Bank considered the following:

- **Underlying profitability:** in the year ended 30 June 2026 the Bank delivered its first full year of underlying profitability, with a profit before taxation of R61.8 million, excluding the once-off credit impairment charge of R185.9 million arising on the acquisition of the Sanlam Personal Loans business (note 4).
- **Execution of strategy:** on 1 June 2026, following regulatory approval, the Bank completed the acquisition of the Sanlam Personal Loans business, which added a seasoned, income-generating personal-loan portfolio that underpins the Bank's forecast earnings (note 4).
- **Forecast taxable profit:** the key assumptions in the forecast were compared with the Bank's historical performance, and recognition is limited to the assessed loss expected to be used in the near future, as forecasts become less reliable further from the reporting date.

| Deferred tax asset not recognised | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Unused tax losses not recognised | **1 720 373** | 1 799 916 |
| Deductible temporary differences not recognised | **–** | 45 835 |
| | **1 720 373** | 1 845 751 |

| Reconciliation of the assessed loss | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Reconciliation of gross unused tax losses (R'000)** | | |
| Balance at the beginning of the year | **6 666 357** | 6 455 697 |
| Adjustment in respect of the prior year | **10 308** | 210 660 |
| Assessed loss utilised in the current year | **(10 016)** | – |
| **Closing balance – 30 June** | **6 666 649** | 6 666 357 |

The difference between the tax loss estimated in the financial statements and the loss finally assessed is recognised as an adjustment in respect of the prior year in the current year; the prior year comparative is not restated. A separate ring-fenced assessed capital loss of R0.9 million is carried forward, available only against future capital gains; no deferred tax asset is recognised on it.

# 15. Deposits from customers

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Transactional accounts | **4 507 873** | 3 625 992 |
| Term deposits | **2 256 072** | 1 805 466 |
| Savings deposits | **2 925 523** | 2 227 059 |
| **Closing balance – 30 June** | **9 689 468** | 7 658 517 |

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# 16. Trade and other payables

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Financial instruments:** | | |
| Trade payables | **38 738** | 49 453 |
| Settlements payable[1] | **442 654** | 736 493 |
| Treasury bills pending settlement[2] | **–** | 313 315 |
| Accrued expense | **205 844** | 147 046 |
| **Non-financial instruments:** | | |
| SGOT employee liability[3] | **7 925** | – |
| Value Added Tax | **10 964** | 3 688 |
| **Closing balance – 30 June** | **706 125** | 1 249 995 |

[1] *Settlements payable represent transactional settlements payable to banking institutions and vendors, settled within 30 days of transaction date.*
[2] *Treasury bills pending settlement relates to Treasury bills that were purchased before year end with settlement occurring after the reporting date in accordance with standard market terms.*
[3] *Portion of the SGOT employee short term incentive liability attributable to the Bank.*

All balances are payable within 12 months.

| Financial instrument and non-financial instrument components of trade and other payables | 2026 R'000 | 2025 R'000 |
|---|---|---|
| At amortised cost | **687 236** | 1 246 307 |
| Non-financial instruments | **18 889** | 3 688 |
| | **706 125** | 1 249 995 |

# 17. Provisions

## Reconciliation of provisions – 2026

| | Opening balance R'000 | Additions R'000 | Utilised during the year R'000 | Total R'000 |
|---|---|---|---|---|
| Leave pay provision | **17 179** | **12 531** | **(6 403)** | **23 307** |
| Short term incentive provision for employees | **45 953** | **49 292** | **(35 245)** | **60 000** |
| **Closing balance – 30 June 2026** | **63 132** | **61 823** | **(41 648)** | **83 307** |

## Reconciliation of provisions – 2025

| | Opening balance R'000 | Additions R'000 | Utilised during the year R'000 | Total R'000 |
|---|---|---|---|---|
| Leave pay provision | 15 973 | 4 199 | (2 993) | 17 179 |
| Short term incentive provision for employees | 44 034 | 49 582 | (47 663) | 45 953 |
| **Closing balance – 30 June 2025** | 60 007 | 53 781 | (50 656) | 63 132 |

All balances are payable within 12 months.

## Leave pay provision

A provision has been recognised for employees' leave entitlement as the Bank has a present legal obligation to settle with the employee in cash or by leave to be taken. The amount of the provision represents the present value of the expenditure expected to settle the obligation in a 12 month rolling period.

## Short term incentive provision

A provision has been recognised for short term incentives as the Bank has a constructive obligation to settle the expected cost of employee and bonus payments as a result of past performance. The amount of the provision represents the present value of the expenditure expected to settle the obligation in a 12 month period.

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## 18. Financial liabilities

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Subordinated loans | **450 000** | – |

During the year, GoTyme Bank Holdings Limited, the Bank's holding company, issued R450 million of unlisted, unsecured Tier 2 Notes to external investors under its R2 billion Domestic Medium Term Note Programme, by way of private placement (R150 million on 11 December 2025 and R300 million on 31 March 2026). The proceeds were immediately on-lent in full to GoTyme Bank Limited by way of subordinated loans, on terms that mirror those of the Tier 2 Notes. The Loans qualify as Tier 2 capital of the Bank for regulatory capital purposes, they require quarterly interest payments and they mature on 31 March 2036. The rate applicable on this instrument is a variable rate of ZARONIA + 665bps, accrued interest is settled quarterly on 31 March, 30 June, 30 September and 31 December. The issuer has an optional capital redemption from 31 March 2031 and a mandatory redemption by 31 March 2036.

## 19. Share capital

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Authorised** | | |
| 100 000 000 000 Ordinary shares of R0.10 each | **10 000 000** | 10 000 000 |
| **Reconciliation of number of shares issued:** | | |
| Reported as at 01 July | **12 227 578** | 11 940 205 |
| Issue of shares | **–** | 498 018 |
| Decrease in shares issued due to price changes | **–** | (210 645) |
| | **12 227 578** | 12 227 578 |
| **Reconciliation of share capital issued** | | |
| Balance – 1 July | **1 239 729** | 1 189 927 |
| Issue of shares – ordinary shares | **–** | 49 802 |
| **Closing balance – 30 June** | **1 239 729** | 1 239 729 |
| **Reconciliation of share premium** | | |
| Balance – 1 July | **6 940 574** | 6 474 465 |
| Issue of shares | **–** | 467 275 |
| Less: Capital Raise Costs | **–** | (1 166) |
| **Closing balance – 30 June** | **6 940 574** | 6 940 574 |
| **Issued** | | |
| Ordinary shares of R0.10 each | **1 239 729** | 1 239 729 |
| Share premium | **6 940 574** | 6 940 574 |
| | **8 180 303** | 8 180 303 |
| All shares issued were fully paid at year end. | | |
| **Share issue reserve** | | |
| **Reconciliation of share issue reserve** | | |
| Balance – 1 July | **–** | – |
| Share based payments vested | **38 757** | – |
| Capital injection from Holdings | **595 031** | – |
| **Closing balance – 30 June** | **633 788** | – |

### Nature and purpose of reserves

Common control equity reserve: The reserve arose on the acquisition of Retail Capital from the Bank's holding company, GoTyme Bank Holdings Limited, on 1 December 2022. The transaction was a business combination under common control and was accounted for using the pooling of interests method. The reserve represents the difference between the consideration transferred and the predecessor carrying amounts of the net assets acquired, including goodwill.

Share issue reserve: The reserve holds capital contributed by the holding company for which shares have not yet been issued, together with amounts transferred on the vesting of share-based payments. It will be transferred to share capital and share premium when the shares are issued. Subsequent to year end, share certificates were issued relating to these capital contributions and vested share based payments and the amounts were transferred to share capital and share premium.

Share-based payment reserve: The reserve records the cumulative expense recognised for equity-settled share-based payments (note 20).

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## 20. Equity settled share-based payment reserve

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Employee share appreciation rights scheme | **45 979** | 46 567 |
| Purchase of shares by African Fig Tree Investments (Proprietary) Limited | **55 895** | 55 895 |
| **Closing balance – 30 June** | **101 874** | 102 462 |

## 21. Equity settled share-based payments

| | Share-based payment reserve | | | |
|---|---|---|---|---|
| **Reconciliation of share-based payments** | **ESOP/LTIP R'000** | **AFT share-based payment reserve R'000** | **Total share-based payment reserve R'000** | **Profit or loss R'000** |
| Opening balance – 1 July 2024 | 41 467 | 55 895 | 97 362 | – |
| Share-based payment expense | 15 770 | – | 15 770 | 15 770 |
| Vesting of Shares | (10 670) | – | (10 670) | – |
| **Closing balance – 30 June 2025** | **46 567** | **55 895** | **102 462** | **15 770** |
| Share-based payment expense | **38 169** | **–** | **38 169** | **38 169** |
| Vesting of Shares | **(38 757)** | **–** | **(38 757)** | **–** |
| **Closing balance – 30 June 2026** | **45 979** | **55 895** | **101 874** | **38 169** |

### a. Purchase of shares by African Fig Tree Investments Proprietary Limited ('AFT')

ARC Financial Services Holdings Proprietary Limited ('ARC') sold a portion of its GoTyme Bank Holdings Limited shares to AFT, a consortium including certain employees of the Bank and Tyme Limited. The shares were sold at a price that was deemed to be at a discount to their fair value and a share-based payment expense was recognised by the Bank. This is considered an equity-settled share-based payment as the Bank's employees benefit and the Bank is not required to refund ARC.

A portion of the shares (18 000) have no restrictive conditions and vested immediately, while the remaining 12 000 shares vest after a period of five years.

The total fair value of the shares less the consideration paid amounts to R56 million over the total period and is recognised as an employee benefit expense with a corresponding increase in equity.

| **Reconciliation of number of shares issued** | **2026** | **2025** |
|---|---|---|
| Opening balance – 1 July | **30 000** | 30 000 |

| | |
|---|---|
| The model inputs utilised to calculate the fair value of the shares include: | |
| Weighted average share price | R1 965 |
| Exercise price: | R42 |
| Marketability discount: | 13% |
| Minority discount: | 15% |
| Attrition rate | 10% |

### b. Replacement LTIP (equity settled)

Tyme Group implemented new ESOP on 27 June 2022 to replace all existing schemes, and all employees accepted the new terms and conditions associated with the replacement scheme prior to 30 June 2022.

As the new LTIP was implemented as part of a Group change, and the intention is to reference the GoTyme Bank Holdings Limited and the Tyme Group share price when determining the value of the equity settled (by the Group holding company) awarded to employees, the new LTIP was valued with reference to the share price, and these amounts were recorded in equity. The liability was extinguished, and the difference between the LTIP equity value and the liability value resulted in a reduction in share-based payment expense. This accounting treatment follows the modification approach allowed in IFRS 2.

## 21. Equity settled share-based payments (continued)

### b. Replacement LTIP (equity settled) (continued)

| Reconciliation of number of share units allocated | Allocation 1 Performance units '000s | Allocation 2 Performance units '000s | Allocation 3 Performance units '000s | Allocation 4 Restricted units '000s | Allocation 5 Restricted units '000s | Allocation 6 Restricted units '000s | Allocation 7 Performance units '000s | Allocation 7A Performance units '000s | Allocation 8 Performance units and Restricted units '000 | Allocation 8A Performance units and Restricted units '000 | Allocation 9 Performance units and Restricted units '000 | Allocation 9A Performance units and Restricted units '000 | Total '000s |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance – 30 June 2024** | 34 370 | 21 150 | 7 408 | 14 830 | 2 259 | 3 771 | 26 765 | 11 396 | – | – | – | – | 121 949 |
| New awards | – | – | – | – | – | – | – | – | 33 149 | 22 015 | – | – | 55 164 |
| Vested[1] | (5 635) | (4 414) | – | (651) | (226) | – | – | – | – | – | – | – | (10 926) |
| Forfeited | – | – | (808) | – | – | – | (1 063) | – | – | – | – | – | (1 871) |
| **Balance – 30 June 2025** | **28 735** | **16 736** | **6 600** | **14 179** | **2 033** | **3 771** | **25 702** | **11 396** | **33 149** | **22 015** | **–** | **–** | **164 316** |
| New awards | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **2 994** | **34 013** | **31 016** | **68 023** |
| Amendment to units | **(102)** | **(1 752)** | **–** | **(4 953)** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(6 807)** |
| Vested[1] | **(17 850)** | **(8 723)** | **(2 424)** | **(1 212)** | **(452)** | **(1 583)** | **(289)** | **(316)** | **(81)** | **(454)** | **–** | **–** | **(33 384)** |
| Forfeited | **(3 414)** | **–** | **–** | **–** | **–** | **(303)** | **(1 354)** | **(415)** | **(2 390)** | **(1 486)** | **–** | **–** | **(9 361)** |
| **Balance – 30 June 2026** | **7 369** | **6 261** | **4 176** | **8 014** | **1 581** | **1 885** | **24 059** | **10 665** | **30 678** | **23 069** | **34 013** | **31 016** | **182 786** |

[1] *Note that some awards have been deferred beyond the original vesting dates.*

No share appreciation rights were exercisable at 30 June 2026. All units have employment conditions.

The share appreciation rights outstanding at the end of the year have the following award and strike prices, and vesting periods:

| | Allocation 1 Performance units | Allocation 2 Performance units | Allocation 3 Performance units | Allocation 4 Performance units | Allocation 5 Performance units | Allocation 6 Performance units | Allocation 7 Performance units | Allocation 7A Performance units | Allocation 8 Performance units | Allocation 8A Restricted units | Allocation 9 Performance units and Restricted units | Allocation 9A Performance units and Restricted units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Grant date | 27 June 2022 | 27 June 2022 | 27 June 2022 | 2 July 2022 | 2 July 2022 | 2 July 2022 | 1 July 2023 | 1 July 2023 | 30 May 2025 | 30 May 2025 | 30 April 2026 | 30 April 2026 |
| Vesting date | 1 January 2023 | 1 July 2026 | 1 July 2025 | 1 July 2027 | 1 July 2027 | 1 July 2027 | 1 July 2026 | 1 July 2026 | 1 March 2028 | 1 March 2028 | 1 March 2028 | 1 March 2028 |
| **Vesting terms:** | | | | | | | | | | | | |
| Year 1 | 43% | – | – | – | – | – | – | – | – | – | – | – |
| Year 2 | 57% | 30% | – | 10% | 10% | 10% | – | – | – | – | – | – |
| Year 3 | – | 30% | 100% | 20% | 20% | 20% | 100% | 100% | 100% | 100% | 100% | 100% |
| Year 4 | – | 40% | – | 30% | 30% | 30% | – | – | – | – | – | – |
| Year 5 | – | – | – | 40% | 40% | 40% | – | – | – | – | – | – |
| Replacement award price (R) | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.80 | 1.09 | 1.44 | 1.04 | 1.57 | 1.31 | 1.66 |
| Strike price (R) | 0.001 | 0.34 | – | – | – | – | – | – | – | – | – | – |
| Weighted average remaining contractual life of share appreciation awards at 30 June 2026 (in years) | 0.1 | 0.1 | 0.1 | 1.0 | 1.0 | 1.0 | 0.1 | 0.1 | 1.67 | 1.67 | 2.67 | 2.67 |

[1] *Note that some awards have been deferred beyond the original vesting dates.*

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## 21. Equity settled share-based payments (continued)

### c. Measurement of fair values

The fair value of the employee LTIP for each respective allocation has been measured using the most recent share subscription price prior to the respective allocation. This has been compared to an independent free cashflow to equity model that takes into account marketability and minority ownership discounts, equity market premiums, small stock premiums and the risk-free interest rate for the term of the units.

Service and non-market performance conditions attached to the arrangements were not taken into account when measuring fair value.

### d. Expense recognised in profit or loss

For details of the related employee benefit expenses, see note 27.

### e. Directors emoluments

For details of the share-based payments to the Directors see note 33.

### f. Related party transactions

Transactions with key management personnel are reflected in the related party note 32.

## 22. Interest income

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Interest income** | | |
| Customer advances | **1 262 057** | 1 101 635 |
| Government bonds | **–** | 17 020 |
| Treasury bills | **370 878** | 363 155 |
| SARB interest | **117 289** | 73 657 |
| Bank and other cash | **4 592** | 4 964 |
| SARS | **1 051** | – |
| **Total interest income** | **1 755 867** | 1 560 431 |

Interest income from the SARB has been shown separately from bank and other cash to better enhance the users understanding of interest income.

## 23. Interest expense

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Interest on subordinated loans | **20 809** | – |
| Lease liabilities | **3 928** | 5 459 |
| SARS | **–** | 925 |
| SARB | **2 099** | 7 268 |
| Interest paid to customers | **332 104** | 307 580 |
| **Total interest expense** | **358 940** | 321 232 |

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## 24. Net fee and commission income

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Fee and commission income** | | |
| Transactional banking | **1 969 580** | 1 548 055 |
| **Fee and commission expense** | | |
| Transactional banking | **(720 666)** | (662 118) |
| Insurance commission refunded[1] | **–** | (141) |
| | **(720 666)** | (662 259) |
| **Net fee and commission income** | **1 248 914** | 885 796 |

[1] *Insurance commission refunded in the prior period relates to the reversal of overstated commission accruals following the termination of the Hollard distribution arrangement, in line with IFRS 15.*

Net fee and commission income relates to income generated from customers' transactional accounts and commission earned from the sale of value-added services such as electricity, airtime, lotto tickets and insurance policies taken up by customers and other customer transaction related expenses paid to other banks and card associations.

## 25. Credit impairment charge

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Net impairment charge | **785 934** | 553 307 |
| Post-write-off recoveries | **(28 921)** | (19 584) |
| **Total credit impairment charge** | **757 012** | 533 723 |

The credit impairment charge includes a once-off charge of R185.9 million recognised on initial recognition of the acquired loans that were not credit-impaired (note 4).

## 26. Other operating gains (losses)

| | Notes | 2026 R'000 | 2025 R'000 |
|---|---|---|---|
| Losses on disposal of plant and equipment | 11 | **(317)** | (176) |
| Profit on sale of financial instruments | | **–** | 524 |
| Tax refund – Retail Capital[1] | | **–** | 6 978 |
| Fees earned – non-banking services | | **71 505** | 37 654 |
| Net foreign exchange gains | | **(888)** | 408 |
| **Other operating gains (losses)** | | **70 300** | 45 388 |

[1] *Tax refunded in the prior period relates to income tax on the Retail Capital entities before being acquired by Tyme. This was refunded after a SARS verification concluded in May 2025.*

Fees earned on non-banking services relate to kiosk maintenance income and recoveries from Tyme Group.

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# 27. Operating profit (loss)

Loss before taxation for the year is stated after charging the following:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| External audit fees | **11 292** | 11 105 |
| Consulting and professional services | **214 040** | 225 177 |
| **Employee costs** | | |
| Salaries, bonuses and other benefits | **566 660** | 471 991 |
| Share-based compensation benefits – LTIP | **38 169** | 15 770 |
| **Total employee costs** | **604 829** | 487 761 |
| **Depreciation, amortisation and impairment** | | |
| Depreciation of plant and equipment | **49 413** | 31 564 |
| Depreciation of right-of-use assets | **7 966** | 14 521 |
| Amortisation of intangible assets | **19 385** | 31 746 |
| **Total depreciation, amortisation and impairment** | **76 764** | 77 831 |
| **Non-claimable VAT** | | |
| Value Added Tax | **39 318** | 38 935 |

The non-claimable VAT relates to irrecoverable input VAT, as the Bank earns certain types of income that are exempt from VAT, which results in the application of an apportionment method against the VAT input incurred in the ordinary course of business.

## Expenses by nature

The total operating expenses are analysed by nature as follows:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Acquisition costs in business combination | **–** | 275 |
| Bank charges | **4 393** | 4 910 |
| Card losses | **795** | 1 489 |
| Consulting and professional fees | **214 040** | 225 177 |
| Customer card costs | **77 942** | 54 854 |
| Deposit insurance | **12 731** | 11 392 |
| Depreciation, amortisation and impairment | **76 764** | 77 831 |
| Donations | **–** | 5 |
| Employee costs | **604 829** | 487 761 |
| External audit fees | **11 292** | 11 105 |
| Facilities expense | **5 591** | 5 201 |
| Fines and penalties | **(1 000)** | 7 000 |
| Fraud and operational risk losses | **10 118** | 31 933 |
| Insurance | **2 904** | 3 141 |
| Local and foreign travel costs | **11 622** | 8 584 |
| Marketing | **122 644** | 86 005 |
| Membership fees | **45 453** | 27 906 |
| Non-claimable VAT | **39 318** | 38 935 |
| Office consumables | **2 440** | 1 099 |
| Outsourced services[1] | **331 869** | 323 837 |
| Partnership fees | **16 958** | – |
| Postage | **3 049** | 1 604 |
| Rental expense | **9 958** | 3 009 |
| Repairs and maintenance | **11 539** | 9 781 |
| Technology costs[2] | **466 611** | 374 157 |
| Telephone | **1 348** | 2 484 |
| **Other operating expenses** | **2 083 208** | 1 799 475 |

[1] *Outsourced services relate to costs for Tyme Group information technology as well as kiosk management costs.*
[2] *These are primarily software as a service and communication costs.*

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## 28. Taxation

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Major components of the tax income** | | |
| **Current** | | |
| Local income tax – current period | **3 065** | – |
| **Deferred** | | |
| Deferred tax – originating and reversing temporary differences and tax losses | **(195 711)** | – |
| | **(192 646)** | – |
| **Reconciliation of the tax expense** | | |
| Reconciliation between accounting profit and tax expense. | | |
| Accounting loss | **(124 079)** | (218 784) |
| Tax at the applicable tax rate of 27% | **(33 501)** | (59 072) |
| **Tax effect of adjustments on taxable income** | | |
| Non-deductible expenses and other permanent differences | **3 238** | 23 868 |
| Assessed losses utilised and temporary differences (current-tax effect) | **33 328** | 35 204 |
| Recognition of deferred tax asset not previously recognised | **(195 711)** | – |
| **Taxation expense** | **(192 646)** | – |

The deferred tax income of R195.7 million represents the first-time recognition of a deferred tax asset on assessed losses and deductible temporary differences (2025: net R nil). A deferred tax liability of R33.1 million on the customer relationships intangible asset recognised on the acquisition of the Sanlam Personal Loans business was recognised against goodwill in accordance with IAS 12.66 and does not affect profit or loss – see deferred tax note 14.

## 29. Tax (paid)/received

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Balance at the beginning of the year | **34** | 7 093 |
| Current tax recognised in profit or loss | **(3 065)** | – |
| Balance at the end of the year | **(1 204)** | (34) |
| | **(4 235)** | 7 059 |

## 30. Joint operations

### The Foschini Group ('TFG')

The Bank has a revenue and cost-sharing arrangement with TFG in terms of which self-service kiosks are placed in selected TFG stores across South Africa. The arrangement is governed by a contractual agreement that sets out the decision-making process, cost-sharing ratios, and each party's rights and obligations.

The Bank has a joint operation with TFG for the placement of kiosks in TFG stores to facilitate customer onboarding, card issuance, and selected banking transactions. In accordance with IFRS 11, the arrangement is classified as a joint operation as both parties have rights to the assets and obligations for the liabilities.

The following amounts relate to the Bank's share of the joint operation:

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Purchase of kiosks | **3 232** | 2 011 |
| Card stock on hand | **–** | 2 780 |
| Kiosk management | **58 326** | 63 146 |
| Other operating costs | **11 048** | 17 823 |

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## 30. Joint operations (continued)

### SanlamGoTyme Proprietary Limited

On 1 June 2026 the Bank acquired a 50% interest in SGOT, a company incorporated in South Africa that originates, manages and services personal loans to retail customers. SGOT is jointly controlled by the Bank and Sanlam Personal Loans and is classified as a joint operation (note 4). The Bank recognises its share of SGOT's assets, liabilities, income and expenses line by line. At 30 June 2026 the Bank's share comprised assets of R64.9 million (including goodwill of R30.9 million) and liabilities of R50.3 million, its share of incomes and expenses for the period were R0.3 million and R17.3 million respectively.

## 31. Cash (used in)/generated from operations

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| Loss before taxation | **(124 079)** | (218 784) |
| **Adjustments for non-cash items:** | | |
| Depreciation and amortisation | **76 764** | 77 831 |
| Losses on sale of assets and liabilities | **317** | 176 |
| Losses (gains) on exchange differences | **889** | (408) |
| Movements in provisions | **25 362** | 3 125 |
| Movement in impairment and ECLs | **303 601** | 237 795 |
| Share-based payment expense | **38 169** | 15 770 |
| Derecognition of intangible asset – trademark | **–** | 55 969 |
| **Adjust for items which are presented separately:** | | |
| Interest income | **(1 755 866)** | (1 560 431) |
| Interest expense | **358 940** | 321 232 |
| **Changes in working capital:** | | |
| (Increase) decrease in inventories | **27 717** | (1 996) |
| (Increase) decrease in receivables | **(231 261)** | (96 615) |
| Increase (decrease) in trade and other payables | **(553 025)** | 592 024 |
| Increase in customer advances | **(694 798)** | (561 586) |
| Increase in deposits received from customers | **2 072 495** | 1 369 675 |
| **Cash (used in)/generated from operations** | **(454 775)** | 233 777 |

## 32. Related parties

**Relationships**

| | |
|---|---|
| Members of key management (includes immediate family members) | The Directors and Executive Committee are considered members of key management |
| Ultimate controlling party | Ubuntu-Botho Investments Proprietary Limited |
| Holding company | GoTyme Bank Holdings Limited |
| Entities within African Rainbow Capital Financial Services Holdings Proprietary Limited Group ('ARC Group'), with which the Bank transacts | Ubuntu-Botho Community Development Trust<br>Rain Proprietary Limited<br>EOH Mthombo Proprietary Limited Ikhokha |
| Entities with which the Bank transacts | Tyme Group Pte. Ltd. (formerly TINT Investors Pte. Limited)<br>Edge Field Marketing Proprietary Limited<br>Crossfin SPV 2 |
| Entities where key management personnel hold interests | African Fig Tree Investments Proprietary Limited<br>Tyme Group Pte. Ltd. (formerly TINT Investors Pte. Limited)<br>Tyme SA Holdings Proprietary Limited Iconyc One Limited<br>Tyme Asia Holdings Pte. Ltd. |
| Sanlam Group entities, with which the Bank transacts | Sanlam Limited and Sanlam Personal Loans Proprietary Limited. |

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# 32. Related parties (continued)

| | 2026 R'000 | 2025 R'000 |
|---|---|---|
| **Related party balances** | | |
| **Related party balances included in Receivables** | | |
| Loans to employees: | | |
| Management loans[1] | **29 416** | 27 513 |
| Staff loans – PAYE[2] | **4 307** | 2 683 |
| **Receivables from Group companies** | | |
| Tyme Group Pte. Ltd[3] | **7 054** | 6 398 |
| Crossfin SPV 2[4] | **80** | 80 |
| Edge Field Marketing Proprietary Limited | **14 320** | – |
| **Customer deposits** | | |
| Key management personnel[5] | **4 403** | 3 876 |
| Sanlam Personal Loans Proprietary Limited[7] | **585 891** | – |
| **Loans from Group companies** | | |
| GoTyme Bank Holdings Limited | **450 000** | – |
| **Related party transactions** | | |
| **Fees earned – Non-banking services** | | |
| Tyme Group Pte. Ltd[6] | **59 205** | 34 071 |
| **Interest received** | | |
| Management loans[1] | **1 626** | 1 878 |
| **Outsourced services** | | |
| Tyme Limited | **108 562** | 129 197 |
| Edge Field Marketing Proprietary Limited | **96 538** | – |
| **Interest paid** | | |
| Key management personnel | **–** | 178 |
| GoTyme Bank Holdings Limited | **20 809** | – |
| **Compensation of the key management personnel** | | |
| Salaries and other short-term benefits | **61 829** | 62 864 |
| Share-based payments | **8 233** | 5 722 |

1 *These are the loans originally receivable from ex-Retail Capital shareholders, still employed by the Bank. This receivable was taken over by Tyme Bank in the Retail Capital acquisition and is now secured by shares within the Group. These loans bear interest at the SARS official rate of interest, accrued monthly and has an ECL of R0.3 million held against these loans and are repayable in the year ending 30 June 2027.*

2 *Amounts owing for PAYE liabilities on share vesting.*

3 *These represent recharges for Tyme Group Pte. Ltd staff costs and incidentals incurred by the Bank. The receivable is repayable thirty days from invoice date.*

4 *Amounts due to the Bank relating to the Retail Capital acquisition.*

5 *Deposits held by key management personnel in GoTyme Bank accounts and the interest earned over the financial year.*

6 *These represent cost recoveries for salaries.*

7 *These entities are related because a non-executive director of Sanlam Limited controls the Bank's ultimate controlling party. Details on consideration paid to Sanlam Personal Loans Proprietary Limited in respect of the formation of the retail lending joint operation are included in note 4.*

All related party transactions are carried out on normal trade terms, at agreed upon and market related rates.

During the year the Bank received a capital contribution of R595.0 million from its holding company, GoTyme Bank Holdings Limited, which is reflected in the share issue reserve (note 19), and subordinated loans of R450.0 million (note 18).

The Bank procures technology and operational services from Tyme Limited, a company within the Tyme Group, under the agreements described in the Directors' report.

## Directors' interests in contracts

On 4 December 2018, the Bank concluded two related agreements with Tyme Limited, an intellectual-property licence granting right-of-use of Tyme's digital banking platform, and a Master Services Agreement under which Tyme Limited delivers ongoing technology and operational support. These arrangements remain in force.

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## 33. Directors'/Prescribed Officers' emoluments

| Directors' emoluments | Emoluments R'000 | Bonuses and incentives R'000 | Share-based payments[2] R'000 | Fees R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2026** | | | | | |
| **Services as Director or Prescribed Officer** | | | | | |
| CL Jacobs (Executive Director) | **4 508** | **864** | **–** | **–** | **5 372** |
| Y Dockrat (Executive Director) | **4 647** | **1 133** | **–** | **–** | **5 780** |
| KH Westvig (Executive Director) | **5 054** | **–** | **–** | **–** | **5 054** |
| | **14 209** | **1 997** | **–** | **–** | **16 206** |
| **Non-Executive Directors** | | | | | |
| S Barrett | **–** | **–** | **–** | **1 060** | **1 060** |
| M Boakgomo | **–** | **–** | **–** | **1 060** | **1 060** |
| TA Boardman[1] | **4 613** | **–** | **–** | **1 908** | **6 521** |
| TNM Eboka | **–** | **–** | **–** | **1 060** | **1 060** |
| TSB Jali | **–** | **–** | **–** | **2 120** | **2 120** |
| R Ramcharan | **–** | **–** | **–** | **1 272** | **1 272** |
| PA Wessels | **–** | **–** | **–** | **1 484** | **1 484** |
| R Munyaradzi | **–** | **–** | **–** | **848** | **848** |
| NL Smalle | **–** | **–** | **–** | **–** | **–** |
| TJ van der Walt | **–** | **–** | **–** | **–** | **–** |
| MK Dippenaar[1] | **22 213** | **–** | **–** | **–** | **22 213** |
| T Zuma | **4 184** | **–** | **–** | **–** | **4 184** |
| | **31 010** | **–** | **–** | **10 812** | **41 822** |
| | **45 219** | **1 997** | **–** | **10 812** | **58 028** |

[1] *Directors' emoluments (excluding fees) are paid by entities within the ARC group and are not recharged to the Bank.*
[2] *Share-based payments are disclosed when they vest, no share awards vested in the current reporting period.*

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## 33. Directors'/Prescribed Officers' emoluments (continued)

| Directors' emoluments | Emoluments R'000 | Bonuses and incentives R'000 | Share-based payments R'000 | Fees R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2025** | | | | | |
| **Services as Director or Prescribed Officer** | | | | | |
| KH Westvig (Executive Director) | 5 528 | – | – | – | 5 528 |
| CJ Jonker (Executive Director) | 1 878 | 3 925 | – | – | 5 803 |
| CJ Jonker – For positions held in Tyme Group companies[2] | 2 959 | – | – | – | 2 959 |
| Y Dockrat (Executive Director) | 4 412 | 1 588 | 505 | – | 6 505 |
| | 14 777 | 5 513 | 505 | – | 20 795 |
| **Non-Executive Directors** | | | | | |
| S Barrett | – | – | – | 1 060 | 1 060 |
| M Boakgomo | – | – | – | 1 060 | 1 060 |
| TA Boardman[1] | 3 869 | – | – | 1 908 | 5 777 |
| TNM Eboka | – | – | – | 1 060 | 1 060 |
| TSB Jali | – | – | – | 2 120 | 2 120 |
| M Milutinovic[1] | 2 536 | 12 492 | – | – | 15 028 |
| R Ramcharan | – | – | – | 1 272 | 1 272 |
| PA Wessels | – | – | – | 1 484 | 1 484 |
| R Munyaradzi[3] | – | 398 | – | 212 | 610 |
| NL Smalle | – | – | – | – | – |
| TJ van der Walt | – | – | – | – | – |
| | 6 405 | 12 890 | – | 10 176 | 29 471 |
| | 21 182 | 18 403 | 505 | 10 176 | 50 266 |

1 *Directors' emoluments (excluding fees) are paid by entities within the ARC group and are not recharged to the Bank.*
2 *These amounts were paid by the international Tyme entities and are not recharged to the Bank. Conditions of share options granted by the international Tyme entities were not met as at 30 June 2026.*
3 *R Munyaradzi received a R0.4 million participatory fee as an invitee to the Board, prior to her appointment as a Non-Executive Director.*

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## 33. Directors'/Prescribed Officers' emoluments (continued)

### Securities issued

The following table below sets out the resultant number of share rights available for vesting based on the achievement of performance measures:

| | | | | | Units vesting year | | | | | | Amount expensed in the financial year | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Executive** | **Type of instrument** | **Number of units** | **Grant date** | **FV at grant date** | **2025 Vested** | **2026 Vested** | **2027 Still to vest** | **2028 Still to vest** | **2029 Still to vest** | **Total** | **2026** | **2025** |
| Y Dockrat | Restricted units Allocation 4 | 4 489 353 | 2022/07/01 | 2 583 331 | 448 935 | **–** | 2 244 677 | 1 795 741 | – | 4 489 353 | **400 416** | 572 638 |
| | Performance units – Bank Allocation 7 | 966 229 | 2024/01/15 | 1 051 532 | – | **–** | 966 229 | – | – | 966 229 | **344 833** | 344 833 |
| | Performance units – Group Allocation 7 | 730 466 | 2024/01/15 | 1 051 552 | – | **–** | 730 466 | – | – | 730 466 | **344 833** | 344 833 |
| | Performance units – Bank Allocation 8 | 1 612 050 | 2025/05/30 | 1 679 296 | – | **–** | – | 1 612 050 | – | 1 612 050 | **609 435** | 51 902 |
| | Performance units – Group Allocation 8 | 1 070 618 | 2025/05/30 | 1 679 296 | – | **–** | – | 1 070 618 | – | 1 070 618 | **609 435** | 51 902 |
| | Performance units – Bank Allocation 9 | 1 168 553 | 2026/05/30 | 1 531 804 | – | **–** | – | – | 1 168 553 | 1 168 553 | **45 004** | – |
| | Performance units – Group Allocation 9 | 924 632 | 2026/05/30 | 1 531 803 | – | **–** | – | – | 924 632 | 924 632 | **45 004** | – |
| | | | | | | | | | | 10 961 901 | **2 398 960** | 1 366 108 |
| CL Jacobs | Performance units – Bank Allocation 7 | 1 449 344 | 2024/01/15 | 1 577 298 | – | **–** | 1 449 344 | – | – | 1 449 344 | **517 250** | 517 250 |
| | Performance units – Group Allocation 7 | 1 095 699 | 2024/01/15 | 1 577 327 | – | **–** | 1 095 699 | – | – | 1 095 699 | **391 039** | 391 039 |
| | Performance units – Bank Allocation 8 | 1 085 491 | 2025/05/30 | 1 130 771 | – | **–** | – | 1 085 491 | – | 1 085 491 | **410 370** | 34 949 |
| | Performance units – Group Allocation 8 | 720 912 | 2025/05/30 | 1 130 771 | – | **–** | – | 720 912 | – | 720 912 | **410 370** | 34 949 |
| | Performance units – Bank Allocation 9 | 1 979 723 | 2026/05/30 | 2 595 130 | – | **–** | – | – | 1 979 723 | 1 979 723 | **76 244** | – |
| | Performance units – Group Allocation 9 | 1 566 481 | 2026/05/30 | 2 595 130 | – | **–** | – | – | 1 566 481 | 1 566 481 | **76 244** | – |
| | | | | | | | | | | 7 897 650 | **1 881 517** | 978 187 |
| KH Westvig | Performance units – Bank Allocation 8 | 1 404 777 | 2025/05/30 | 1 463 376 | – | **–** | – | 1 404 777 | – | 1 404 777 | **–** | 45 229 |
| | Performance units – Group Allocation 8 | 932 960 | 2025/05/30 | 1 463 376 | – | **–** | – | 932 960 | – | 932 960 | **–** | 45 229 |
| | | | | | | | | | Forfeited | 2 337 737 | **–** | 90 458 |

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## 34. Going concern

The Directors have assessed the Bank's ability to continue as a going concern for a period of at least 12 months from the date of approval of these annual financial statements, based on its three-year forecast and its capital and liquidity plans. As the Bank is in the early stages of sustained profitability, this assessment involved significant judgement. In making the assessment, the Directors considered the following:

- Underlying profitability: In the year ended 30 June 2026 the Bank delivered its first full year of underlying profitability, with a profit before taxation of R61.8 million, excluding the once-off credit impairment charge of R185.9 million arising on the acquisition of the Sanlam Personal Loans business (note 4); the statutory loss before taxation was R124.1 million.
- Access to capital markets: During the year the Bank raised R450.0 million of Tier 2 capital through subordinated loans funded by notes placed with external investors (note 18), demonstrating its ability to access the capital markets.
- Execution of strategy: On 1 June 2026, following regulatory approval, the Bank completed the acquisition of the Sanlam Personal Loans business. This added a seasoned, income-generating personal-loan portfolio that underpins the Bank's forecast earnings (note 4).
- Capital buffers: The Board has set capital buffers above the regulatory minimum requirements, against which the Bank's capital is monitored monthly. At 30 June 2026 the Bank's capital ratios exceeded these Board-approved levels. The Board's forecasts include actions within management's control, including the pace of loan origination and cost management, should capital approach these levels.

On the basis of this assessment, the Directors have concluded that the Bank has adequate resources to continue in operation for the foreseeable future and that no material uncertainty related to going concern exists. The annual financial statements have therefore been prepared on the going concern basis.

## 35. Subsequent events

After the reporting period, 615 871 197 ordinary shares were issued to GoTyme Bank Holdings Limited, in August 2026, in respect of the R595.0 million capital contribution and the R38.8 million transferred on the vesting of share-based payments, and the share issue reserve of R633.8 million was transferred to share capital and share premium (note 19).

On 16 September 2026 TFG gave notice that it will terminate the kiosk services under the joint operations agreement (note 30), with effect from 31 May 2027. On termination the Bank will acquire TFG's share of the kiosks at their depreciated value, estimated at R10.3 million, for redeployment to other sites. This is a non-adjusting event, and no liability was recognised at 30 June 2026.

The Bank is not aware of any other material event that occurred between the reporting date and the date of authorisation for issue of these annual financial statements.

## 36. Contingencies

In the ordinary course of business, the Bank is subject to ongoing oversight by various regulatory bodies. As part of this regulatory environment, the Bank may from time to time be subject to reviews, inspections, or inquiries, which could result in fines, penalties, or other actions in the event of non-compliance with regulatory requirements.

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# Abbreviations and Acronyms

| | |
|---|---|
| **AFT** | African Fig Tree Investments Proprietary Limited |
| **ALCO** | Asset and Liability Committee |
| **ARC** | African Rainbow Capital Financial Services Holdings Proprietary Limited |
| **the Bank** | GoTyme Bank Limited (formerly Tyme Bank Limited) |
| **Banks Act** | Banks Act, No. 94 of 1990 |
| **BCP** | Business continuity plan |
| **BER** | Bureau for Economic Research |
| **CA(SA)** | Chartered Accountant (South Africa) |
| **CALEC** | Credit Approval and Large Exposures Committee |
| **CEO** | Chief Executive Officer |
| **CFP** | Contingency funding plan |
| **CGU** | Cash-generating unit |
| **Companies Act** | Companies Act of South Africa, No. 71 of 2008, as amended |
| **CRO** | Chief Risk Officer |
| **DCF** | Discounted cashflow |
| **EAD** | Exposure at default |
| **ECL** | Expected credit loss |
| **EIR** | Effective interest rate |
| **ESG** | Environmental, social and governance |
| **ESOP** | Employee Share Ownership Programme |
| **EVE** | Economic value of equity |
| **FAIS** | Financial Advisory and Intermediary Services Act, No. 37 of 2002 |
| **FCFE** | Free cashflow to equity |
| **FICA** | Financial Intelligence Centre Act, No. 38 of 2001 |
| **FIFO** | First in, first out |
| **FVTPL** | Fair value through profit or loss |
| **FY25** | Financial year ended 30 June 2025 |
| **FY26** | Financial year ended 30 June 2026 |
| **GDP** | Gross domestic product |
| **IAS** | International Accounting Standard |
| **IASB** | International Accounting Standards Board |
| **IBR** | Incremental borrowing rate |
| **ICAAP** | Internal capital adequacy assessment process |
| **IFRS IC** | IFRS Interpretations Committee |
| **IFRS® Accounting Standards** | International Financial Reporting Standards |
| **Income Tax Act** | Income Tax Act, No. 58 of 1962 |
| **IRRBB** | Interest rate risk in the banking book |
| **IT** | Information technology |
| **$K_e$** | Cost of equity |
| **King IV** | King IV Report on Corporate Governance™ for South Africa, 2016 |
| **King V** | King V™ Code on Corporate Governance for South Africa, 2025[1] |
| **LCR** | Liquidity coverage ratio |
| **LGD** | Loss given default |
| **LRF** | Liquidity risk framework |
| **LTIP** | Long Term Incentive Plan |
| **MCA** | Merchant cash advance |

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| | |
|---|---|
| **NII** | Net interest income |
| **NSFR** | Net stable funding ratio |
| **PA** | Prudential Authority |
| **PAYE** | Pay-as-you-earn |
| **PD** | Probability of default |
| **POCI** | Purchased or originated credit-impaired |
| **PwC** | PricewaterhouseCoopers Inc. |
| **RAS** | Risk Appetite Statement |
| **SAICA** | South African Institute of Chartered Accountants |
| **Sanlam Personal Loans** | Sanlam Personal Loans Proprietary Limited |
| **SARB** | South African Reserve Bank |
| **SARS** | South African Revenue Service |
| **SGOT** | SanlamGoTyme Proprietary Limited |
| **SICR** | Significant increase in credit risk |
| **SPPI** | Solely payments of principal and interest |
| **SPV** | Special purpose vehicle |
| **TFG** | The Foschini Group Limited |
| **VAT** | Value Added Tax |
| **WACC** | Weighted average cost of capital |
| **WIP** | Work in progress |
| **ZARONIA** | South African Rand Overnight Index Average |

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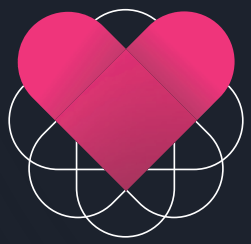

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